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DECLARATIOND. J. A. FRY
REGISTER OF DEEDS

THIS DECLARATION, made this 7th day of January, 1987, by Kitty Hawk Bay Development Corporation, a North Carolina Corporation and First Service Corporation of North Carolina, ("Developer"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

W I T N E S S E T H:

WHEREAS, Developer is the owner in fee simple of certain real estate situated in the City of Kill Devil Hills, County of Dare, and State of North Carolina, legally described on Exhibit A, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate; and

WHEREAS, Developer desires to submit all of said property to the Act.

NOW, THEREFORE, Developer, as the owner of said property, hereby declares as follows:

ARTICLE I.

Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

- 1.1. Act. The North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.
- 1.2. Additional Real Estate. The real estate described in Exhibit A-1 together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.
- 1.3. Association. Oyster Pointe On Kitty Hawk Bay Owners Association, Inc., a nonprofit corporation organized under Chapter 55A, North Carolina General Statutes.
- 1.4. Board. The Board of Directors of the Association.
- 1.5. Bylaws. The Bylaws of the Association which are hereby incorporated herein and made a part hereof by this reference.
- 1.6. Common Elements. All portions of the Condominium except the Units. Limited Common Elements are Common Elements.
- 1.7. Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.
- 1.8. Condominium. The condominium created by this Declaration.
- 1.9. Declarant. Developer and (i) any other person who has executed this Declaration, or who hereafter executes an amendment to this Declaration to add Additional Real Estate, except Security Holders and except persons whose interests in the Property will not be conveyed to Unit Owners, and (ii) any person who succeeds to any Special Declarant Rights pursuant to Section 47C-3-104 of the Act.
- 1.10. Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date five (5) years after the date of the first conveyance of a Unit to a Unit Owner other than a Declarant, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date sixty (60)

days after the Declarant has conveyed seventy-five (75%) percent of the Units to Unit Owners other than a Declarant.

1.11. First Mortgage and First Mortgagee. A First Mortgage is a mortgage or deed of trust which has been recorded so as to give constructive notice thereof, and which is a first lien on the Units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the office in which the First Mortgage is recorded, including a purchaser at foreclosure sale upon foreclosure of a First Mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgagee for all purposes under this Declaration and the Bylaws.

1.12. Floor Plans. The floor plans of the Condominium recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended.

1.13. Limited Common Elements. Those portions of the Common Elements, if any, allocated by operation of Section 47C-2-102(2) or (4) of the Act for the exclusive use of one but fewer than all of the Units and also any Limited Common Elements specifically allocated to Units on Exhibit B.

1.14. Occupant. Any person or persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees.

1.15. Person. A natural person, corporation, partnership, trust or other entity, or any combination thereof.

1.16. Property. The real estate described on Exhibit A, and the real estate described on Exhibit A-1, if added by Declarant pursuant hereto, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.17. Security for an Obligation. The vendor's interest in a contract for deed, mortgagee's interest in a mortgage, trustee's interest in a deed of trust, purchaser's interest under a sheriff's certificate of sale during the period of redemption, or the holder's interest in a Lien.

1.18. Security Holder. Any person owning a Security for an Obligation in a Unit.

1.19. Special Declarant Rights. The rights reserved herein and in the Bylaws for the benefit of a Declarant, as follows: to complete the improvements indicated on the Floor Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to use easements through the Common Elements; to elect, appoint or remove members of the Board during the Declarant Control Period; and to add Additional Real Estate. Declarant shall have no right to subdivide or convert Units owned by Declarant.

1.20. Unit. A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit C. Each Unit is designated and delineated on the Floor Plans.

1.21. Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Floor Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, the undecorated surfaces of the ceiling facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior panelling, tiles, wallpaper, paint, finished floorings and any other materials constituting any part of the decorated

surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries.

1.22. Unit Owner. The person or persons, including the Declarant, owning a Unit in fee simple, including contract-for-deed purchasers of a Unit, but excluding contract-for-deed purchasers of a Unit who are Security Holders, and also excluding all other Security Holders.

ARTICLE II.

Submission of Property to the Act

2.1. Submission. Developer hereby submits the Property to the Act.

2.2. Name. The Property shall hereafter be known as the Oyster Pointe Condominiums.

2.3. Division of Property into Separately Owned Units. Developer, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into 36 Units and does hereby designate all such Units for separate ownership, subject, however, to the provisions of Section 2.4 hereof. The reference to the number of units is specifically limited to the first phase of the project, in that additional units included within the condominium project will or may be added as additional phases, and this declaration is subject to such additional developers rights as set forth in the other sections hereof.

2.4. Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Sections 47C-2-113(a) and (b) of the Act.

2.5. Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit. In addition to those defined in Section 1.13, Limited Common Elements include those set forth on Exhibit B and are hereby allocated to Units as shown on Exhibit B.

2.6. Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, of votes in the Association, and of a percentage of the Common Expenses, are as stated on Exhibit C. The allocation of undivided interests in the Common Elements and of the Common Expenses is according to the area of each Unit to the area of all Units. The votes in the Association are equally allocated to all Units.

2.7. Encumbrances. The liens, defects and encumbrances on the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit D.

2.8. Condominium Ordinances. The Condominium is not subject to any code, real estate use law, ordinance, charter provision, or regulation (i) prohibiting the condominium form of ownership, or (ii) imposing conditions or requirements upon developments under a different form of ownership. This statement is made pursuant to Section 47C-1-106 of the Act for the purpose of providing marketable title to the Units in the Condominium.

2.9. Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights.

ARTICLE III.

Additional Real Estate

3.1. Declarant's Right to Add Additional Real Estate. Declarant expressly reserves the right to add the Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on Exhibit A-1 may be added to the Condominium at different times, but no assurances are made in regard

for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purposes.

4.5. Easements To Run With Land. All easements and rights described in this Article III are appurtenant easements running with the land, and except as otherwise expressly provided in this Article IV shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Security Holders and any other person having any interest in the Condominium or any part of any thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

4.6. Cable Television Easement. Declarant is presently negotiating or may attempt to negotiate a cable television wiring agreement with Outer Banks Cablevision which would provide such company with an easement for installing and maintaining a line connecting the cable television wire located in the building to cable system. Any such agreement would be entered into by the Declarant, the cable television company and the Association.

ARTICLE V.

Restrictions, Conditions and Covenants

5.1. Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and rules and regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, and aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction or other relief.

5.2. Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

5.3. Use Restricted; Use by Declarant.

(a) The Units shall be occupied and used by Unit Owners and Occupants for residential purposes only.

(b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit Owner or Occupant on any part of the Condominium without the prior written consent of the Board.

(c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant may maintain sales offices for sales of Units in the Condominium and models as follows: Units A-5.

Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed the number set out above, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

(d) Declarant also may maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all

such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the Condominium for management of the Condominium.

5.4. Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his Unit or the Common Elements.

5.5. Alterations of Common Elements. No Unit Owner or Occupant, except Declarant during the Declarant Control Period, shall alter, construct anything upon, or remove anything from, the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board.

5.6. Renting of Units. Any Unit Owner who enters into a lease of his Unit for a lease term longer than 30 days shall promptly notify the Association of the name and address of each lessee, the Unit rented, and the term of the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit.

5.7. Pets. No pet shall be allowed in the Condominium, except as may be provided by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws.

5.8. Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws.

5.9. Restrictions, Conditions and Covenants To Run With Land. Each Unit Owner and Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

ARTICLE VI.

Assessments

6.1. Assessment Liens. The Board has the power to levy assessments against the Units for Common Expenses. Such assessments shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws. The Bylaws shall set the method of assessment, the procedure for collection and any other matters necessary to identify the nature of the assessment rights set forth herein. This specifically includes, but not by way of limitation, the method for collection of liens and assessments in the manner set forth in N.C.G.S. Chapter 44A, et. Seq.

6.2. Personal Liability of Transferees; Statement; Liability of First Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 8.11 of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where a mortgagee or the beneficiary of a deed of trust, or other person claiming through such deed of trust, pursuant to the remedies provided in a deed of trust or debt instrument, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such mortgagee or such other person defined herein for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under (b) above or, resulting as provided in (c) above, from the exercise of remedies in a deed of trust, or by foreclosure thereof or by deed, or by assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the purchaser at foreclosure or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.3. Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

ARTICLE VII.

Management, Maintenance, Repairs, Replacements, Alterations and Improvements

7.1. Common Elements.

(a) By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, and, subject to the provisions of Section 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by

the Association, and the cost thereof shall be a Common Expense.

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional acts or the intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

7.2. Common Expenses Associated with Limited Common Elements or Benefitting Less Than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense benefitting less than all of the Units against the Units benefitted in proportion to their Common Expense liability.

7.3. Units. Each Unit Owner shall maintain his Unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his Unit; shall perform his responsibilities in such manner as not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agents, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

7.4. Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

7.5. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous condition or situation originating in or threatening that Unit or any of the Limited Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter

his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit of, or performing the duties and obligations under the Act, this Declaration or the Bylaws of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 7.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Element

ARTICLE VIII.

Insurance

8.1. Casualty Insurance. The Association shall maintain casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and Security Holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis and shall insure against such risks and contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-112(g) of the Act.

8.2. Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants and holders of a vendor's interest in a contract for deed on a Unit, the Association, the Board, the manager, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million Dollars (\$1,000,000) per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units. In the event that the market for insurance does not have available at a price or cost justifiable by reasonable decision of the Board of Directors of the Association the insurance specified herein, the Board may make such judgments as to insurance as necessary consistent with the intentions of this paragraph for the best interest of the Association.

8.3. Fidelity Coverage. Fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1-1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds shall be a Common Expense.

8.4. Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners. If at least one Unit is subject to FNMA/FHLMC financing, the Association shall obtain and keep in force such insurance as the

standards for FNMA/FHLMC approved loans shall require from time to time.

8.5. Insurance Trustee. The Board may engage, and pay as a Common Expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

8.6. Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interests; provided that any such insurance shall contain waivers pursuant to Section 7.3 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE IX.

Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(d) and (g) of the Act.

ARTICLE X.

Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XI.

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act.

ARTICLE XII.

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Sections 47C-2-108 and 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

ARTICLE XIII.

Rights of First Mortgagees;
VA, FNMA and FHLMC Provisions

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

13.1. Amendments during Declarant Control Period. Any amendments to this Declaration or to the Bylaws during the Declarant Control Period shall be subject to the prior approval of the elected

representative of a majority of the holders of first mortgage position FNMA/FHLMC secured loans provided, however, that, if said representative or such lender(s) fails to respond to a written request for approval within thirty (30) days of said request, approval shall be deemed to have been given.

13.2. Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the First Mortgagees and the insurers and guarantors of a First Mortgage on any Unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide an audited financial statement for the preceding fiscal year if requested in writing by a First Mortgagee or insurer or guarantor of a First Mortgage. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, other rules and regulations governing the Condominium, and the most recent annual audited financial statement (if one is prepared).

13.3. Successors' Personal Obligation for Delinquent Assessments. The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the successors in title or interest to said Unit unless said delinquent assessments are expressly assumed by them.

13.4. Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

13.5. Management and Other Agreements. Any management agreement between the Declarant or the Association and a professional manager or any other agreement providing for services of the developer, sponsor, builder or Declarant shall be terminable by either party thereto without cause and without payment of a termination fee upon not more than thirty (30) days' prior written notice and shall not exceed a term of three (3) years, subject to renewal by the consent of both parties.

13.6. Right of First Refusal. The right of a Unit Owner to sell, transfer, mortgage or otherwise convey his interest in his Unit shall not be subject to any right of first refusal.

13.7. Consent of First Mortgagees. This Section 13.7 shall be effective only if, at the time this Section would apply, at least one Unit is subject to financing. Any decision to terminate the Condominium for reasons other than substantial destruction or condemnation of the property shall require the prior written consent of Eligible Mortgage Holders, as defined in Section 13.9 hereof, representing at least 67% of the votes allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act. Except for any amendment to the Declaration made for the purpose of adding any of the Additional Real Estate to the Condominium in accordance with the provisions hereof, any amendment to the Declaration or Bylaws which changes any of the following shall require the prior written consent of Unit Owners holding at least 67% of the total votes in the Association and of Eligible Mortgage Holders representing at least 51% of the votes allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act or hereunder:

- (a) voting rights;
- (b) assessments, assessment liens or subordination of such liens;

- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or Common Elements into Units;
- (h) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;
- (l) a decision by the Association to establish self-management when professional management had been required previously by any Eligible Mortgage Holder;
- (m) restoration or repair of the Condominium (after damage or destruction or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;
- (n) any action to terminate the legal status of the Condominium after substantial damage or destruction or condemnation; or
- (o) any provisions that expressly benefit First Mortgages or insurers or guarantors of First Mortgages.

13.8. Consent of First Mortgagees or Unit Owners. This Section 13.8 shall be effective only if, at the time this Section would apply, at least one Unit is subject to FNMA/FHLMC financing. Unless First Mortgagees holding at least 66 2/3% of the votes allocated to First Mortgagees (except First Mortgagees having one vote per Unit financed), or such higher percentage as is required by law, of the First Mortgagees (based upon one vote for each First Mortgage owned) and Unit Owners (other than a Declarant) holding at least 66 2/3% of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

- (a) by act or omission, seek to abandon or terminate the Condominium;
- (b) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, change the pro rata interest or obligations of any 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 Unit in the Common Elements;
- (c) partition or subdivide any Unit;

- (d) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause);
- (e) use hazard insurance proceeds for losses to any part of the Condominium (whether to Units or to Common Elements) for other than repair, replacement or reconstruction thereof.

13.9. Notice. Each First Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of First Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee held its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each First Mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders shall be considered an "Eligible Mortgage Holder." With respect only to non-material amendments (which excludes items (a) to (c) of Section 13.7), such as for the correction of technical errors or for clarification, any First Mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

13.10. Assessments. Assessments shall be due and payable in monthly installments. As provided in Article VIII of the Bylaws and as legally required by Section 47C-3-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that Unit. Unit Owners shall have no obligation to pay monthly assessments until an assessment is levied. Assessments will begin at such time as the Board elects.

13.11. Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. With respect to First Mortgages held by or for the benefit of FNMA/FHMLC, no provision of this Declaration or the Bylaws shall be deemed to give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its First Mortgage on said Unit Owner's Unit, in the case of a distribution to said Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

13.12. Additional Real Estate: Common Element Interests; Reallocation. If the Additional Real Estate is added, the ownership interest in the Common Elements and the liability for Common Expenses for each Unit shall be reallocated in proportion to the area of each Unit to the area of all Units and the voting rights in the Association shall be reallocated on the basis of equality. The effective date for amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the Units added to the Condominium shall be the date the Board levies an assessment against said Units. All improvements intended to be located within any portion of the Additional Real Estate added to the Condominium shall be substantially completed prior

to the addition of said portion of the Additional Real Estate.

ARTICLE XIV.

