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NORTH CAROLINA
DARE COUNTY

FILED

APR 3 PM 4 03

DECLARATION OF CONDOMINIUM
OF
WINDJAMMER CONDOMINIUMALVA G. WISE
REGISTERED OF DEEDS
DARE COUNTY, N.C.

DECLARATION made this 14th day of May, 1980, by Virginia Homes Manufacturing Corp., a North Carolina corporation, hereinafter called "Developer", for itself, its successors and assigns.

1. SUBMISSION TO CONDOMINIUM OWNERSHIP: The purpose of this Declaration is to submit the lands herein described and the improvements to be constructed thereon to the condominium form of ownership and use in the manner provided by Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act).

(a) The name of this corporation is to be identified as Windjammer Condominium, hereinafter called the "condominium", and its address is Mile Post 15 1/2, U. S. 158 Business, Mags Head, North Carolina 27959.

(b) The lands owned by the developer which are herein submitted to the condominium form of ownership are the following:

All that certain tract of land lying and being in the Town of Mags Head, Dare County, North Carolina, and being more particularly described as follows:

BEGINNING at a concrete monument situated in the Southwest corner of the lands now or formerly belonging to Hidden Ridge Development Company as the same adjoins the Eastern margin of the right of way of U. S. 158 Business; running thence from said beginning point, North 66 deg. 43 min. 20 sec. East a distance of 470 feet to a stake or other marker situated at the high water mark of the Atlantic Ocean; thence in a Southerly direction along the high water mark of the Atlantic Ocean to a stake or other marker at the North line of the Epstein Estate as shown on plat of Quible & Associates, Inc., Consulting Engineers and Land Surveyors, dated December 6, 1979, said point being situated on a course of South 17 deg. 13 min. 00 sec. East a distance of 520 feet from the terminal point of the last preceding call; thence South 66 deg. 43 min. 20 sec. West along the Northern line of the lands of Epstein Estate a distance of 470.80 feet to a 4 x 4 hub situated on the Eastern margin of the right of way of U. S. 158 Business; thence North 17 deg. 13 min. 00 sec. West along the Eastern margin of the right of way of U. S. 158 Business a distance of 520 feet to the point or place of beginning.

2. DEVELOPMENT PLANS: The condominium is being developed according to the following plans:

(a) A survey of the land to be developed is attached as Exhibit A.

(b) The improvements will be constructed by the developer substantially in accordance with the plans and specifications therefor prepared by Calvert, Lewis & Smith, Architects which are attached hereto as Exhibit B. The condominium will include four apartment buildings. Building Number One (1) will contain 10 units, Building Number Two (2) will contain 8 units, Building Number Three (3) will contain 8 units, and Building Number Four (4) will contain 4 units. The Condominium will consist of a total of 30 owner units. The condominium will also include automobile parking areas, garbage disposal, parking areas, landscaping, septic tanks and drain fields, and other facilities located substantially as shown on the plans and specifications.

Use of parking area will be permitted according to the regulations of the Association.

(c) Easements are reserved through the condominium property as may be required for utility services.

(d) Encroachment easement. The entire condominium property, including common areas and individual condominium units or apartments shall be subject to easements for encroachments which now exist or hereafter may exist, caused by the settlement or movement of the building, or caused by minor inaccuracies in construction, which encroachments shall be permitted to remain undisturbed and which said easement shall run in favor of each individual condominium unit owner, the association, and the developer.

3. APARTMENT BOUNDARIES. Each apartment shall include that part of the building containing the apartments which lies within the boundaries of the apartment, which boundary shall be determined in the following manner;

(A) The upper boundary shall be the plane of the lower surfaces of the ceiling slab of the upper floor.

(B) The lower boundary shall be the plane of the lower surfaces of the floor slab of the lower floor.