General Provisions

14.1. Conflict with the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstances.

14.2. Interpretation of Declaration. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

14.3. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

14.4. Exhibits. The exhibits referenced in this declaration are incorporated herein by reference, whether or not they are attached hereto and recorded herewith.

In Witness Whereof, the Declarant has executed this Declaration as of the day and year first above written.



KITTY HAWK BAY DEVELOPMENT CORPORATION

BY: [Signature]
Robert F. Harrell, Vice President

ATTEST: —

BY: [Signature]
R. V. Owens, III, Assistant Secretary

FIRST SERVICE CORPORATION OF NORTH CAROLINA

BY: [Signature]
R. V. Owens, III

BY: [Signature]
Robert F. Harrell

Attorneys in Fact

IN WITNESS WHEREOF, I have hereunto set my hand this the 17th day of December, 1986.

Robert Harrell (SEAL)
Robert Harrell

NORTH CAROLINA
DARE COUNTY

I, Michelle Tourne a Notary Public in and for the aforesaid State and County, do hereby certify that Robert Harrell personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 17th day of December, 1986.

Michelle Tourne
Notary Public



My Commission Expires:

December 4, 1990

NORTH CAROLINA

DARE COUNTY

I, Janice S. Tillett, a Notary Public for said County and State, do hereby certify that R. V. Owens, III and Robert F. Harrell, Attorneys in Fact for First Service Corporation of North Carolina, personally appeared before me this day, and being by me duly sworn, say that they executed the foregoing and annexed instrument for and in behalf of the said corporation, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds in the County of Dare, State of North Carolina, on the 7th day of January, 1987, and that this instrument was executed under and by virtue or the authority given by said instrument granting them power of attorney.

I do further certify that the said R. V. Owens, III and Robert F. Harrell acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said First Service Corporation of North Carolina.

Witness my hand and official seal, this the 7th day of January, 1987.

Janice S. Tillett
Notary Public



My Commission Expires: 3-31-87

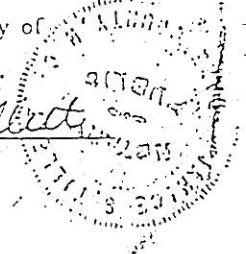
NORTH CAROLINA

DARE COUNTY

I, a Notary Public of the County and State aforesaid, certify that R. V. Owens III personally came before me this day and acknowledged that he/she is Assistant Secretary of Kitty Hawk Bay Development Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him as its Assistant Secretary.

Witness my hand and official stamp or seal, this the 7th day of January, 1987.

Janice S. Tillett
Notary Public



My Commission Expires: 3-31-87

DARE COUNTY NORTH CAROLINA

The foregoing certificate of Michael Ferrance of Dare Co., NC
& Janice S. Tillett of Dare Co., NC
both being Notaries Public

is 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 for Dare County

By Norma Jean Ward Ass't Register of Deeds

Recorded Jan 23 1987

THE CONSENT OF THE MORTGAGEE

United Federal Savings and Loan Association is the holder of a certain deed of trust on the property described in the Declaration of Unit Ownership for the Oyster Pointe condominium project. The deed of trust is recorded in Book 457 at Page 396 of the Dare County Public Registry. As the holder of said mortgage, United Federal Savings and Loan Association does hereby consent to the terms, conditions and covenants in the foregoing declaration and the bylaws which are referred to therein and agrees that the lien of the deed of trust, any of the individual covenants contained therein and any and all interest of the savings and loan as mortgagee or holder of that deed of trust are subject to the terms, conditions and covenants contained in said declaration.

In witness whereof this consent has been executed in the name of the said mortgage holder, the 15 day of December, 1986.

UNITED FEDERAL SAVINGS AND LOAN ASSOCIATION

By: J. C. ChristITS: President

EXHIBIT A

DESCRIPTION

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village Subdivision and adjoining Bay Drive, all being in the Town of Kill Devil Hills, Dare County, North Carolina and more particularly described as follows.

Beginning at a point located in the Western right of way of Bay Drive, said road having a fifty foot right of way at this point, and said point marking the Northeastern corner of Lot Number 118 of the Subdivision of First Flight Village, Section 3, Phase B, as shown on a plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry and marking the Northeastern corner of said Lot 118 as it adjoins the right of way of Bay Drive; thence running from the point of beginning a course of South 85° 56' 51" West a distance of 225.20 feet, following the Northern boundary lines of Lots 118, 117 and 116 to a point; thence turning and running North 60° 45' 55" West a distance of 262.83 feet following the Northern boundary lines of Lots 116, 115 and 114 to a point; thence turning and running North 84° 16' 05" West a distance of 320.00 feet to a point in the Northwestern corner of Lot Number 111, said call following the boundary lines of Lots 113, 112 and 111; thence turning and running North 03° 11' 21" East a distance of 52.55 feet to a point; thence running North 11° 06' 57" West a distance of 173.76 feet to a point; thence running North 04° 13' 31" West a distance of 190.02 feet to a point; thence running North 04° 02' 57" East a distance of 394.21 feet to a point, said point marking the Southern boundary of a one hundred foot canal right of way owned by the North Carolina Highway Commission and containing within such right of way a canal or drainage ditch; thence turning and running South 84° 16' 05" East, following the edge of the right of way a distance of 317.31 feet to a point; thence continuing and following the right of way South 60° 45' 55" East a distance of 272.53 feet to a point; thence continuing and following the said right of way boundary a course of North 85° 56' 51" East a distance of 368.04 feet to a point; thence continuing and following the right of way a course of South 67° 15' 22" East a distance of 113.66 feet to a point where the Southern right of way of the North Carolina Highway Commission intersects the Western and Northwestern right of way of Bay Drive; thence turning and running South 63° 24' 11" West a distance of 49.35 feet along the Western right of way of Bay Drive; thence continuing and following the right of way of Bay Drive along the curvature thereof an arc distance of 296.11 feet along a curve having a radius of 265.50 feet to a point; thence continuing South 00° 29' 56" East a distance of 94.19 feet; thence following another curve along the right of way of Bay Drive which curve has an arc distance of 140.05 feet and a radius of 412.13 feet to a point; thence following another curve along the right of way of Bay Drive, said curve having an arc distance of 253.35 feet to a point; thence running South 00° 29' 56" East a distance of 119.54 feet along the right of way of Bay Drive to the point or place of beginning.

Same being a parcel consisting of 15.7 acres with courses and distances being taken from a survey prepared by C. P. Lewis, Surveyor, and being labeled as "Site Plan for Oyster Pointe" and drawn August 1, 1985, with latest revision dated May 29, 1986.

EXHIBIT A-1

DESCRIPTION

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, Dare County, North Carolina and more particularly described as follows.

Beginning at a point located in the Western right of way of Bay Drive, said road having a fifty foot right of way at this point, and said point of beginning being located the following courses and distances from the Northeastern corner of Lot Number 118 of the Subdivision of First Flight Village, Section 3, Phase B, as shown on a plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry and said point of reference being the intersection point of the Northeast corner of Lot 118 with the right of way of Bay Drive; thence running from the point of beginning a course of North 00° 29' 56" East a distance of 119.54 feet to a point; thence following the curve of the right of way of Bay Drive along an arc distance of 96.31 feet, said curve having a radius of 462.13 feet to the point of beginning; thence running from the point of beginning a course of North 44° 06' 57" West a distance of 243.91 feet to a point; thence turning and running North 73° 06' 57" West a distance of 258.00 feet to a point; thence turning and running South 26° 53' 03" West a distance of 50.00 feet to a point; thence turning and running South 69° 23' 03" West a distance of 97.00 feet to a point; thence turning and running North 39° 36' 57" West a distance of 64.00 feet to a point; thence turning and running an approximate course of South 69° 23' 03" West and an approximate distance of 64.00 feet to a point located in the Western right of way of a street with parking areas adjacent to the street and said point being further identified and located by a reversal of the remaining calls in this description from the point of beginning; thence running South 55° 53' 03" West a distance of 198.00 feet to a point; thence turning and running North 11° 06' 57" West a distance of 63.76 feet to a point; thence running North 04° 13' 31" West a distance of 190.02 feet to a point; thence running North 04° 02' 57" East a distance of 394.21 feet to a point, said point marking the Southern boundary of a one hundred foot canal right of way owned by the North Carolina Highway Commission and containing within such right of way a canal or drainage ditch; thence turning and running South 84° 16' 05" East, following the edge of the right of way a distance of 317.31 feet to a point; thence continuing and following the right of way South 60° 45' 55" East a distance of 272.53 feet to a point; thence continuing and following the said right of way boundary a course of North 85° 56' 51" East a distance of 368.04 feet to a point; thence continuing and following the right of way a course of South 67° 15' 22" East a distance of 113.66 feet to a point where the Southern right of way of the North Carolina Highway Commission intersects the Western and Northwestern right of way of Bay Drive; thence turning and running South 63° 24' 11" West a distance of 49.35 feet along the Western right of way of Bay Drive; thence continuing and following the right of way of Bay Drive along the curvature thereof an arc distance of 296.11 feet along a curve having a radius of 265.50 feet to a point; thence continuing South 00° 29' 56" East a distance of 94.19 feet; thence following another curve along the right of way of Bay Drive which curve has an arc distance of 140.05 feet and a radius of 412.13 feet to a point; thence following the curve of Bay Drive an arc distance of 157.04 feet to a point, said curve having a radius of 462.13 feet and said point representing the point or place of beginning.

Same being those portions of the Oyster Pointe Condominium properties subject to the additional developers rights and in which property the additional Oyster Pointe phases will be constructed.- This property is further defined in Article I, Section 1.2 of the Declaration of the Oyster Pointe Condominium Project and at other points within the Declaration referring to "additional real estate" and similar references.

EXHIBIT B

For the purpose of the First Phase of
the Oyster Pointe Condominium Project,
there are no Limited Common Elements.

EXHIBIT C

| <u>Unit No.</u> | <u>Percentage of Undivided Interest in Common Elements</u> | <u>Percentage of Common Expenses</u> | <u>Votes in Association</u> |
|---------------------|--|--|---------------------------------|
| A - 1 | 2.70% | 2.70% | 1/36th |
| A - 2 | 2.70% | 2.70% | 1/36th |
| A - 3 | 2.70% | 2.70% | 1/36th |
| A - 4 | 2.70% | 2.70% | 1/36th |
| A - 5 | 2.70% | 2.70% | 1/36th |
| A - 6 | 2.70% | 2.70% | 1/36th |
| A - 7 | 2.70% | 2.70% | 1/36th |
| A - 8 | 2.70% | 2.70% | 1/36th |
| B - 1 | 2.70% | 2.70% | 1/36th |
| B - 2 | 2.70% | 2.70% | 1/36th |
| B - 3 | 2.70% | 2.70% | 1/36th |
| B - 4 | 2.70% | 2.70% | 1/36th |
| B - 5 | 2.70% | 2.70% | 1/36th |
| B - 6 | 2.70% | 2.70% | 1/36th |
| B - 7 | 2.70% | 2.70% | 1/36th |
| B - 8 | 2.70% | 2.70% | 1/36th |
| C - 1 | 2.70% | 2.70% | 1/36th |
| C - 2 | 2.70% | 2.70% | 1/36th |
| C - 3 | 2.70% | 2.70% | 1/36th |
| C - 4 | 2.70% | 2.70% | 1/36th |
| C - 5 | 2.70% | 2.70% | 1/36th |
| C - 6 | 2.70% | 2.70% | 1/36th |
| C - 7 | 2.70% | 2.70% | 1/36th |
| C - 8 | 2.70% | 2.70% | 1/36th |
| D - 1 | 3.75% | 3.75% | 1/36th |
| D - 2 | 2.70% | 2.70% | 1/36th |
| D - 3 | 2.70% | 2.70% | 1/36th |
| D - 4 | 2.70% | 2.70% | 1/36th |
| D - 5 | 2.70% | 2.70% | 1/36th |
| D - 6 | 3.75% | 3.75% | 1/36th |
| D - 7 | 3.05% | 3.05% | 1/36th |
| D - 8 | 2.70% | 2.70% | 1/36th |
| D - 9 | 2.70% | 2.70% | 1/36th |
| D - 10 | 2.70% | 2.70% | 1/36th |
| D - 11 | 2.70% | 2.70% | 1/36th |
| D - 12 | 3.05% | 3.05% | 1/36th |

At such time as additional units are added to the condominium, the percentage of undivided interest in common elements and the percentage of undivided interest in common expenses will be reallocated. The formula for such reallocation and for successive reallocations will be to calculate the area of each unit and the area of the total units and determine the percentage that each unit bears to the whole. That will be the revised or reallocated percentage. For purposes of votes, each unit shall have one vote, without regard to the area of the unit or the number of bedrooms.

EXHIBIT D

List of Liens, defects and encumbrances to which the rights of unit owners are subject:

1. Matters set forth in the attached "Schedule B, Section 2" of the title insurance policy; attached hereto.
2. General service and utility easements to supply utility service to the condominium property.
3. Rights of the Association and the unit owners and the Declarant set forth in the Declaration of unit ownership and the related documents; plats and plans, and Bylaws.
4. Construction loan and permanent financing, whether renewed or extended and whether represented by the existing financing for developer now in place; except that the individual units and the respective percentages of common ownership will be released prior to conveyance to the unit owners.
5. The provisions of Chapter 47C of the North Carolina General Statutes.

Lawyers Title Insurance Corporation

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

3. Deed of Trust from Kitty Hawk Bay Development Corporation (75%) and First Service Corporation of North Carolina (25%) as tenants in common to a designated trustee for United Federal Savings and Loan Association of Rocky Mount, conveying the estate to be insured.
4. Certifying attorney to certify that escrow satisfactory to the Company is being held by the attorney as against the lien claim and civil action by Qulble and Associates described in 82-CVS-412, Dare County Clerk of Court.
5. Owner's and Contractor's Affidavit (Construction in Progress) must be executed and submitted with Final Certificate.
6. Cancellation or release of Deed of Trust to Battle, Winslow, Scott & Wilay, P.A., Trustee for United Federal Savings and Loan Association of Rocky Mount, recorded in Book 444, Page 603, Dare County Registry.

SCHEDULE B - SECTION 2 (EXCEPTIONS)

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company. The insured Deed of Trust will appear as an exception in the Owner's Policy when applicable.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. The lien of all taxes for the year 1986 and thereafter which are not yet due and payable.
3. Pending disbursement of the full proceeds of the loan secured by the Deed of Trust described in Schedule "A" hereof, the company insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to, the title, up to the amount of insurance in the policy.
4. Easement to VEPCO recorded in Book 65, Page 455, Dare County Registry.
5. Drainage easement to State Highway Commission to construct and maintain a canal across subject property recorded in Book 93, Page 326, and amended in Book 215, Page 844, Dare County Registry.

(continued on next page)

Commitment No. BE036051-CT

Lawyers Title Insurance Corporation

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

6. Title to all marshes and all portion of the property lying below the mean high water line of abutting waters or which would lie below the mean high water line of abutting waters except for man-made fills or jetties, groins and other artificial aids to accretion.
7. Rights of others, if any, in and to the canals affecting the insured land as shown on survey dated August 1, 1985 and revised May 23, 1986, by C. P. Lewis, Jr., Registered Land Surveyor.
8. Survey dated August 1, 1985 and revised May 23, 1986, by C. P. Lewis, Jr., Registered Land Surveyor reveals the following: (1) U.S.A.C.E. lines affecting the insured land (2) VEPCO easement fifty (50) feet in width affecting the northeastern corner of the insured land.
9. Such state of facts occurring subsequent to May 23, 1986 as would be disclosed by an accurate survey and inspection of the land.

Countersigned:



Authorized Representative

06/04/86 MS

Commitment No. BE036051-CT

Issued by LAWYERS TITLE OF NORTH CAROLINA, Raleigh NC (919) 829-3269

'87 FEB 20 PM 5 03

NORTH CAROLINA
DARE COUNTY

AMENDED DECLARATION

RECORDED
PUBLIC REGISTRY

This amended declaration is made and entered the 13th day of February of 1987 by Kitty Hawk Bay Development Corporation, a North Carolina Corporation and First Service Corporation of North Carolina ("Developer"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

WITNESSETH:

WHEREAS, the Developer is the owner and fee simple of certain real estate located in the Town of Kill Devil Hills, County of Dare, State of North Carolina, which property is being developed as a condominium project known as "Oyster Pointe";

AND WHEREAS, the Developer has set forth a certain declaration which is dated the 15th day of December of 1986 and recorded in Book 492, at Page 454 of the Dare County Public Registry and which declaration sets forth the terms under which the property owned by the Developer is submitted to the North Carolina Condominium Act;

AND WHEREAS, the Developer desires to make known certain additional provisions as an amendment to and a supplement to the original declaration which was recorded as referred to here and above and to that end has set forth this amended declaration and does hereby declare as follows:

1. The real estate described in Exhibit A-1 to the original declaration is re-described in a new Exhibit A-1 which is attached to this amended declaration. Exhibit A-1 includes the real estate known as "additional real estate" which is particularly addressed in Article III of the original declaration in as much as the original declaration and the Exhibit A-1 thereto contained an estimated call within the text of that description, the Developer now desires to state more exactly the description of that property and has re-described Exhibit A-1 for that purpose.

2. There is recorded simultaneously with this amended declaration a plat or survey labeled "Plat for Oyster Pointe Condominium" prepared by C. P. Lewis, Surveyor, and noted as surveyed on January 5, 1987 and platted on January 8, 1987. The information contained on such plat is incorporated into this amended declaration by reference. It is intended by this amended declaration and by the recording of this additional plat to satisfy with more particularity the provisions of NCGS Chapter 47C-2-109 and the requirements set forth therein for a plat or plan for the condominium.

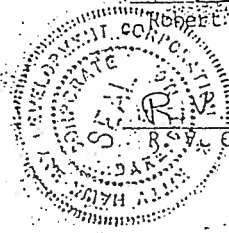
From and after the recording of this amended declaration and the plat referenced herein, all conveyances which are made in the Oyster Pointe Condominiums with reference to the original declaration shall also be understood to be made with reference to this amended declaration and the provisions of the original declaration as recorded in Book 492, at Page 454 of the Dare County Public Registry shall be understood to be amended and supplemented by these provisions. In all other respects, the terms and provisions of the original declaration are ratified and affirmed, except for a change by the provisions of this amended declaration. Conveyances made which refer only to the original declaration shall be understood to refer also to this amended declaration, whether specific reference is made or not in such conveyance or other instruments.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in the capacity set forth below the day and year first above written.

KITTY HAWK BAY DEVELOPMENT CORPORATION

BY: Robert F. Harrell
Robert F. Harrell, Vice-President

ATTEST:



R. Owens III
Owens, III, Assistant-Secretary

EXHIBIT A-1

DESCRIPTION

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, Dare County, North Carolina and more particularly described as follows.

Beginning at a point located in the Western right of way of Bay Drive, said road having a fifty foot right of way at this point, and said point of beginning being located the following courses and distances from the Northeastern corner of Lot Number 118 of the Subdivision of First Flight Village, Section 3, Phase B, as shown on a plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry and said point of reference being the intersection point of the Northeast corner of Lot 118 with the right of way of Bay Drive; thence running from the point of beginning a course of North $00^{\circ} 29' 56''$ East a distance of 119.54 feet to a point; thence following the curve of the right of way of Bay Drive along an arc distance of 96.31 feet, said curve having a radius of 462.13 feet to the point of beginning; thence running from the point of beginning a course of North $44^{\circ} 06' 57''$ West a distance of 243.91 feet to a point; thence turning and running North $73^{\circ} 06' 57''$ West a distance of 258.00 feet to a point; thence turning and running South $26^{\circ} 53' 03''$ West a distance of 50.00 feet to a point; thence turning and running South $69^{\circ} 23' 03''$ West a distance of 97.00 feet to a point; thence turning and running North $39^{\circ} 36' 57''$ West a distance of 64.00 feet to a point; thence turning and running an approximate course of South $68^{\circ} 27' 15''$ West and an approximate distance of 67.78 feet to a point located in the Western right of way of a street with parking areas adjacent to the street and said point being further identified and located by a reversal of the remaining calls in this description from the point of beginning; thence running South $55^{\circ} 53' 03''$ West a distance of 198.00 feet to a point; thence turning and running North $11^{\circ} 06' 57''$ West a distance of 68.76 feet to a point; thence running North $04^{\circ} 13' 31''$ West a distance of 190.02 feet to a point; thence running North $04^{\circ} 02' 57''$ East a distance of 394.21 feet to a point, said point marking the Southern boundary of a one hundred foot canal right of way owned by the North Carolina Highway Commission and containing within such right of way a canal or drainage ditch; thence turning and running South $84^{\circ} 16' 05''$ East, following the edge of the right of way a distance of 317.31 feet to a point; thence continuing and following the right of way South $60^{\circ} 45' 55''$ East a distance of 272.53 feet to a point; thence continuing and following the said right of way boundary a course of North $85^{\circ} 56' 51''$ East a distance of 368.04 feet to a point; thence continuing and following the right of way a course of South $67^{\circ} 15' 22''$ East a distance of 113.56 feet to a point where the Southern right of way of the North Carolina Highway Commission intersects the Western and Northwestern right of way of Bay Drive; thence turning and running South $63^{\circ} 24' 11''$ West a distance of 49.35 feet along the Western right of way of Bay Drive; thence continuing and following the right of way of Bay Drive along the curvature thereof an arc distance of 296.11 feet along a curve having a radius of 265.50 feet to a point; thence continuing South $00^{\circ} 29' 56''$ East a distance of 94.19 feet; thence following another curve along the right of way of Bay Drive which curve has an arc distance of 140.05 feet and a radius of 412.13 feet to a point; thence following the curve of Bay Drive an arc distance of 157.04 feet to a point, said curve having a radius of 462.13 feet and said point representing the point or place of beginning.

Same being those portions of the Oyster Pointe Condominium properties subject to the additional developers rights and in which property the additional Oyster Pointe phases will be constructed. This property is further defined in Article I, Section 1.2 of the Declaration of the Oyster Pointe Condominium Project and at other points within the Declaration referring to "additional real estate" and similar references.

Doc. 498 and 702

AGREEMENT AND AMENDMENT

FILED

This Agreement and Amendment is made on this 28th day of February, 1987 by and between First Service Corporation of North Carolina, Kitty Hawk Bay Developments Corporation, Robert F. Harrell and R. V. Owens, III, Attorneys in Fact as hereinafter stated.

W I T N E S S E T H:

WHEREAS, the parties have cause to be recorded a Declaration of Condominiums recorded in Book 492 at Page 45, and amended in document recorded in Book 497 at Page 231, Dare County Public Registry as signed by First Service Corporation by their Attorneys in Fact pursuant to instruments recorded in Dare County Public Registry; and

WHEREAS, the First Service Corporation of North Carolina, Kitty Hawk Bay Development Corporation, R. V. Owens, III and Robert F. Harrell desire to ratify those documents aforesaid for the purposes therein expressed, and to remove any question as to the validity of execution of same and desire to amend same by adding and including on each of the said documents opposite the signatures of their respective Attorneys in Fact, the word "SEAL" and adopting the same as their respective seals.

NOW THEREFORE, by signatures hereto, the parties acknowledge, ratify, re-execute, and declare the documents referenced in Paragraph 2 above for the purposes expressed in said documents from the date of their recordation and amend same by including the word "SEAL" and adopting same as their seals to refer retroactively to those documents aforesaid from and after the date of their prior recordation.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.



FIRST SERVICE CORPORATION OF NORTH CAROLINA

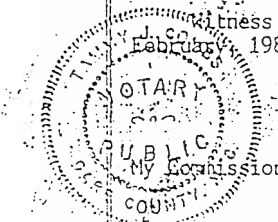
BY: Robert F. Harrell
Robert F. Harrell, Attorney in Fact

R. V. Owens III
R. V. Owens, III, Attorney in Fact

NORTH CAROLINA
DARE COUNTY

I, Tammie J. Combs, a Notary Public for the County and State aforesaid, do hereby certify that R. V. Owens, III personally came before me this day and acknowledged that he is Assistant Secretary of Kitty Hawk Bay Development Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice-President, sealed with its corporate seal and attested by him as its Assistant Secretary.

In witness my hand and official stamp or seal, this the 17th day of February, 1987.



My Commission Expires: February 5, 1992

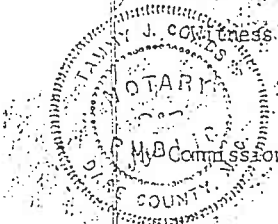
Tammie J. Combs
Notary Public

NORTH CAROLINA
DARE COUNTY

I, Tammie J. Combs, a Notary Public for said County and State, do hereby certify that R. E. Owens, III and Robert F. Harrell, Attorneys in Fact for First Service Corporation of North Carolina, personally appeared before me this day, and being by me duly sworn, say that they executed the foregoing and annexed instrument for and in behalf of the said corporations, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds in the County of Dare, State of North Carolina, on the 7th day of January, 1987, and that this instrument was executed under and by virtue of the authority given by said instrument granting them power of attorney.

I do further certify that the said R. V. Owens, III and Robert F. Harrell acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said First Service Corporation of North Carolina.

In witness my hand and official seal, this the 17th day of February, 1987.



My Commission Expires: February 5, 1992

Tammie J. Combs
Notary Public

DARE COUNTY NORTH-CAROLINA

The foregoing certificate of Tammie J. Combs a Notary Public of Dare Co., NC

is 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 for Dare County

By Norma Jean Ward Ass't Register of Deeds

FEB 23 1987

Recorded _____

KITTY HAWK BAY DEVELOPMENT CORPORATION

BY:

[Signature] (SEAL)
ROBERT F. HARRELL, ATTORNEY IN FACT

R.V. Owens, III (SEAL)
R. V. OWENS, III, ATTORNEY IN FACT

FIRST SERVICE CORPORATION OF NORTH CAROLINA

BY:

[Signature] (SEAL)
ROBERT F. HARRELL, ATTORNEY IN FACT

R.V. Owens, III (SEAL)
R. V. OWENS, III, ATTORNEY IN FACT

NORTH CAROLINA
DARE COUNTY

I, Tammy J. Combs, a Notary Public of the aforesaid County and State, do hereby certify that Robert F. Harrell and R. V. Owens, III, Attorneys-in-Fact for KITTY HAWK BAY DEVELOPMENT CORPORATION, personally appeared before me this day, and being by me duly sworn, say that they executed the foregoing and annexed instrument for and in behalf of KITTY HAWK BAY DEVELOPMENT CORPORATION, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Dare County, North Carolina, on the 7th day of January, 1987, in Book 492 Page 452, and that this instrument was negotiated under and by virtue of the authority given by said instrument granting them power of attorney; that the said Robert F. Harrell and R. V. Owens, III, acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said KITTY HAWK BAY DEVELOPMENT CORPORATION.

My Commission Expires

January 5, 1992

[Signature]
Notary Public



'87 DEC 22 PM 1 47

NORTH CAROLINA
DARE COUNTYDORIS A. FRY
REGISTRAR
DARE COUNTY, N.C.

AMENDMENT TO DECLARATION

THIS AMENDMENT to the Declaration of Condominium for the Oyster Pointe Condominium is entered this 18th day of December, 1987, by Kitty Hawk Bay Development Corporation, a North Carolina corporation, and by First Service Corporation of North Carolina, (herein collectively referred to as "Developer"), pursuant to the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes.

WITNESSETH:

The Developer has previously entered a Declaration of Condominium recorded in Book 492 at page 454 of the Dare County Public Registry. That declaration has been amended by further declarations recorded in Book 497 at page 231 of the Dare County Registry and in Book 498 at page 702 of the Dare County Registry. The declarations refer to and describe a condominium known as the Oyster Pointe Condominium located in Atlantic Township in the Town of Kill Devil Hills in Dare County, State of North Carolina. The property which is the subject of the declarations is described within the declarations and the exhibits attached thereto.

Within the declaration, the developer reserves certain developmental rights including specifically the right to add additional real estate to the condominium project. The additional real estate which may be added to the condominium was described in Exhibit A-1 to the original declaration and redescribed in the amended declaration recorded in Book 497 at page 231 of the Dare County Registry.

The developer has now entered this additional amended declaration for the purpose of exercising certain of the development rights by causing certain properties included within the area known as "additional real estate" to be added to the condominium. Such additional property includes certain condominium units and the additional units and property are identified as Phase II of the Oyster Pointe Condominium. This amended declaration also serves the purpose of correcting certain deletions from the recorded declaration by providing the information which was deleted from the original declaration.

NOW THEREFORE, the Developer, as the owner of the property and as the entity entitled to act as set forth herein in accordance with Chapter 47C of the North Carolina General Statutes, does hereby declare as follows:

ARTICLE I

The developer acknowledges that by error in the process of recording the original declaration, a page of that declaration was omitted from the document. In order to correct such omission and to place such information on the public records as a part of the declaration of condominium for the Oyster Pointe Condominium, the Developer includes with this amended declaration certain paragraphs which are set forth on an exhibit to this amended declaration which is labeled for identification as "Exhibit I". The matters set forth in Exhibit I are incorporated within this paragraph as if fully set forth herein. Such matters are understood to be provisions of the original declaration to be hereafter read in the context of the original declaration in the order of the paragraphs noted in that declaration and from and after the recording of this amended declaration, the original declaration shall be read and understood as if the matters set forth in Exhibit I were included in their proper place by numerical order of the paragraphs within the original declaration.