(C) The vertical boundaries of the apartment shall be the exterior of the outside walls of the apartment building bounding the apartment except where there is attached a balcony or other portion of the building serving only the apartment being bounded, in which event the boundaries shall be such as will include all of such structures thereon and the center line of the interior walls bounding an apartment.

4. DEFINITIONS.

(a) "Association of unit owners" means all of the unit owners acting as a group in accordance with the bylaws and declaration.

(b) "Building" means a building or a group of buildings, each building containing one or more units and comprising a part of the property.

(c) "Common areas and facilities", unless otherwise provided herein or lawful amendments hereto, means and includes (1) the land on which the building stands and such other land and improvements thereon as may be specifically included in this declaration; (2) the foundations, columns, beams, supports, main walls, roofs, halls, corridors, stairs, stairways and fire escapes; (3) the yards, garden, parking areas, storage spaces, septic tanks and drain fields; (4) installation of central services such as power, light, water, cable t. v. service, except as contained in the individual units; (5) all maintenance and safety are normally in common use; (6) certain portions of the common areas and facilities are reserved for the use of a particular condominium unit to exclusions of other units and are designated as limited common areas and facilities. Limited common areas and facilities in the condominium units to which they are reserved are as follows:

(1) Building Number One (1): The stairways and porches, exclusive of individual balcony to each unit, are for the use of the owners of units in that building, their families, guests, invitees and lessees;

(2) Building Number Two (2): The stairways and porches, exclusive of individual balcony to each unit, are for the use of the owners of the units in that building, their families, guests, invitees and lessees;

(3) Building Number Three (3): The stairways and porches, exclusive of individual balcony to each unit, are for the use of the owners of units in that building, their families, guests, invitees and lessees; and

(4) Building Number Four (4): The stairways and porches, exclusive of individual balcony to each unit, are for the use of the owners of the units in that building, their families, guests, invitees and lessees.

The terms, the "Association of Unit Owners", "Building", "Common Expense", "Common Areas" and "Facilities", "Common Profit", "Condominium", "Declaration", "Majority" or "Majority of Unit Owners", "Persons", "Property", "Recordation", "Unit" or "Condominium Unit", "Unit Designation", unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, as used herein, have the meaning as set out in Section 3 of Chapter 47A of the General Statutes of North Carolina known as the Unit Ownership Act.

5. DESCRIPTION OF APARTMENTS. The apartments of the condominium are more particularly described as follows:

(a) There is one unit floor plan which is generally as follows:

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by the building plans and specification attached as Exhibit B; each unit, consists on the first floor, a living room, dining room, kitchen and one-half bath; on the second floor of a unit, two bedrooms and a full bath.

(b) Each apartment is identified by the use of a capital letter or a double capital letter as shown on Exhibit C and by the building number in which the unit is located as shown on Exhibit C.

Each condominium is identified by the specific alphabetical and numerical designation and shown as Exhibit C and no condominium unit bears the same designation as any other condominium unit.

6. SHARES OF COMMON ELEMENTS AND EXPENSE. All apartments being equal each unit owner shall own a one-thirtieth (1/30) share in the common elements and in any surplus possessed by the Windjammer Association, Inc., and be liable for 1/30th of the common expenses.

7. MAINTENANCE AND ALTERATIONS OF APARTMENTS. The Association shall maintain, repair and replace:

(1) All portions of an apartment, except interior surfaces, contributing to the support of the apartment building, which portion shall include, but not be limited to the outside walls of the apartment and all fixtures on the exterior thereof; boundary walls of apartments, floor and ceiling slab; and load bearing columns and load bearing walls; and

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of an apartment maintained by the association; and all such facilities contained within an apartment which service parts or parts of the condominium other than the apartment within which it is contained.

All incidental damage caused to an apartment by such work shall be properly repaired at the expense of the association.

The responsibility of the apartment owner shall be:

(1) to maintain, repair, and replace at his expense all portions of his apartment except the portions to be maintained, repaired and replaced by the association;

(2) not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building;

(3) the apartment Owner shall be responsible for the repair and maintenance of all utility lines, wires, conduits, cable t.v. and equipment serving said apartment from the point at which said utility lines, etc., enter the outer boundary of each such apartment.

(4) to properly report to the association any defect or need for repairs the responsibility for which is that of the association; and

(5) except as elsewhere reserved to the developer, neither an apartment owner nor the association shall make any alteration in the portions of an apartment building which are to be maintained by the association or remove any portion thereof, or to make any additions thereto or do anything which would jeopardize the safety or soundness of the apartment building, or impair any easements, without first obtaining approval in writing of owners of all of the apartments in which such work is to be done and the approval of the Board of Directors of the association. A copy of plans for all such work prepared by architect licensed to practice in this State shall be filed with the association prior to the start of the work.

8. ASSESSMENTS.

(a) Assessments against apartment owners for common expenses shall be made pursuant to the by-laws and shall be allocated as set forth in Paragraph 6 of this Declaration.

(b) Assessments and expenses

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days after the date when due shall bear interest at the rate of 10% per annum from the date when due until paid. All payments under account shall be first applied to interest and then to the assessment payment first due.

(c) The lien for unpaid assessments provided by North Carolina law shall also secure reasonable attorney's fees incurred by the association incident to the collection to such assessment or enforcement of such lien.

(d) In any foreclosure of a lien for assessment the owner of the apartment subject to the lien shall be required to pay a reasonable rental for the apartment, and the association shall be entitled to the appointment of a receiver to collect such rental.

9. ASSOCIATION. The operation of the condominium shall be by Windjammer Association, Inc., herein called the Association, a corporation not for profit under the laws of North Carolina which shall be organized and shall fulfill its functions pursuant to the following provisions:

(a) The members of the association shall be the apartment owners.

(b) The association shall be incorporated under the Articles of Incorporation in the form attached as Exhibit D.

(c) The by-laws of the association shall be in the form attached as Exhibit E.

(d) Notwithstanding the duty of the association of maintaining and repairing parts of the condominium property the association shall not be liable for injury or damage other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the association, nor for the injury or damages caused by the elements or other owners or persons.

(e) The share of a member in the funds and assets of the association cannot be assigned, or transferred in any manner except as an appurtenance to his apartment.

(f) Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an association meeting, such decisions shall be expressed by the same person and would cast a vote of such owner if in an association meeting, unless the joinder of record owners is specifically required by this declaration.

(g) The use of common properties, including the limited common areas and facilities, by the owners or owners of all condominium units and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be hereafter prescribed and established by the association.

(h) Recognizing that the proper use of a Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Property in common with the Owners of all other Condominium Units and that it is in the interest of all Owners that the Ownership of the Common Property be retained in common by the Owners, it is hereby declared that the proportional and undivided interest in the Common Property appurtenant to each Condominium Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for petition or division.

10. USE OF UNIT. Each condominium unit is hereby restricted to residential uses, and no immoral, improper, offensive, or unlawful use shall be made of any condominium unit or of the common property, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed. No owner of any condominium unit shall permit or suffer anything to be done or kept in his condominium unit, or on the common property, which will increase the rate of insurance on the condominium or which will obstruct or interfere with the right or other rights of the condominium or annoy them by unreasonable noises, nor shall any owner undertake any use or practice which shall create and constitute a nuisance to any other condominium unit, or which interferes with the peaceful possession and proper use of any other condominium unit.

(a) Until the developer has completed and sold all the apartments, neither the apartments owners nor the association nor the use of the condominium property shall interfere with the completion of the contemplated improvements and the sale of the apartments. The developer may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to the maintenance of a sales office, the showing of the property and display of signs.

(b) Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the association in the manner provided by its Articles of Incorporation and by-laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all apartment owners and residents of the condominium upon request.