ARTICLE II

Attached to this amended declaration is an exhibit labeled for identification purposes as "Exhibit II". Exhibit II contains a

property description of certain property which is a part of the property included in the property known as additional real estate described in the original declaration and in certain of the amendments to the original declaration. By this amended declaration, the Developer does hereby establish and declare that the property described in Exhibit II, which is incorporated herein by reference, shall be held, conveyed, encumbered, used, occupied, improved, sold, mortgaged and otherwise conveyed subject to the laws, regulations and restrictions, covenants, conditions, uses and obligations set forth in the original declaration of condominium recorded in Book 492 at page 454 of the Dare County Registry together with the amendments thereto recorded in Book 497 at page 231 and Book 498 at page 702, each of the Dare County Registry, and this amended declaration. All of the rules, regulations, restrictions, covenants, conditions, uses and obligations are declared and agreed to be in furtherance of a plan for the improvement of the condominium and the division thereof into condominium units and shall be deemed to run with the land and to be a burden on and a benefit to the developer, its successors and assigns, and on and to any person acquiring or owning an interest in the real property in the condominium and any improvements thereto, such parties, grantees, successors, heirs, assigns, executors, administrators and devisees. The individual unit owners, their employees, guests, tenants and all persons using or possessing the property within the condominium are subject to the provisions of this declaration.

A certain plat identified as "Plat for Oyster Pointe Condominium" prepared by C. P. Lewis, Surveyor, has been recorded simultaneously with this amended declaration to be placed and filed in the office of the Register of Deeds of Dare County in a manner maintained for condominium plats and plans. Such plat shows and identifies certain buildings labeled as buildings "L", "J" and "K". In addition, the plat shows therein the unit numbers for the units within the respective buildings and such units are identified as units L-1 through L-9, inclusive, units J-1 through J-12, inclusive, and units K-1 through K-12, inclusive. In Building L, the units numbered L-1, L-2 and L-3 are third floor units. The units labeled L-4, L-5 and L-6 are second floor units. The units labeled L-7, L-8 and L-9 are first floor units. In Building J, the units labeled J-1, J-2, J-3 and J-4 are third floor units. The units labeled J-5, J-6, J-7 and J-8 are second floor units and the units labeled J-9, J-10, J-11 and J-12 are first floor units. In Building K, the units labeled K-1 through K-4 are third floor units. The units labeled K-5 through K-8 are second floor units and the units labeled K-9 through K-12 are first floor units in the same manner as set forth in Building J.

There are no limited common elements which are created within Phase II of the Oyster Pointe Condominium project.

Attached to this declaration is an exhibit labeled for identification as "Exhibit III". Set forth in that exhibit are the unit numbers for each of the units within Phase I and Phase II of the Oyster Pointe Condominium. The units identified by the initial capital letters A, B, C and D are units within Phase I. Those units identified by the initial capital letters of I, J, and K are units within Phase II of the Oyster Pointe Condominium. In the columns set forth in Exhibit III adjacent to each unit number, the exhibit sets forth the percentage of undivided interests in common elements, the percentage of common expenses and the allocation of votes within the association. This allocation of votes and percentages is the reallocation in accordance with the procedure set forth in Exhibit C to the original declaration of condominium. For successive or future amendments to the declaration in which additional units are added, the percentage of undivided interest in the common elements and the percentage of undivided in common expenses will be reallocated and the formula for such reallocations will be to calculate the area of each unit and the area of the total units and determine the percentage that each unit bears to the whole. For the purpose of vote, each unit shall have one vote, without regard to the area of the unit or the number of bedrooms. The matters set forth in Exhibit III to this declaration reallocate the allocated interest among the units and are incorporated in full as a part of this amended declaration.

In addition to the buildings and unit numbers for the Phase II of the Oyster Pointe Condominium, certain additional matters are set forth including but not limited to the pool, tennis court, walkways, parking areas and drive areas, and septic and drain fields. Such additional matters are identified as common elements and are so declared along with all common elements shown on the plat recorded together with this amended declaration. All common elements are common elements for the entire condominium and shall not be limited to any phase of the condominium, whether such phase has previously been dedicated or is intended to be dedicated in the future.

ARTICLE III

As a result of this amended declaration, thirty-three additional units are added to the Oyster Pointe Condominium as a part of Phase II for a total of sixty-nine units within Phase I and Phase II combined. In accordance with the development rights reserved in the original declaration, the developer expressly reserves the right to add additional real estate to the condominium. All or part of the additional real estate which is identified in this amended declaration may be added to the condominium at a different time but no assurances are made in regard to the order in which such portions may be added. The developer shall have no duty or obligation of any kind to add any or all of the additional real estate. The method of adding the additional real estate to the condominium shall be pursuant to Chapter 47C-2-110 of the Condominium Act.

The property described in Exhibit II to this declaration which is incorporated herein by reference is the property constituting Phase II of the Oyster Pointe Condominium. Any other property which was originally described in Exhibit A-1 in the original declaration and the amendments thereto which is not included within Exhibit II to this declaration is understood to be identified as the remaining additional real estate. The rights reserved in such additional real estate are referred to in the preceding paragraph. For purpose of better identification, the remaining additional real estate is also described in Exhibit IV to this amended declaration.

The maximum number of additional units that may be created within the remaining additional real estate is sixty-three, for a total of one hundred and fifty-two total units in the entire condominium including all phases. All of such units will be restricted exclusively to residential use.

Paragraphs number 3.3, 3.4, 3.5 and 3.6 of the original declaration (which paragraphs are set forth in Exhibit I to this amended declaration) are incorporated herein by reference and are understood to apply to the remaining additional real estate in the same manner as intended by the original declaration.

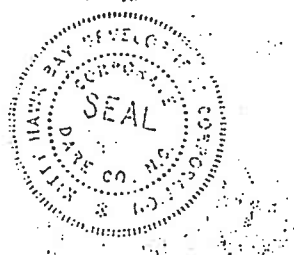
The property described as the remaining additional real estate will be improved and the additional condominium units or structures to be built shall be completed on or before January 1, 1990. Prior to that date, the Developer shall either include such additional units within the condominium by amended declaration or, if such rights exist under the declaration and the amendments thereto, shall withdraw such properties and failing such withdrawal or amendment by that date, the rights set forth in the original declaration as to additional real estate shall apply.

ARTICLE IV

To the extent that it is necessary to set forth other items and information as required by N.C.G.S. 47C-2-105, the provisions of the original declaration recorded in Book 492 at page 454 of the Dare County Registry and the amendments thereto referred to in this amended declaration are incorporated herein by reference, together with all exhibits and attachments thereto, as fully and completely as if all of such matters were restated word for word, subject only to the changes and modifications that would occur as a result of this amended declaration and the matters contained herein.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed in the manner set forth below the day and year first above written.

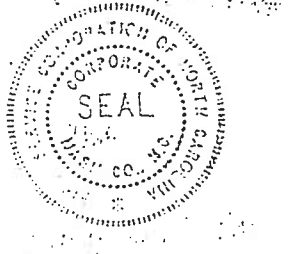
KITTY HAWK BAY DEVELOPMENT CORPORATION



BY: [Signature] (SEAL)
ROBERT F. HARRRELL, ATTORNEY-IN-FACT

BY: R.V. Owens III (SEAL)
R. V. OWENS, III, ATTORNEY-IN-FACT

FIRST SERVICE CORPORATION OF NORTH CAROLINA



BY: [Signature] (SEAL)
ROBERT F. HARRRELL, ATTORNEY-IN-FACT

BY: R.V. Owens III (SEAL)
R. V. OWENS, III, ATTORNEY-IN-FACT

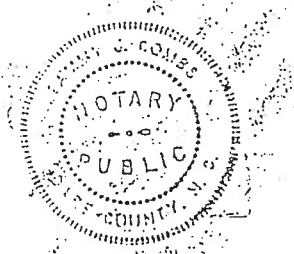
NORTH CAROLINA
DARE COUNTY

I, Tammy J. Combs, a notary public of the aforesaid county and state, do hereby certify that Robert F. Harrell and R. V. Owens, III, Attorneys-in-Fact for KITTY HAWK BAY DEVELOPMENT CORPORATION, personally appeared before me this day, and being by me duly sworn, say that they executed the foregoing and annexed instrument for and in behalf of KITTY HAWK BAY DEVELOPMENT CORPORATION, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds of Dare County, North Carolina, on the 7th day of January, 1987, in Book 492, page 452, and that this instrument was executed under and by virtue of the authority given by said instrument granting them power of attorney; that the said Robert F. Harrell and R. V. Owens, III, acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said KITTY HAWK BAY DEVELOPMENT CORPORATION.

This the 21st day of December, 1987.

[Signature]
Notary Public

My commission expires:
2-5-92



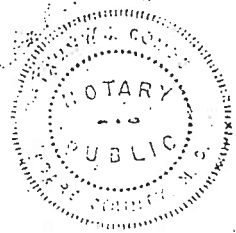
NORTH CAROLINA
DARE COUNTY

I, Tammy J. Combs, a notary public of the aforesaid county and state, do hereby certify that Robert F. Harrell and R. V. Owens, III, Attorneys-in-Fact for FIRST SERVICE CORPORATION OF NORTH CAROLINA, personally appeared before me this day, and being by me duly sworn, say that they executed the foregoing and annexed instrument for and in behalf of FIRST SERVICE CORPORATION OF NORTH CAROLINA, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds of Dare County, North Carolina, on the 7th day of January, 1987, in Book 492, page 450, and that this instrument was executed under and by virtue of the authority given by said instrument granting them power of attorney; that the said Robert F. Harrell and R. V. Owens, III, acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said FIRST SERVICE CORPORATION OF NORTH CAROLINA.

This the 21st day of December, 1987.

Tammy J. Combs
Notary Public

My commission expires:
2-5-92



STATE OF NORTH CAROLINA
COUNTY OF DARE

The foregoing certificate of Tammy J. Combs
a Notary Public of Dare County, N.C., is certified to be correct.

This instrument and this certificate are duly registered at the date and time and in the Book and Page as shown on the first page hereof.

DORRIS A. FRY
REGISTER OF DEEDS FOR DARE COUNTY

By Mary B. Scarborough
Deputy Register of Deeds

EXHIBIT I

to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate to the Condominium shall be pursuant to Section 47C-2-110 of the Act.

3.2. Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of Additional Units that may be created within the Additional Real Estate is 116 Units, for a total of 152. All of such Units will be restricted exclusively to residential use.

3.3. Compatibility of Style, Etc. Any buildings and Units that may be erected upon the Additional Real Estate or a portion thereof will be compatible with the other buildings and Units in the Condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size.

3.4. Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the Additional Real Estate.

3.5. Other Improvements and Common Elements. In addition to the buildings and Units that may be erected upon the Additional Real Estate or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Estate or each portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.

3.6. Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article III will not apply with respect to any Additional Real Estate that is not added to the Condominium.

ARTICLE IV.

Easements

4.1. Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of any Unit now or hereafter encroaches upon any part of the Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

4.2. Easements Through Walls. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit.

4.3. Easements To Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Board, or any other person, is authorized to enter upon a Unit or the Common Elements to repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.

4.4. Declarant's Easement. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary

EXHIBIT 11

DESCRIPTION OF PHASE II
OYSTER POINTE CONDOMINIUM

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, in Dare County, North Carolina and more particularly described as follows:

Beginning at a point located in the Western right-of-way of Bay Drive, said road having a 50 foot right-of-way at this point and said point of beginning being located the following courses and distances from the Northeastern corner of Lot No. 118 of the subdivision of First Flight Village, Section 3, Phase B, as shown on a plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry (the Northeastern corner of Lot No. 118 as referred to herein is identified as the "point of reference"): running from the point of reference which is the Northeastern corner of said Lot No. 118 at its intersection with the Western right-of-way of Bay Drive and following the right-of-way of Bay Drive a course of North 00 deg. 29 min. 56 sec. West a distance of 119.54 feet to a point in the right-of-way; thence following the curve of the right-of-way which curve bears to the right when proceeding in a Northerly direction from this point along the curve an arc distance of 96.31 feet, said curve having a radius of 462.13 feet, to a point, which point is the point of place of beginning as referred to in this description; running thence from the point of beginning as established by courses and distances from the point of reference the following perimeter description: running from the point of beginning a course of North 44 deg. 06 min. 57 sec. West a distance of 243.91 feet to a point; thence running North 73 deg. 06 min. 57 sec. West a distance of 258.00 feet to a point; thence running South 26 deg. 53 min. 03 sec. West a distance of 50 feet to a point; thence South 69 deg. 23 min. 03 sec. West a distance of 97 feet to a point; thence North 39 deg. 36 min. 57 sec. West a distance of 64 feet to a point; thence North 29 deg. 53 min. 57 sec. East a distance of 113.32 feet to a point; thence South 60 deg. 06 min. 02 sec. East a distance of 117.67 feet to a point; thence North 22 deg. 56 min. 03 sec. East a distance of 144.86 feet to a point; thence North 16 deg. 20 min. 00 sec. East a distance of 63.12 feet to a point; thence North 60 deg. 07 min. 31 sec. West a distance of 133.0 feet to a point; thence North 29 deg. 52 min. 29 sec. East a distance of 50.0 feet to a point; thence North 77 deg. 06 min. 45 sec. East a distance of 48.89 feet to a point; thence North 29 deg. 14 min. 05 sec. East a distance of 63 feet to a point, said point being in and marking the Northern property line of the Oyster Pointe properties and marking the Southern edge or margin of the North Carolina Highway Commission 100 foot canal right-of-way running through the vicinity of First Flight Village; thence running from the point and following the edge of the right-of-way a course of South 60 deg. 45 min. 55 sec. East a distance of 122.0 feet to a point; thence North 85 deg. 56 min. 51 sec. East a distance of 368.04 feet to a point; thence South 67 deg. 15 min. 22 sec. East a distance of 113.66 feet to a point in the Western right-of-way of Bay Drive; thence South 53 deg. 24 min. 11 sec. West, following Bay Drive and the right-of-way thereof a distance of 49.35 feet to a point in the right-of-way; thence continuing and following the curvature of the right-of-way which curve bears to the left hand when proceeding in a Southerly direction an arc distance of 296.11 feet to a point, said curve having a radius of 265.50 feet; thence continuing along the right-of-way a course of South 00 deg. 29 min. 56 sec. East a distance of 94.19 feet to a point; thence following the right-of-way along a curve bearing to the right hand when proceeding in a Southerly direction an arc distance of 140.05 feet to a point, said curve having a radius of 412.13 feet; thence following a curve bearing to the left when proceeding in a Southerly direction an arc distance of 157.04 feet along a curve having a radius of 462.13 feet to the point of beginning.

Same being a parcel identified as Phase II of the Oyster Pointe Condominium consisting of 5.05 acres.

EXHIBIT III

| <u>Unit No.</u> | <u>Percentage of Undivided Interest in Common Elements</u> | <u>Percentage of Common Expenses</u> | <u>Votes in Association</u> |
|-----------------|--|--------------------------------------|-----------------------------|
| A - 1 thru 8 | 1.4% | 1.4% | 1/69th |
| B - 1 thru 8 | 1.4% | 1.4% | 1/69th |
| C - 1 thru 8 | 1.4% | 1.4% | 1/69th |
| D - 1 | 2.8% | 2.8% | 1/69th |
| D - 2 thru 5 | 1.4% | 1.4% | 1/69th |
| D - 6 | 2.8% | 2.8% | 1/69th |
| D - 7 | 1.2% | 1.2% | 1/69th |
| D - 8 thru 11 | 1.4% | 1.4% | 1/69th |
| D - 12 | 1.2% | 1.2% | 1/69th |
| J - 1 thru 12 | 1.4% | 1.4% | 1/69th |
| K - 1 thru 12 | 1.4% | 1.4% | 1/69th |
| L - 1 and 2 | 1.4% | 1.4% | 1/69th |
| L - 3 | 2.8% | 2.8% | 1/69th |
| L - 4 and 5 | 1.4% | 1.4% | 1/69th |
| L - 6 | 1.2% | 1.2% | 1/69th |
| L - 7 and 8 | 1.4% | 1.4% | 1/69th |
| L - 9 | 1.2% | 1.2% | 1/69th |

At such time as additional units are added to the condominium, the percentage of undivided interest in common elements and the percentage of undivided interest in common expenses will be reallocated. The formula for such reallocation and for successive reallocations will be to calculate the area of each unit and the area of the total units and determine the percentage that each unit bears to the whole. That will be the revised or reallocated percentage. For purposes of votes, each unit shall have one vote, without regard to the area of the unit or the number of bedrooms.

DESCRIPTION OF REMAINING ADDITIONAL PROPERTY
OYSTER POINTE CONDOMINIUM

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, Dare County, North Carolina and more particularly described as follows:

The point of beginning for this description is located by certain bearings and distances from a point of reference. The point of reference is identified as the Northeastern corner of Lot No. 118 of the subdivision of First Flight Village, Section 3, Phase B as shown on the plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry. The point of beginning is located by the following courses and distances from the point of reference: beginning at the point of reference and running North 00 deg. 29 min. 56 sec. East a distance of 119.54 feet to a point; thence continuing along the right-of-way of Bay Drive along a curve to the right when proceeding in a Northerly direction an arc distance of 96.31 feet to a point, said curve having a radius of 462.13 feet; thence turning and running North 44 deg. 06 min. 57 sec. West a distance of 243.91 feet to a point; thence running North 73 deg. 06 min. 57 sec. West a distance of 258.00 feet to a point; thence South 26 deg. 53 min. 03 sec. West a distance of 50 feet to a point; thence South 69 deg. 23 min. 03 sec. West a distance of 97 feet to a point; thence North 39 deg. 36 min. 57 sec. West a distance of 64 feet to a point marking the point or place of beginning. Running thence from the point of beginning as established by the preceding courses and distances from the point of reference the following description of the property: running South 68 deg. 27 min. 15 sec. West a distance of 67.78 feet to a point; thence South 55 deg. 53 min. 03 sec. West a distance of 198.0 feet to a point; thence North 11 deg. 06 min. 57 sec. West a distance of 68.76 feet to a point; thence North 04 deg. 13 min. 31 sec. West a distance of 190.02 feet to a point; thence North 04 deg. 02 min. 57 sec. East a distance of 394.21 feet to a point; thence South 84 deg. 16 min. 05 sec. East a distance of 317.31 feet to a point; thence South 60 deg. 45 min. 55 sec. East a distance of 150.53 feet to a point; thence South 29 deg. 14 min. 05 sec. West a distance of 63 feet to a point; thence South 77 deg. 06 min. 45 sec. West a distance of 48.08 feet to a point; thence South 29 deg. 52 min. 29 sec. East a distance of 50.0 feet to a point; thence South 60 deg. 07 min. 31 sec. East a distance of 133.0 feet to a point; thence South 16 deg. 20 min. 00 sec. West a distance of 63.12 feet to a point; thence South 22 deg. 56 min. 03 sec. West a distance of 144.86 feet to a point; thence North 60 deg. 06 min. 02 sec. West a distance of 117.67 feet to a point; thence South 29 deg. 53 min. 57 sec. West a distance of 113.32 feet to a point, said point marking the point or place of beginning.

Same being an area consisting of 4.93 acres and constituting the remaining additional real estate after the dedication of Phase II to the Oyster Pointe Condominiums. The property hereinabove described is subject to additional developer's rights and those rights include, without limitation, the right to construct additional condominium units on such property and the right to withdraw such property from the condominium declaration, all more particularly defined in the declaration of condominium for the Oyster Pointe Condominium and the amendments thereto.

1988 OCT 7 PM 5 08

Prepared by & Return To:
Daniel D. Khoury, Attorney
P. O. Box 1584
Kill Devil Hills, N. C. 27948

NORTH CAROLINA
DARE COUNTY

DORRIS A. FRY
REGISTER OF DEEDS
DARE COUNTY, N.C.
AMENDMENT TO DECLARATION

THIS AMENDMENT to the Declaration of Condominium for the Oyster Pointe Condominium is entered into this 22nd day of September, 1988 by KITTIE HAWK BAY DEVELOPMENT, CORPORATION, a North Carolina Corporation, and FIRST SERVICE CORPORATION OF NORTH CAROLINA, (herein collectively referred to as "Developer") pursuant to North Carolina Condominium Act, Chapter 47C, of the General Statutes of North Carolina;

W I T N E S S E T H :

That the Developer had previously entered a Declaration of Condominium, recorded in Book 492, Page 454, Public Registry of Dare County, North Carolina, and Amendment thereto recorded in Book 497, Page 231, and an Amendment thereto recorded in Book 498, Page 702, and an Amendment recorded in Book 544, Page 484,

The Declarations and Amendments thereto describe a condominium known as Oyster Pointe Condominium, located in Atlantic Township, Town of Kill Devil Hills, Dare County, State of North Carolina and includes Phase I, Phase II, of said Condominium project.

Within the Declaration the Developer reserves certain developmental rights including specifically the right to add additional real estate to the Condominium project, a description of which additional real estate is attached hereto and marked, "Exhibit 1", and said additional real estate is designated as Phase III, on the plat referred to therein.

AND WHEREAS the Developer has agreed to sell and in contemporaneous with the execution of this Amendment has sold to Oyster Pointe Associates, Inc., the remaining real estate situated within said Condominium project and as to the original Developer's "developmental rights" or Special Declarant's Rights as provided in Chapter 47C-3-104 transfers such rights to Oyster Pointe Associates, Inc., as transferee;

AND WHEREAS this transaction is covered by the provisions of Chapter 47C-3-104 (b) 1, 3 and 4 of said Statute, the parties hereto not being an affiliate of the original Declarant.

The Developer specifically transfers to Oyster Pointe Associates, Inc., as transferee, the rights to execute and include therein Special Declarant's Rights or "developmental rights" as provided in such original Declaration in any security transaction requiring the execution of any mortgage, deed of trust or other instrument relating to the additional real estate described in the exhibit attached hereto. The provisions of Chapter 47C-3-104(e)2, are specifically included herein as if fully set forth.

The Developer as to the unsold units in Phases I and II of said Condominium retains the rights with respect to models, sales offices, signs, etc., until such units are sold by the original Developer.

All of the provisions of Chapter 47C-3-104, which relate to a transaction where the transferee is not an affiliate of the original Developer, are incorporated herein as if fully set forth in addition to the specific language of this Amendment.

AND WHEREAS the original Declaration of Condominium provided for a time frame within which the additional real estate will be improved and additional condominium units or structures would be built within a five-year period, as provided for in Chapter 47C, of the General Statutes of North Carolina;

AND WHEREAS an amendment to the Declaration of Condominium recorded in Book 544, at Page 484, in Article III, makes a provision contra to the original Declaration in stating that such units and structures would be built and completed on or before January 1, 1990 and such assertion is incorrect and not in accord with either the original Developer-Declarant or in accord with the contract with the transferee who joins in and accepts this Amendment to the Declaration of Condominium.

DESCRIPTION OF REMAINING PROPERTY
OYSTER POINTE CONDOMINIUM

AK 50124 0860

A certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, Dare County, North Carolina and more particularly described as follows:

The point of beginning for this description is located by certain bearings and distances from a point of reference. The point of reference is identified as the Northeastern corner of Lot No. 118 of the subdivision of First Flight Village, Section 3, Phase B as shown on the plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry. The point of beginning is located by the following courses and distances from the point of reference: Beginning at the point of reference and running North 00 deg. 29 min. 56 sec. West a distance of 119.54 feet to a point, thence continuing along the right-of-way of Bay Drive along a curve to the right when proceeding in a Northerly direction an arc distance of 96.31 feet to a point, said curve having a radius of 462.13 feet; thence turning and running North 44 deg. 06 min. 57 sec. West a distance of 243.91 feet to a point; thence running North 73 deg. 06 min. 57 sec. West a distance of 258.00 feet to a point; thence South 26 deg. 53 min. 03 sec. West a distance of 50 feet to a point; thence South 69 deg. 23 min. 03 sec. West a distance of 97 feet to a point; thence North 39 deg. 36 min. 57 sec. West a distance of 64 feet to a point marking the point or place of beginning. Running thence from the point of beginning as established by the preceding courses and distances from the point of reference the following description of the property: Running South 68 deg. 27 min. 15 sec. West a distance of 67.78 feet to a point; thence South 55 deg. 53 min. 03 sec. West a distance of 198.0 feet to a point; thence North 11 deg. 06 min. 57 sec. West a distance of 68.76 feet to a point; thence North 04 deg. 13 min. 31 sec. West a distance of 190.02 feet to a point; thence North 04 deg. 02 min. 57 sec. East a distance of 394.21 feet to a point; thence South 84 deg. 16 min. 05 sec. East a distance of 317.31 feet to a point; thence South 60 deg. 45 min. 55 sec. East a distance of 150.53 feet to a point; thence South 29 deg. 14 min. 05 sec. West a distance of 63 feet to a point; thence South 77 deg. 06 min. 45 sec. West a distance of 48.88 feet to a point; thence South 29 deg. 52 min. 29 sec. West a distance of 50.0 feet to a point; thence South 60 deg. 07 min. 31 sec. East a distance of 133.0 feet to a point; thence South 16 deg. 20 min. 00 sec. West a distance of 63.12 feet to a point; thence South 22 deg. 56 min. 03 sec. West a distance of 144.86 feet to a point; thence North 60 deg. 06 min. 02 sec. West a distance of 117.67 feet to a point; thence South 29 deg. 53 min. 57 sec. West a distance of 113.32 feet to a point, said point marking the point or place of beginning.

Same being an area consisting of 4.93 acres.

Said lands being shown on a map or plat by C. P. Lewis, Registered Surveyor, dated September 19, 1987 and November 11, 1987, and recorded in Unit of Ownership Book 3, at Page 314, Dare County Public Registry, and designated on said plat as, "Exhibit A-1, Additional Real Estate 4.93 acres".

United Federal Savings and Loan Association is the holder of a certain deed of trust on the property described in the Amendment to Declaration of Unit Ownership for the Oyster Pointe Condominium project, hereinabove set forth. The deed of trust is recorded in Book 444, at Page 603, of the Dare County Public Registry to Battle, Winslow, Scott and Wiley, P. A. for the benefit of United Federal Savings and Loan Association. As the holder of said mortgage, United Federal Savings and Loan Association does hereby consent to the terms, conditions, covenants and provisions in the foregoing Amendment to Declaration of Condominium which are referred to herein and agrees that the lien of the deed of trust and any of the covenants contained therein and any and all interest of the Savings and Loan as mortgagee or holder of that certain deed of trust are subject to the terms, conditions and covenants contained in the foregoing Amendment to the Declaration. United Federal Savings and Loan Association has requested its trustee to join in the execution of this Consent.

In Witness Whereof the trustee and the holder have caused this instrument to be executed by their duly authorized officers, this the 4th day of September, 1988.

UNITED FEDERAL SAVINGS AND LOAN ASSOCIATION

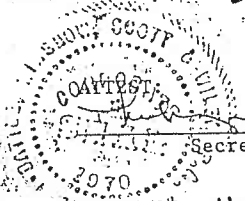
By: J.O. Clifton
President

ATTEST:
Billy Fawcett
Secretary
(SEAL)

BATTLE, WINSLOW, SCOTT & WILEY, P.A., TRUSTEE

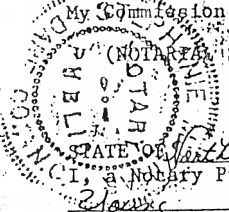
By: Marshall D. Hall
President

Wallace H. McCown (SEAL)
Wallace H. McCown, Substitute Trustee



I, a Notary Public of the County and State of NORTH CAROLINA, COUNTY OF WAKE, certify that Billy Fawcett personally came before me this day and acknowledged that he is Secretary of UNITED FEDERAL SAVINGS AND LOAN ASSOCIATION, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 4th day of September, 1988.
My Commission expires: 8-28-91
Stephanie Nussler
Notary Public
(NOTARIAL SEAL)



I, a Notary Public of the County and State of North Carolina, COUNTY OF Nash, certify that Thomas R. Bryant personally came before me this day and acknowledged that he is Secretary of BATTLE, WINSLOW, SCOTT & WILEY, P.A., TRUSTEE, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 5 day of September, 1988.
My Commission expires: Oct. 11, 1989
Hazel J. Bryant
Notary Public
(NOTARIAL SEAL)

HAZEL J. BRYANT
Notary Public
Nash County, N.C.
My Comm. Expires 10-11-89

HAZEL J. BRYANT
Notary Public
Nash County, N.C.

NOW, THEREFORE it is mutually understood and agreed by and between the Declarant-Developer as transferor and Oyster Point Associates, Inc. as transferee that said original Declaration of Condominium shall control and that the lands described as Additional Lands, copy of which description is attached to this Amendment, shall govern and that such structures in the remaining lands shall be completed within five (5) years from the date provided for in accordance with Chapter 47C, and in accordance with the original Declaration of Condominium.

AND WHEREAS, in the original Declaration of Condominium the property description included the entire original parcel of land containing 15.7 acres, when in fact Phase I and Phase II of said Condominium have not included the parcel of land described in this Amendment as remaining lands and such description is hereby deleted from "original property" and is in fact the property upon which the remaining condominiums of Phase III can and may be constructed.

NOW, THEREFORE it is mutually agreed by and between all parties hereto that the description of the lands attached hereto of 4.93 acres is in fact remaining lands and not a part of the original Phase I of said Condominium.

IN WITNESS WHEREOF the Developer has caused this instrument to be executed in its several corporate names, its appropriate officers signatures affixed hereto and the corporate seals, all as the acts and deeds of said corporations, and;

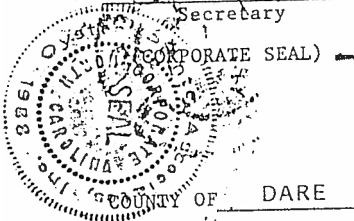
IN WITNESS WHEREOF Oyster Point Associates, Inc. as transferee under the terms of Chapter 47C-3-104 has hereunto set its hand and seal with respect to this Amendment and the special declarants rights or "Developmental Rights" relating to this Condominium.