11. RIGHT OF ENTRY INTO CONDOMINIUM UNITS IN EMERGENCIES: In case of any emergencies originating in or threatening any condominium unit, regardless of whether the owner or his lessee is present at the time of such emergency, the Board of Directors of the Association or any other person authorized by it, or the managing agent, shall have the right to enter such condominium unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

12. RIGHT OF ENTRY FOR MAINTENANCE OF COMMON PROPERTY: Whenever it may be necessary to enter any condominium unit for the purpose of performing any maintenance, alteration or repair to any portion of the common property, the Owner of each condominium unit shall permit other Owners or their representatives, or the duly constituted authorized agent of the Association, to enter such Condominium Unit for such purpose, provided that the entry shall be only at reasonable times and with reasonable advance notice.

13. RIGHT OF ASSOCIATION TO ALTER IMPROVED COMMON PROPERTY AND ASSESSMENTS THEREFOR:

The Association shall have the right to make or cause to be made such alterations or improvements to the Common Property which do not prejudice the rights of the owner of any Condominium Unit in the use and enjoyment of his condominium unit, provided such alterations and improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be common expenses to be assessed and collected from all owners of condominium units. However, where any alterations or improvements are exclusive or substantially for the benefit of the owners or owners of certain condominium units requesting the same, then the cost of such alteration or improvements shall be assessed against and collected solely from the owners or owners of the condominium unit or units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

14. INSURANCE - AUTHORITY TO PURCHASE: Insurance policy upon the property (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association as trustees for the condominium unit owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of the first mortgages on the condominium units, or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its right of subrogation as to any claims against condominium unit owners, the Association and their respective servants, agents and guests. Each condominium unit owner may obtain insurance, at his own expense, affording coverage upon his condominium unit, his personal property for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver or subrogation as referred to above if the same is available.

15. INSURANCE COVERAGE TO BE MAINTAINED: USE AND DISTRIBUTION OF INSURANCE PROCEEDS:

A. Insurance shall cover the following:

1. All buildings and improvements upon the land and all personal property included in the common elements in the amount equal to the maximum insurable replacement value, excluding foundations, excavation costs, street and parking facilities, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against loss or damage by fire and other risks.

2. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired automobiles and nonowner automobile coverages and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner;
 3. Workmen's compensation as required by law;
 4. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.
- B. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.
- C. The Board of Directors of the Association, acting upon behalf of the apartment unit owners, is hereby irrevocably appointed agent for each apartment owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.
- D. All apartment unit owners and mortgagees of apartment unit owners shall be furnished copies of each insurance policy purchased by the Association, showing the name of the insurance trustee, the name of the insurance company, the policy number, the effective date and the expiration date of the policy, the total amount of the policy and the name and address of the insurance agent issuing the policy. The copy shall also provide that the apartment unit owner and the mortgagee of the apartment owner shall be furnished notification of any change in any cancellation of the policy within 30 days prior written notice before the effective date of said change or cancellation.
- E. Each apartment unit shall have the right to insure his own apartment unit for his own benefit, though this provision will not alter or vary the requirement that the Association purchase insurance on all buildings and improvements in the condominium. Any apartment unit owner that has made or does make permanent improvements within his apartment units that have become or will become affixed to the realty, who desires additional specific contingent insurance on such improvements, may request the Association insurance trustee include this coverage as a separate item in the Association's policy's standard improvements and betterment clause. The premiums for said additional coverage shall be paid for in advance by the apartment unit owner at his own expense and said premium shall not be a portion of the common expenses of the Association. The Association insurance trustee may not unreasonably deny such a request, but it shall not be liable for failure to see that additional insurance is properly issued.
- F. The Association will not purchase or obtain insurance to cover the personal property of each apartment unit owner nor will the Association purchase or obtain insurance to cover the individual liability of an apartment unit owner for injuries and damages suffered by anyone or anything within an apartment unit if said injuries and damages are not a liability of the Association.
16. REPAIR AND REPLACEMENT OF DESTROYED PROPERTY:
- A. Damage to or destruction of any one or all of the buildings and/or improvements, unless as hereinafter stated, shall be promptly repaired and restored by the Board of Directors of the Association using the proceeds of insurance for that purpose. If there is a deficiency in the proceeds of the insurance policies, the apartment unit owner shall be assessed, as a common expense, the difference between the amount of the insurance proceeds and the amount necessary to repair, rebuild or replace the damaged buildings or improvements in its original condition.
 - B. All repairs or reconstruction shall be made substantially in accordance with the plans and specifications used for the original structures or buildings, which plans are attached hereto as Exhibit B and which specifications are attached hereto as Exhibit D.
 - C. Because of the horizontal development of the Windjammer Condominium in the event an apartment building is totally destroyed, the Board of Directors of the Association is hereby directed to promptly cause the erection of an identical building to be commenced, using the proceeds of the insurance for that purpose. If there is any deficiency in the insurance proceeds for complete restoration, the difference shall be borne by all of the apartment unit owners in the condominium as a common expense.
 - D. Only in the event of the destruction of two-thirds of all apartment buildings situated on land subjected to the Unit Ownership Act as described in this Declaration of Condominium, shall the provisions subjected to the Unit Ownership Act as described