OYSTER POINT ASSOCIATES, INC.

By: Jeffrey M. Lauer
President

ATTEST:

Sherry N. Beckham
Secretary



COUNTY OF DARE, STATE OF NORTH CAROLINA

I, a Notary Public of the County and State aforesaid, certify that Sherry N. Beckham personally came before me this day and acknowledged that she is Secretary of OYSTER POINT ASSOCIATES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this the 7th day of October, 1988.

My Commission expires: 10-5-90.

Patricia A. Loughry
Notary Public

(NOTARIAL SEAL)



KITTY HAWK BAY DEVELOPMENT CORPORATION,
A North Carolina Corporation

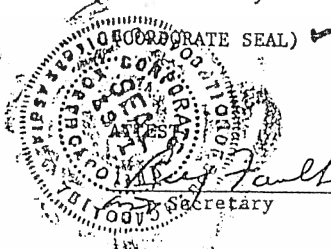
By: John M. Stif
President

ATTEST:

[Signature]
Secretary

FIRST SERVICE CORPORATION OF NORTH CAROLINA

By: J.O. Clifton
President



CONSENTED TO:

UNITED FEDERAL SAVINGS & LOAN ASSOCIATION

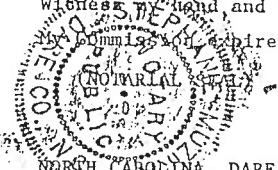
By: J.O. Clifton
President
BATTLE WINDHAM SCOTT & WILSON, PA
BY Marshall A. Gifford Trustee
(Via Special Power)
ATTEST:
NORTH CAROLINA, DARE COUNTY [Signature]

ATTEST:

Billy Faulkner
Not. Public

I, a Notary Public of the County and State aforesaid, certify that Robert
Harrell personally came before me this day and acknowledged that he is
Secretary of KITTY HAWK BAY DEVELOPMENT CORPORATION, a North Carolina Corporation,
and that by authority duly given and as the act of the corporation, the foregoing
instrument was signed in its name by its President, sealed with its corporate seal
and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 4th day of September, 1988.
My Commission expires: 8-28-91 Stephanie Muzika
Notary Public



NORTH CAROLINA, DARE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Billy
Faulkner personally came before me this day and acknowledged that he is
Secretary of FIRST SERVICE CORPORATION OF NORTH CAROLINA, a North Carolina Corpor-
ation, and that by authority duly given and as the act of the corporation, the
foregoing instrument was signed in its name by its President, sealed with its
corporate seal and attested by him as its Secretary.

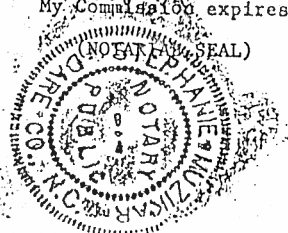
Witness my hand and official stamp or seal, this 4th day of September, 1988.
My Commission expires: 8-28-91 Stephanie Muzika
Notary Public



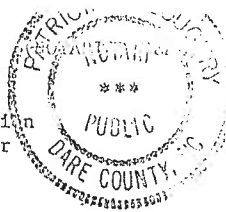
STATE OF NC

I, a Notary Public of the County and State aforesaid, certify that Billy
Faulkner personally came before me this day and acknowledged that he is
Secretary of UNITED FEDERAL SAVINGS & LOAN ASSOCIATION, a
and that by authority duly given and as the act of the corporation, the
foregoing instrument was signed in its name by its President, sealed with its
corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 4 day of September, 1988.
My Commission expires: 8-28-91 Stephanie Muzika
Notary Public



STATE OF NORTH CAROLINA, COUNTY OF DARE
I, A Notary Public of the County and State aforesaid, certify that
Wallace H. McCown, Substitute Trustee,
personally appeared before me this day and acknowledged the execution
of the foregoing instrument. Witness my hand and official stamp or
seal, this 7th day of October, 1988.



My Commission expires: 10-5-90.

Patricia L. Laughry
Notary Public

The foregoing Certificate(s) on _____

is/are certified to be correct. This instrument and this certificate are duly
registered at the date and time and in the Book and Page shown on the first page hereof

By _____ REGISTER OF DEEDS FOR DARE COUNTY
_____ Deputy/Assistant-Register of Deeds

STATE OF NORTH CAROLINA
COUNTY OF NASH

I, HAZEL J. BRYANT, a Notary Public of the County and State
aforesaid, certify that Thomas L. Young personally appeared before
me this day and acknowledged that he is Secretary of Battle, Winslow,
Scott & Wiley, P.A., 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 him as its Secretary.

Witness my hand and notarial stamp, this 5th day of October, 1988.

Hazel J. Bryant
Notary Public

My Commission Expires: 10-11-89

HAZEL J. BRYANT
Notary Public
Nash County, N.C.
My Comm. Expires 10-11-89

NORTH CAROLINA DARE COUNTY

The foregoing certificate(s) of Patricia L. Laughry, Stephanie
Muzibar and Hazel J. Bryant

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 for Dare County
By Florida A. Fry Assistant Register of Deeds

COPY

FILED

Prepared by & Return To:
Daniel D. Khoury, Attorney
P. O. Box 1584
Kill Devil Hills, N. C. 27948

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FIFTH AMENDMENT TO DECLARATION

DORRIS A. FRY
REGISTER OF DEEDS
DARE COUNTY, N.C.

OF

OYSTER POINTE CONDOMINIUMS

THIS FIFTH AMENDMENT TO DECLARATION made this 15th day of August, 1989 by Oyster Pointe Associates, Inc., a North Carolina Corporation (hereinafter referred to as the "Declarant"), for itself, its successors, grantees, and assigns, pursuant to the provisions of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes.

W I T N E S S E T H:

WHEREAS, the original Developer and Declarant of Oyster Pointe Condominiums (hereinafter referred to as "OPC") filed a Third Amendment to the Declaration of OPC in Deed Book 591 at Page 864 in the Office of the Register of Deeds of Dare County, N.C. and transferred all real estate referred to in the Declaration of OPC as "Additional Real Estate" along with the Developmental Rights and Special Declarant Rights reserved by the Declaration of OPC to Oyster Pointe Associates, Inc. and as a result of said transfer became the Successor Declarant to OPC (hereinafter referred to as "Declarant") and hereafter any reference to the original Developer Declarants: Kitty Hawk Bay Development Corporation and First Service Corporation of North Carolina will hereinafter collectively be referred to as "Developer"; and

WHEREAS, the Declaration of Unit Ownership for OPC is recorded in Deed Book 492 at Page 454 in the Office of the Register of Deeds of Dare County, N.C.; and

WHEREAS, the Developer filed plans for OPC of the buildings, units, and site plans in Unit Ownership File 3, Slides 163 - 179 in the Office of the Register of Deeds of Dare County, N.C.; and

WHEREAS, in Article II "Submission of Property..." Developer subjected four buildings: A, B, C & D in Phase I to the Declaration consisting of thirty-six units, said property more particularly described in "Exhibit A" to the Declaration filed in Deed Book 492 at Page 454, Dare County Registry; and

WHEREAS, the Developer reserved Developmental Rights for the expansion of OPC by adding Additional Real Estate to OPC as further described in "Exhibit A-1" to the Declaration and further described in the First Amendment to the Declaration filed in Deed Book 497 at Page 231, in the Office of the Register of Deeds of Dare County, N.C.; and

WHEREAS, the aforereferenced Developmental Rights were exercised by that Third Amendment to the Declaration which is filed in Deed Book 544 at Page 484 and added Phase II to OPC consisting of buildings: J, K & L for an additional thirty-three units, thus expanding OPC to sixty-nine condominium units. The plans for Phase II were filed in Unit Ownership File 3 at Slides 314 - 315 in the Office of the Register of Deeds of Dare County, N.C.; and

WHEREAS, in that Fourth Amendment to Declaration filed in Deed Book 591 at Page 864, Developer transferred all real estate previously referenced in all filings of OPC as "Additional Real Estate" along with Developmental Rights and Special Declarant Rights reserved by the Declaration of OPC to the Declarant herein, and further in the Fourth Amendment to the Declaration, Developer clarified that the time frame of adding additional units to OPC is up to and including January 7, 1992; and

WHEREAS, Declarant has now completed construction of Building F consisting of an additional twelve condominium units and now wishes to add Building F of Phase III of OPC; and

WHEREAS, by reservation of Special Declarant Rights, the Declarant has the right during the Declarant Control Period to make certain necessary

amendments to the Declaration for the purpose of adding additional buildings in Phases as set forth in the condominium plan of unit ownership for OPC; and

WHEREAS, every Grantee of every interest in such property of OPC by the acceptance of a Deed or conveyance of any interest, whether or not such Deed or other conveyance of such interest shall be signed by the Grantee, shall be deemed by their acceptance of a Deed to a condominium unit in OPC to have consented to the powers of amendment therein reserved by Declarant and to any amendments previously or thereafter executed by Declarant pursuant thereto; and

WHEREAS, the Statement of Submission further provides that upon such amendment the undivided interest appurtenant to each condominium unit shall be determined in accordance with the provisions of Section 2 (c) as further illustrated by "Exhibit C" of the Declaration; and

WHEREAS, Declarant desires to now add Building F of Phase III to the Declaration consisting of twelve additional condominium units further described herein, and pursuant to the provisions of OPC to amend the Declaration as provided for therein to accomplish such incorporation and addition;

NOW, THEREFORE, Declarant hereby certifies as follows:

(1) Declarant is the owner of the land described in "Exhibit A" to this Fifth Amendment to Declaration, and said land is in a portion of that land previously referred to as "Additional Land" and previous filings of OPC.

(2) An additional building designated as Building F has been constructed on said land consisting of twelve condominium units and identification of said units shown on that site plan prepared by C. P. Lewis filed in Unit Ownership File 4, Slide 174, 175 in the Office of the Register of Deeds of Dare County, N.C..

(3) Building F is a three story building and situated on the first floor are Units: F-9, F-10, F-11 & F-12; on the second floor are Units: F-5, F-6, F-7 & F-8; then situated on the third floor are Units: F-1, F-2, F-3 & F-4.

For a more particular description of the Units As Built, see that Certification of Benjamin Barry Cahoon, North Carolina Registration No. 5413 of Bissell Associates, Inc., attached hereto as "Exhibit B" which makes reference to the particular description of prior units as built in Unit Ownership File 3, Slide: 163, 165, 167, 168, 170, 177, 179 and 315 in the Office of the Register of Deeds of Dare County, N.C.

(4) The unit boundaries for Building F of Phase III are as set forth in Section 1.21 of the Declaration for OPC.

(5) There are no Limited Common Elements in Phase III of OPC.

(6) The allocations to each unit of percentage of undivided interest in the Common Elements, of a percentage of the Common Expenses and of votes in the Association are as hereinafter set forth.

| <u>Unit No.</u> | <u>Percentage of Undivided Interest in Common Elements</u> | <u>Percentage of Common Expenses</u> | <u>Votes</u> |
|-----------------|--|--------------------------------------|--------------|
| A-1 | 1.2% | 1.2% | 1/81st |
| A-2 | 1.2% | 1.2% | 1/81st |
| A-3 | 1.2% | 1.2% | 1/81st |
| A-4 | 1.2% | 1.2% | 1/81st |
| A-5 | 1.2% | 1.2% | 1/81st |
| A-6 | 1.2% | 1.2% | 1/81st |
| A-7 | 1.2% | 1.2% | 1/81st |
| A-8 | 1.2% | 1.2% | 1/81st |
| B-1 | 1.2% | 1.2% | 1/81st |
| B-2 | 1.2% | 1.2% | 1/81st |
| B-3 | 1.2% | 1.2% | 1/81st |

| <u>Unit No.</u> | <u>Percentage of Undivided Interest in Common Elements</u> | <u>Percentage of Common Expenses</u> | <u>Votes</u> |
|-----------------|--|--|--------------|
| B-4 | 1.2% | 1.2% | 1/81st |
| B-5 | 1.2% | 1.2% | 1/81st |
| B-6 | 1.2% | 1.2% | 1/81st |
| B-7 | 1.2% | 1.2% | 1/81st |
| B-8 | 1.2% | 1.2% | 1/81st |
| C-1 | 1.2% | 1.2% | 1/81st |
| C-2 | 1.2% | 1.2% | 1/81st |
| C-3 | 1.2% | 1.2% | 1/81st |
| C-4 | 1.2% | 1.2% | 1/81st |
| C-5 | 1.2% | 1.2% | 1/81st |
| C-6 | 1.2% | 1.2% | 1/81st |
| C-7 | 1.2% | 1.2% | 1/81st |
| C-8 | 1.2% | 1.2% | 1/81st |
| D-1 | 2.4% | 2.4% | 1/81st |
| D-2 | 1.2% | 1.2% | 1/81st |
| D-3 | 1.2% | 1.2% | 1/81st |
| D-4 | 1.2% | 1.2% | 1/81st |
| D-5 | 1.2% | 1.2% | 1/81st |
| D-6 | 2.4% | 2.4% | 1/81st |
| D-7 | 1.0% | 1.0% | 1/81st |
| D-8 | 1.2% | 1.2% | 1/81st |
| D-9 | 1.2% | 1.2% | 1/81st |
| D-10 | 1.2% | 1.2% | 1/81st |
| D-11 | 1.2% | 1.2% | 1/81st |
| D-12 | 1.0% | 1.0% | 1/81st |
| F-1 | 1.2% | 1.2% | 1/81st |
| F-2 | 1.2% | 1.2% | 1/81st |
| F-3 | 1.2% | 1.2% | 1/81st |
| F-4 | 1.2% | 1.2% | 1/81st |
| F-5 | 1.2% | 1.2% | 1/81st |
| F-6 | 1.2% | 1.2% | 1/81st |
| F-7 | 1.2% | 1.2% | 1/81st |
| F-8 | 1.2% | 1.2% | 1/81st |
| F-9 | 1.2% | 1.2% | 1/81st |
| F-10 | 1.2% | 1.2% | 1/81st |
| F-11 | 1.2% | 1.2% | 1/81st |
| F-12 | 1.2% | 1.2% | 1/81st |
| J-1 | 1.2% | 1.2% | 1/81st |
| J-2 | 1.2% | 1.2% | 1/81st |
| J-3 | 1.2% | 1.2% | 1/81st |
| J-4 | 1.2% | 1.2% | 1/81st |
| J-5 | 1.2% | 1.2% | 1/81st |
| J-6 | 1.2% | 1.2% | 1/81st |
| J-7 | 1.2% | 1.2% | 1/81st |
| J-8 | 1.2% | 1.2% | 1/81st |
| J-9 | 1.2% | 1.2% | 1/81st |
| J-10 | 1.2% | 1.2% | 1/81st |
| J-11 | 1.2% | 1.2% | 1/81st |
| J-12 | 1.2% | 1.2% | 1/81st |
| K-1 | 1.2% | 1.2% | 1/81st |
| K-2 | 1.2% | 1.2% | 1/81st |
| K-3 | 1.2% | 1.2% | 1/81st |
| K-4 | 1.2% | 1.2% | 1/81st |
| K-5 | 1.2% | 1.2% | 1/81st |
| K-6 | 1.2% | 1.2% | 1/81st |
| K-7 | 1.2% | 1.2% | 1/81st |
| K-8 | 1.2% | 1.2% | 1/81st |
| K-9 | 1.2% | 1.2% | 1/81st |
| K-10 | 1.2% | 1.2% | 1/81st |
| K-11 | 1.2% | 1.2% | 1/81st |
| K-12 | 1.2% | 1.2% | 1/81st |
| L-1 | 1.2% | 1.2% | 1/81st |
| L-2 | 1.2% | 1.2% | 1/81st |
| L-3 | 2.4% | 2.4% | 1/81st |
| L-4 | 1.2% | 1.2% | 1/81st |

| <u>Unit No.</u> | <u>Percentage of Undivided Interest in Common Elements</u> | <u>Percentage of Common Expenses</u> | <u>Votes</u> |
|-----------------|--|--------------------------------------|--------------|
| L-5 | 1.2% | 1.2% | 1/81st |
| L-6 | 1.0% | 1.0% | 1/81st |
| L-7 | 1.2% | 1.2% | 1/81st |
| L-8 | 1.2% | 1.2% | 1/81st |
| L-9 | 1.0% | 1.0% | 1/81st |

At such time as additional units are added to the Condominium, the percentage of undivided interest in common elements and the percentage of undivided interest in common expenses will be reallocated. The formula for such reallocation and for successive reallocations will be to calculate the area of each unit and the area of the total units and determine the percentage that each unit bears to the whole. That will be the revised or reallocated percentage. For purposes of votes, each unit shall have one vote, without regard to the area of the unit or the number of bedrooms.

(7) As the result of this Fifth Amendment to the Declaration, twelve additional units are added to OPC for a total of eighty-one units. In accordance with the Developmental Rights reserved in the original Declaration, the Declarant expressly reserves the right to add Additional Real Estate to OPC. All or part of the Additional Real Estate which is identified in this Fifth Amendment to the Declaration may be added to the condominium at a different time, but no assurances are made in regard to the order in which such portions may be added. The Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Estate.

(8) The property described in "Exhibit A" to this Declaration which is incorporated herein by reference is the property constituting Phase III of OPC. Any other property which was originally described in "Exhibit A-1" of the original Declaration and the Amendments thereto which is not included within "Exhibit A" to this Fifth Amendment to Declaration is understood to be identified as the remaining Additional Real Estate. The rights reserving for such Additional Real Estate are referred to in the preceding paragraph. For purpose of identification, the remaining Additional Real Estate is also described in "Exhibit C" to this Fifth Amendment to Declaration.

The maximum number of additional units that may be created within the remaining Additional Real Estate is sixty-three for a total of one hundred forty-four units should all Phases of OPC be completed. The Declarant may subject portions or all of the Additional Real Estate to OPC by completing condominium units on said property up to and including January 7th, 1992.

(9) This Fifth Amendment to OPC does not divest any owner of any portion of his dwelling unit and does not materially alter the planned development set forth in the Declaration.

(10) By supplemental Declaration, in similar manner as herein exercised, Declarant may from time to time add additional Phases as provided for in the original Declaration and subject such land and buildings and improvements thereon to the original Declaration. Each condominium unit owner shall be deemed by their acceptance of a Deed to a condominium unit to have consented to the provisions of amendment reserved by Declarant and to any amendments previously or thereafter exercised by Declarant. Each condominium unit owner shall further be deemed by the owner's acceptance of a Deed or Deed of Trust to each condominium unit to have appointed Declarant their Attorney-in-Fact to give, execute and record the consent of said owner to any and all amendments to this Declaration which Declarant may wish to execute pursuant to the powers herein reserved.

IN WITNESS WHEREOF, Declarant has caused this Fifty Amendment to Declaration to be signed and sealed the day and year below acknowledged.

OYSTER POINTE ASSOCIATES, INC.

By: Jeffrey M. Farrar (SEAL)
Jeffrey M. Farrar, President

ATTEST:

BK 642 PG 0140

By: Jayne DePanfilis
Jayne DePanfilis, Secretary



(CORPORATE SEAL)

I, a Notary Public of the County and State aforesaid, certify that Jayne DePanfilis personally appeared before me this day and acknowledged that she is Secretary of Oyster Pointe Associates, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

WITNESS my hand and notarial seal this the 17th day of August, 1989.

08/08/90
My Commission Expires

Vicky P. Pollay
Notary Public

[SEAL/STAMP]



NORTH CAROLINA, DARE COUNTY
The foregoing certificate (s) of Vicky P. Pollay a Notary
Public of Dare Co, NC

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.
Doris A. Fry, Register of Deeds for Dare County
By Ranzilla M. Musser Assistant Register of Deeds

EXHIBIT A
DESCRIPTION OF OYSTER POINTE CONDOMINIUMS
PHASE III, "BUILDING F"

Beginning at a point which is located North 60 deg. 06 min. 02 sec. West a distance of 65.0 feet from a point being a corner in the Phase II boundary of Oyster Pointe Condominiums, said point being Northwest of the pool and being shown as point "B" on plat entitled Oyster Pointe Condominium, Phase III, "Building F" by C. P. Lewis, Jr., R.L.S., point of beginning shown as point "A" on said plat. Running thence from the point of beginning South 29 deg. 53 min. 57 sec. West a distance of 85.0 feet to a point; thence North 60 deg. 06 min. 03 sec. West a distance of 53.0 feet to a point; thence North 10 deg. 51 min. 44 sec. West a distance of 63.64 feet to a point; thence North 29 deg. 53 min. 57 sec. East a distance of 96.0 feet to a point; thence North 79 deg. 53 min. 57 sec. East a distance of 48.0 feet to a point; thence South 55 deg. 06 min. 03 sec. East a distance of 58.0 feet to a point; thence South 29 deg. 53 min. 57 sec. West a distance of 85.0 feet to a point, said point marking the point or place of beginning, same being an area consisting of 0.34 acres.

BK 642 PG 0142

ARCHITECT CERTIFICATION

FOR

BUILDING F, PHASE III, OYSTER POINTE CONDOMINIUMS

This Certification is given by Benjamin Barry Cahoon, Architect, North Carolina Registration No. 5413 of Bissell Associates, Inc. for "Building F of Phase III of Oyster Pointe Condominiums" located in Kill Devil Hills, North Carolina in accord with the provisions of Chapter 47C-2-109(d) of the North Carolina Condominium Act. Pursuant thereto, the undersigned hereby certifies as follows:

(1) That he has reviewed those plats and plans filed of record for Phase I of Oyster Pointe Condominiums recorded in Unit Ownership File 3, Slides 163 - 179 in the Office of the Register of Deeds of Dare County, North Carolina and those plats and plans for Phase II of Oyster Pointe Condominiums recorded in Unit Ownership File 3, Slides 314 - 315 in the Office of the Register of Deeds of Dare County, North Carolina, said plats and plans hereinafter referred to as "Recorded Plats and Plans".

(2) That the recorded plats and plans conform to the requirements of Chapter 47C-2-109(a) & (b) of the North Carolina Condominium Act.

(3) That the recorded plats and plans as hereinafter specifically referenced in Paragraph (5) herein fully and accurately depict the layout, location, ceiling and floor elevations of Building F of Phase III of Oyster Pointe Condominiums.

(4) That the layout of Building F in Oyster Pointe Condominiums and Unit Numbers are accurately depicted on that site plan of "Oyster Pointe Condominiums - Phase III, Building F" prepared by C. P. Lewis, R.L.S. and filed in Unit Ownership File 4 at Slide 1185 in the Office of the Register of Deeds of Dare County, North Carolina and the undersigned hereby certifies that the units depicted on said site plan of Building F "As Built" have been completed.

(5) That the units of Building F are the same as depicted by the following recorded plats and plans of Phases I and II of Oyster Pointe Condominiums:

(a) The "Foundation Plan of Unit A" filed in Unit Ownership File 3 at Slide 165 represents the foundation plan of Building F with the modification of the two stair towers which are rotated 90 degrees in Building F.

(b) The "Second Floor Framing Plan" filed in Unit Ownership File 3 at Slide 167 represents the floor framing plan for the second and third floors of Building F.

(c) The "First and Second Floor Plan Unit A" filed in Unit Ownership File 3 at Slide 168 accurately describes the floor plan for Building F.

(d) The "Typical Details" filed in Unit Ownership File 3 at Slide 169 are the same for Building F. The "First Floor Plan Unit B" also shown in Unit Ownership File 3 at Slide 165 has no application to Building F as Building F does not contain any one bedroom units.

(e) The "Floor Plan Unit A" filed in Unit Ownership File 3 at Slide 170 accurately depicts both the first, second and third floor plans of Building F with the exception of the stairs which are rotated 90 degrees.

(f) The "Roof Plan" filed in Unit Ownership File 3 at Slide 177 accurately depicts the roof plan of Building F.

(g) The "Electrical Floor Plan Unit A" filed in Unit Ownership File 3 at Slide 179 accurately depicts the electrical floor plan for Building F.

(h) The "Right Side Elevation" filed in Unit Ownership File 3 at Slide 315 accurately depicts the right side elevation of Building F with the exception of the stairs which are rotated 90 degrees. The "Real Elevation Unit A" and the "Front Elevation Unit A" which are also shown at Unit Ownership File 3 at Slide 315 are similar but do not accurately depict Building F, the difference being that Building F is a three story building.

(i) The aforementioned recorded plats and plans do not contain a cross-section of a three story building, therefore reference could not be made for Building F to the recorded plats and plans. A cross-section plat of Building F has been prepared which accurately depicts Building F and the same has been recorded in Unit Ownership File 4 at Slide 184/185 in the Office of the Register of Deeds of Dare County, North Carolina.

This Certification given this 15th day of August, 1989.

Benjamin Barry Cahoon (SEAL)
BENJAMIN BARRY CAHOON,
Architect N.C. Registration #5413

NORTH CAROLINA
DARE COUNTY

I, a Notary Public of the County and State aforesaid, certify that BENJAMIN BARRY CAHOON, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this 15th day of August, 1989.

08/08/90
My Commission Expires

Vicky P. Pollay
Notary Public

SEAL/STAMP



EXHIBIT C
DESCRIPTION OF REMAINING
"ADDITIONAL REAL ESTATE"
OF
OYSTER POINTE CONDOMINIUMS

That certain parcel of land located in the Town of Kill Devil Hills in the vicinity of First Flight Village, Dare County, North Carolina and more particularly described as follows:

The point of beginning for this description is located by certain bearings and distances from a point of reference. The point of reference is identified as the Northeastern corner of Lot No. 118 of the subdivision of First Flight Village, Section 3, Phase B as shown on the plat recorded in Plat Cabinet B at Slide 50 of the Dare County Registry. The point of beginning is located by the following courses and distances from the point of reference: beginning at the point of reference and running North 00 deg. 29 min. 56 sec. East a distance of 119.54 feet to a point; thence continuing along the right-of-way of Bay Drive along a curve to the right when proceeding in a Northerly direction an arc distance of 96.31 feet to a point, said curve having a radius of 462.13 feet; thence turning and running North 44 deg. 06 min. 57 sec. West a distance of 243.91 feet to a point; thence running North 73 deg. 06 min. 57 sec. West a distance of 258.00 feet to a point; thence South 26 deg. 53 min. 03 sec. West a distance of 50 feet to a point; thence South 69 deg. 23 min. 03 sec. West a distance of 97 feet to a point; thence North 39 deg. 36 min. 57 sec. West a distance of 64 feet to a point marking the point or place of beginning. Running thence from the point of beginning as established by the preceding courses and distances from the point of reference the following description of the property: running South 68 deg. 27 min. 15 sec. West a distance of 67.78 feet to a point; thence South 55 deg. 53 min. 03 sec. West a distance of 198.0 feet to a point; thence North 11 deg. 06 min. 57 sec. West a distance of 68.76 feet to a point; thence North 04 deg. 13 min. 31 sec. West a distance of 190.02 feet to a point; thence North 04 deg. 02 min. 57 sec. East a distance of 394.21 feet to a point; thence South 84 deg. 16 min. 05 sec. East a distance of 317.31 feet to a point; thence South 60 deg. 45 min. 55 sec. East a distance of 150.53 feet to a point; thence South 29 deg. 14 min. 05 sec. West a distance of 63 feet to a point; thence South 77 deg. 06 min. 45 sec. West a distance of 48.88 feet to a point; thence South 29 deg. 52 min. 29 sec. West a distance of 50.0 feet to a point; thence South 60 deg. 07 min. 31 sec. East a distance of 133.0 feet to a point; thence South 16 deg. 20 min. 00 sec. West a distance of 63.12 feet to a point; thence South 22 deg. 56 min. 03 sec. West a distance of 144.86 feet to a point; thence North 60 deg. 06 min. 02 sec. West a distance of 117.67 feet to a point; thence South 29 deg. 53 min. 57 sec. West a distance of 113.32 feet to a point, said point marking the point or place of beginning; excepting, however, the property described previously as Oyster Pointe Condominiums, Phase III, "Building F", said property more particularly described in Exhibit A.

Same being an area consisting of 4.59 acres and constituting the remaining Additional Real Estate after the dedication of Phase III to the Oyster Pointe Condominiums. The property hereinabove described is subject to additional Developer's rights and those rights include, without limitation, the right to construct additional condominium units on such property and the right to withdraw such property from the condominium declaration, all more particularly defined in the Declaration of Condominium for the Oyster Pointe Condominiums and the Amendments thereto.

Prepared by and Return to: Oyster Pointe on Kitty Hawk Bay Owners Association, Inc.
c/o Cape Management, P. O. Box 1067, Kitty Hawk, NC 27949

STATE OF NORTH CAROLINA
COUNTY OF DARE

FILED

NOV 11 1991

AMENDMENT TO DECLARATION
OF
OYSTER POINTE CONDOMINIUMS

THIS AMENDMENT to the Declaration of Condominium for the Oyster Pointe Condominium is entered this 10th day of December, 1991, by Oyster Pointe on Kitty Hawk Bay Owners Association, Inc., a North Carolina corporation (hereinafter referred to as "Association"), pursuant to the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes.