Carolina General Statutes Section 47A-16 providing for termination of unit ownership.

E. Any proceeds remaining in any insurance policies after damage for which proceeds have been paid for repairs and restorations and such repairs or restorations has been completed, shall be paid to the Association to be applied to common expenses.

F. In the event the condominium is destroyed to the extent of two-thirds of all apartment buildings and it is determined in accordance with North Carolina General Statutes 47A-25 that the building shall not be repaired or restored then the proceeds from the insurance shall be distributed to the beneficial owners, remittance to unit owners and their mortgagees payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee in making distribution to apartment owners and mortgagees. In making distributions the Association may rely upon a certificate of the ownership of said units as set forth in the Association Registry of Owners.

17. ASSOCIATION TO MAINTAIN REGISTRY OF OWNERS AND MORTGAGEES: The Association shall at all times maintain a registry setting forth the names of the owners of all the condominium units. In the event of the sale or transfer of any condominium unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such condominium unit, together with such recorded information that shall be pertinent to identify the interest by which such purchaser or transferee has acquired his interest in any condominium unit and his address. Further, the owner of each condominium unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any condominium, the amount of such mortgage or mortgages and the recorded information which shall be pertinent to identify the mortgagee or mortgagees and their addresses. The holder of any mortgage or mortgages upon any condominium unit may, if he so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any condominium unit, and upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

18. COMPLIANCE IN DEFAULT. Each apartment owner shall be governed by and shall comply with the terms of this Declaration, by the Articles of Incorporation, by-law and regulations pursuant thereto, and by such documents and regulations as may be amended from time to time. A default shall entitle the Association or other apartment owners to the relief described in Sub-paragraph B of this paragraph in addition to the remedies by the condominium act.

B. An apartment owner shall be liable for the expense of any maintenance repair or replacement necessary by his act, neglect, or carelessness or by that of any member of his family or his guests or employees, agents or lessees but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances. In any proceeding arising from any default by an apartment owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney's fees as may be awarded by the Court.

C. The failure of the Association or any apartment owner to enforce any covenant, restriction, or other provisions of the condominium act, this Declaration, the Articles of Incorporation, the By-laws, or the regulations pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

19. AMENDMENTS.

This Declaration may be amended in the following matter:

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

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy

Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be either by (1) not less than 75 per cent of the entire membership of the Board of Directors and by not less than 75 per cent of the vote of the entire membership of the Association; or (2) not less than 80 per cent of the vote of the entire membership of the Association; or (3) until the first election of the Directors, only by all of the Directors, providing the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

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

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

20. TERMINATION: This condominium may be terminated in the following manner and in addition to the manner provided by the Unit Ownership Act:

A. The termination of the condominium may be effected only by the unanimous agreement of all condominium owners expressed in an instrument to that effect duly recorded; and provided, that the holders of all liens affecting any of the condominium units consent thereunto, or agree, in either case, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the condominium unit owners and the property as provided in Sub-paragraph C below. The termination shall become effective when such agreement has been recorded in the public records of Dare County, North Carolina.

B. If it is determined in the manner elsewhere provided that the condominium shall not be reconstructed after casualty, the condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. If it is the determination not to reconstruct after casualty, there shall be evidence by certificate of the Association certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Dare County, North Carolina.

C. After termination of the condominium, the condominium unit owner shall own the property as tenants in common and undivided shares and the holders of mortgages and liens against the condominium unit or units formerly owned by such condominium unit owners shall have mortgages and liens upon the respective undivided shares of the condominium unit owners. The undivided share or interest known as tenants in common shall be that percentage of the undivided interest in the common area and facilities previously owned by each unit owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held by the unit owners in the same proportion. The cost incurred by the Association in connection with the termination shall be a common expense.

D. Following termination, the property may be partitioned and sold upon the application of any condominium unit owner. Following termination, if the Board of Directors determines by not less than three-fourths vote to accept an offer for the sale of the property, each condominium unit owner shall be bound to execute such deeds and other documents reasonably required to effect such sales at such times and in such forms as the Board of Directors directs. In such event any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. The number of the Board of Directors acting collectively as agent for all condominium unit owners, shall continue to have such powers to this article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

21. RIGHT OF DEVELOPER TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION:

A. So long as the Developer owns four (4) or more condominium units in the condominium, but in the event no longer than December 31, 1983, the developer shall have the right to designate and select the persons who shall serve as members of each Board of Directors of the Association.

B. In the event of dissolution of the Developer at a time when it is the owner of a condominium unit then the rights of the developer shall pass to and may be exercised by its successors by receiving ownership of any such condominium unit in dissolution.

C. Whenever the Developer shall be entitled to designate and select any person or person to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in Articles of Incorporation and/or By-laws of the Association, and developer shall have the right to remove any person or persons selected by it to serve and act on said Board of Directors and to replace such person or persons with another person or persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired terms of any Director or Directors so removed. Any Director designated and selected by the developer need not be a resident in the condominium. However, the developer shall be responsible for the payment of any assessments that may be levied by the Association against any condominium unit or units owned by the said developer, and for complying with the remaining terms and provisions thereof in the same manner as any other owner of a condominium unit or units.

22. SERVERABILITY: The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase, or word or other provisions of this Declaration and the Articles of Incorporation, By-Laws, and regulations of the Association shall not affect the validity of the remaining portions thereof.

23. AGENT FOR SERVICE OF PROCESS: The following named individual is designated to receive service of process for the Association:

Sue Vick McGown, Sir Walter Raleigh Avenue, Manteo, North Carolina 27954.

IN WITNESS WHEREOF, Virginia Homes Manufacturing Corp. has caused these presents to be executed in its name by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, this 14th day of May 1980, at Nags Head, North Carolina.

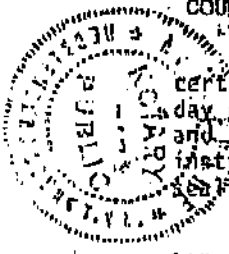
VIRGINIA HOMES MANUFACTURING CORP.

By [Signature]
President

ATTEST

sec

STATE OF VIRGINIA
COUNTY OF WICKLENBURG



I, [Signature], a Notary Public, do hereby certify that [Signature] personally appeared before me this [Day] day and acknowledged that he is Secretary of Virginia Homes Manufacturing Corp., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

1981.

WITNESS my hand and notarial seal this 9th day of March.

[Signature]
Notary Public