W I T N E S S E T H :

WHEREAS, there has been previously entered in the Dare County Registry a Declaration of Condominium recorded in Book 492 at Page 454 of said Registry. That Declaration has been amended by further Declarations recorded in Book 497 at Page 231, Book 498 at Page 702, Book 544 at Page 484, Book 591 at Page 864 and Book 642 at Page 136, all in the Dare County Registry. The Declaration and Amendments thereto refer to and describe a condominium known as Oyster Pointe Condominium located in Atlantic Township in the Town of Kill Devil Hills in Dare County, North Carolina. The property which is the subject of the Declaration as amended is described within said Declaration and Amendments thereto and the exhibits attached thereto; and

WHEREAS, the Declaration as amended provides in Article II, paragraph 2.6 that "The allocation of undivided interests in the Common Elements and of the Common Expenses is according to the area of each Unit to the area of all units. The votes in the Association are equally allocated to all Units."; and

WHEREAS, the Association has discovered errors in the allocation to each Unit of Percentage of Undivided Interest in the Common Elements and the percentage of the Common Expenses as set out in the Fifth Amendment to Declaration of Oyster Pointe Condominiums recorded in Book 642, Page 136, Dare County Registry, said errors being that the stated percentages are not calculated correctly in accordance with the square footage formula set out in the Declaration as amended; and

WHEREAS, the Association has attempted to contact Oyster Pointe Associates, Inc., the stated Declarant in said Fifth Amendment to Declaration in order to correct said allocations and said Declarant cannot be located, is no longer a viable corporation or, has surrendered its control as Declarant; and

WHEREAS, the Association, pursuant to N.C.G.S. Section 47C-2-117(d) and Article IV, paragraph 4.13(n) of its Bylaws desires by this amendment to correct the percentages of undivided interests in Common Elements and the percentages of Common Expenses within the Association to properly conform with the formula set out in Article II, paragraph 2.6 of the original Declaration; and

WHEREAS, the Association has obtained the affirmative vote of sixty-five (65%) of the total unit owners entitled to vote in favor of this Amendment.

NOW, THEREFORE, the Association, as the entity entitled to act as set forth herein in accordance with Chapter 47C of the North Carolina General Statutes, does hereby certify as follows:

Article I

The allocations to each Unit of Percentage of Undivided Interest in the Common Elements, of a Percentage of the Common Expenses and the votes in the Association are as hereinafter set forth:

Percentage of Undivided Interest in Common Element

Percentage of Common Expenses

Votes

| Unit No. | Percentage of Undivided Interest in Common Element | Percentage of Common Expenses | Votes |
|----------|--|-------------------------------|--------|
| A-1 | 1.2 | 1.2 | 1/81st |
| A-2 | 1.2 | 1.2 | 1/81st |
| A-3 | 1.2 | 1.2 | 1/81st |
| A-4 | 1.2 | 1.2 | 1/81st |
| A-5 | 1.2 | 1.2 | 1/81st |
| A-6 | 1.2 | 1.2 | 1/81st |
| A-7 | 1.2 | 1.2 | 1/81st |
| A-8 | 1.2 | 1.2 | 1/81st |
| B-1 | 1.2 | 1.2 | 1/81st |
| B-2 | 1.2 | 1.2 | 1/81st |
| B-3 | 1.2 | 1.2 | 1/81st |
| B-4 | 1.2 | 1.2 | 1/81st |
| B-5 | 1.2 | 1.2 | 1/81st |
| B-6 | 1.2 | 1.2 | 1/81st |
| B-7 | 1.2 | 1.2 | 1/81st |
| B-8 | 1.2 | 1.2 | 1/81st |
| C-1 | 1.2 | 1.2 | 1/81st |
| C-2 | 1.2 | 1.2 | 1/81st |
| C-3 | 1.2 | 1.2 | 1/81st |
| C-4 | 1.2 | 1.2 | 1/81st |
| C-5 | 1.2 | 1.2 | 1/81st |
| C-6 | 1.2 | 1.2 | 1/81st |
| C-7 | 1.2 | 1.2 | 1/81st |
| C-8 | 1.2 | 1.2 | 1/81st |
| D-1 | 1.4 | 1.4 | 1/81st |
| D-2 | 1.2 | 1.2 | 1/81st |
| D-3 | 1.2 | 1.2 | 1/81st |
| D-4 | 1.2 | 1.2 | 1/81st |
| D-5 | 1.2 | 1.2 | 1/81st |
| D-6 | 1.4 | 1.4 | 1/81st |
| D-7 | 1.1 | 1.1 | 1/81st |
| D-8 | 1.2 | 1.2 | 1/81st |
| D-9 | 1.2 | 1.2 | 1/81st |
| D-10 | 1.2 | 1.2 | 1/81st |
| D-11 | 1.2 | 1.2 | 1/81st |
| D-12 | 1.1 | 1.1 | 1/81st |
| F-1 | 1.3 | 1.3 | 1/81st |
| F-2 | 1.3 | 1.3 | 1/81st |
| F-3 | 1.3 | 1.3 | 1/81st |
| F-4 | 1.3 | 1.3 | 1/81st |
| F-5 | 1.3 | 1.3 | 1/81st |
| F-6 | 1.3 | 1.3 | 1/81st |
| F-7 | 1.3 | 1.3 | 1/81st |
| F-8 | 1.3 | 1.3 | 1/81st |
| F-9 | 1.3 | 1.3 | 1/81st |
| F-10 | 1.3 | 1.3 | 1/81st |
| F-11 | 1.3 | 1.3 | 1/81st |
| F-12 | 1.3 | 1.3 | 1/81st |
| J-1 | 1.3 | 1.3 | 1/81st |
| J-2 | 1.3 | 1.3 | 1/81st |
| J-3 | 1.3 | 1.3 | 1/81st |
| J-4 | 1.3 | 1.3 | 1/81st |
| J-5 | 1.3 | 1.3 | 1/81st |
| J-6 | 1.3 | 1.3 | 1/81st |
| J-7 | 1.3 | 1.3 | 1/81st |
| J-8 | 1.3 | 1.3 | 1/81st |
| J-9 | 1.3 | 1.3 | 1/81st |
| J-10 | 1.3 | 1.3 | 1/81st |
| J-11 | 1.3 | 1.3 | 1/81st |
| J-12 | 1.3 | 1.3 | 1/81st |
| K-1 | 1.3 | 1.3 | 1/81st |
| K-2 | 1.3 | 1.3 | 1/81st |
| K-3 | 1.3 | 1.3 | 1/81st |
| K-4 | 1.3 | 1.3 | 1/81st |
| K-5 | 1.3 | 1.3 | 1/81st |
| K-6 | 1.3 | 1.3 | 1/81st |
| K-7 | 1.3 | 1.3 | 1/81st |
| K-8 | 1.3 | 1.3 | 1/81st |
| K-9 | 1.3 | 1.3 | 1/81st |

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| | | | |
|------|-----|-----|--------|
| K-10 | 1.3 | 1.3 | 1/81st |
| K-11 | 1.3 | 1.3 | 1/81st |
| K-12 | 1.3 | 1.3 | 1/81st |
| L-1 | 1.3 | 1.3 | 1/81st |
| L-2 | 1.3 | 1.3 | 1/81st |
| L-3 | 1.4 | 1.4 | 1/81st |
| L-4 | 1.3 | 1.3 | 1/81st |
| L-5 | 1.3 | 1.3 | 1/81st |
| L-6 | 1.1 | 1.1 | 1/81st |
| L-7 | 1.3 | 1.3 | 1/81st |
| L-8 | 1.3 | 1.3 | 1/81st |
| L-9 | 1.1 | 1.1 | 1/81st |

For successive or future amendments to the Declaration in which additional units are added, the Percentage of Undivided Interest in the Common Elements and the Percentage of Common Expenses will be reallocated and the formula for such reallocations will be to calculate the area of such unit and the area of the total units and determine the percentage that each unit bears to the whole. For purpose of vote, each unit shall have one vote, without regard to the area of the unit or the number of bedrooms.

Article II

To the extent that it is necessary to set forth other items and information required by N.C.G.S. Section 47C-2-105, the provisions of the original Declaration as recorded in Book 492 at Page 454 of the Dare County Registry and the Amendments thereto referred to in this Amended Declaration are incorporated herein by reference, together with all exhibits as attached thereto as fully and completely as if all such matters were restated word for word, subject only to the changes and modifications that would occur as a result of this Amended Declaration and the matters contained herein.

IN WITNESS WHEREOF, the Association has caused this instrument to be executed in the manner set forth below, the day and year first above written.

OYSTER POINTE ON KITTY HAWK BAY OWNERS ASSOCIATION, INC.

By: Stuart L. Bell
Stuart L. Bell,
President



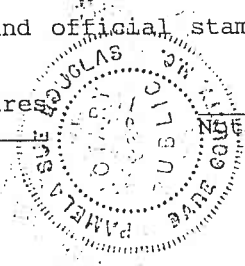
Harold D. Seaman
Harold D. Seaman, Secretary

STATE OF NORTH CAROLINA
COUNTY OF Dare

I, a Notary Public of the County and State aforesaid, certify that Harold D. Seaman personally came before me this day and acknowledged that he is _____ Secretary of Oyster Pointe on Kitty Hawk Bay Owners Association, Inc, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him as its _____ Secretary.

Witness my hand and official stamp or seal, this 10 day of December, 1991.

My commission expires 11/26/94
Pamela Sue Douglas
Notary Public



8877200200

STATE OF NORTH CAROLINA
COUNTY OF DARE

The foregoing certificate of Pamela Sue Douglas
a notary public of Dare Co, NC, is certified
to be correct.

This instrument and this certificate are duly registered
at the date and time and in the Book and Page shown on the first
page hereof.

Dennis A. Gray
Register of Deeds

By: Nama Sean Ward
~~Deputy~~/Assistant Register of Deeds
r\oyster.amd

Recorded: 10/27/2015 11:47:51 AM
BY: Toni Midgett
Vanzolla McMurrin, Register of Deeds
Dare County, NC

Fee Amt: \$26.00

NC Excise Tax: \$0.00

BOOK 2054 PAGE 865 (9)

700018009



AMENDMENT TO CONDOMINIUM DECLARATION FOR OYSTER POINTE
CONDOMINIUM

STATE OF NORTH CAROLINA
COUNTY OF DARE

THIS AMENDMENT TO CONDOMINIUM DECLARATION FOR OYSTER
POINTE CONDOMINIUM ("Amendment") is made this 7th day of October, 2015, by Oyster
Pointe on Kitty Hawk Bay Owners Association, Inc., a North Carolina nonprofit corporation (the
"Association").

RECITALS:

A. Kitty Hawk Bay Development Corporation, a North Carolina corporation
("Declarant") caused to be recorded the Condominium Declaration in Book 492, at Page 454 in
the office of the Register of Deeds of Dare County, North Carolina (said document as amended
and supplemented is referred to herein as the "Declaration").

B. Pursuant to as set forth in Article XII of the Declaration, the Declaration
may be amended with the affirmative vote of Unit Owners owning at least sixty-seven percent
(67%) of the votes allocated to Unit Owners in order for such amendment or amendments to be
effective.

C. The Board of Directors of the Association (the "Board of Directors"), by a
unanimous vote, approved, and adopted the amendment hereinafter set forth amending the
Declaration, and resolved the same be submitted to a vote of the Unit Owners at the annual
meeting.

Prepared by **WARD AND SMITH, P.A.**, University Corporate Center, 127 Racine Drive, Post Office
Box 7068, Wilmington, NC 28406-7068

Please return to **WARD AND SMITH, P.A.**, University Corporate Center, 127 Racine Drive, Post
Office Box 7068, Wilmington, NC 28406-7068
Attention: Adam M. Beaudoin

D. Owners owning greater than sixty-seven percent (67%) in number and in common ownership of all Units voted in person or by proxy at the annual meeting on September 26, 2015 to adopt the amendment to the Declaration as proposed by the Board of Directors.

NOW, THEREFORE, pursuant to the authority above identified and recited, Association and Unit Owners do hereby amend the Declaration as follows:

1. The following is added to the Declaration as a new Section 1.23:

Section 1.23 Upkeep. "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

2. Section 7.1 of the Declaration is deleted in its entirety and restated as follows:

7.1 Maintenance and Repair of Common Elements

(a) Association Upkeep of Common Elements. Other than the Upkeep of Limited Common Elements required by the Owner, the Association shall be responsible for the Upkeep of the Common Elements, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Elements or in a Unit for the furnishing of utility and/or other services to the Common Elements or other Units; provided that Unit Owners shall be responsible for Upkeep of conduits, ducts, plumbing, wiring and other facilities that provide service solely to their Unit as set forth in Section 7.3.

(b) Maintenance Standard. The minimum standard for Upkeep of the Common Elements to be performed by the Association shall be established by the Board. If any incidental damage is caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the Upkeep of any Common Elements, the Association shall, at its expense, repair such incidental damage.

(c) Damage Caused by Owner.

(1) Whenever the Upkeep of any item for which the Association is obligated to perform at its expense is occasioned by any act of an Owner, his tenants, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of such Upkeep, except that the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay such portion of the cost of such Upkeep as shall, by reason of the applicability

of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

(2) Whenever the Upkeep of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by an act of an Owner, his tenants, guests or invitees, and such loss or damage is not covered by any insurance maintained in force by the Association, the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay the cost of such Upkeep.

(d) Liability for Damage. Establishment of liability for damage caused by the Owner of a Unit or the Association is subject to the provisions of N.C. Gen. Stat. § 47C-3-107(d).

3. Section 7.3 of the Declaration is deleted in its entirety and restated as follows:

7.3 Maintenance and Repair by Owners of Units

(a) Owner Upkeep of Units. Every Owner shall perform promptly all Upkeep within his Unit which, if omitted, would affect the Condominium, either in its entirety or in a part belonging to other Owners, or adversely impair the ability to rent such Owner's Unit or any other Unit, and every Owner shall be expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Unit shall be liable and responsible for the Upkeep of all air conditioning and heating equipment, fans or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service solely to his Unit. The Owner of each Unit shall be liable and responsible for the Upkeep of the front entrance door and any other entrance doors to the Unit and all windows (including, without limitation, their panes, casements, and frames) located within or opening from a Unit, subject to the standards established by the Board. Such Owner further shall be responsible and liable for the Upkeep of the surfaces of any and all walls, ceilings and floors in the interior of his Unit including painting, decorating and furnishings, and all other accessories in his Unit.

(b) Maintenance-Insurance Proceeds. Whenever the Upkeep of any item for which the Owner of a Unit is obligated to perform at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of performing such Upkeep, except that the Owner of such Unit shall be, in said instance, required to pay such portion of the costs of such Upkeep as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

(c) Limited Common Elements. Except as otherwise stated herein, all betterments and improvements added to the Limited Common Elements by the Owners are a part of the respective Units and shall be maintained by the respective Owners. The cost of Upkeep of the Limited Common Elements shall be paid by the Owners to whom the exclusive right to use the Limited Common Elements are allocated. Notwithstanding this Section, the Board may, in its reasonable discretion, designate the cost of Upkeep of Limited Common Elements as a Common Expense when said Upkeep is required pursuant to a common plan for the overall Upkeep of the Common Elements.

4. Article VIII of the Declaration is deleted in its entirety and restated as follows:

ARTICLE VIII

INSURANCE

8.1 Insurance Coverages. The following insurance coverage shall be maintained in full force and effect by the Association:

(a) Casualty insurance covering the Common Elements, and to the extent reasonably available, the Units, including all buildings and all improvements upon the land and all personal property included within the Condominium, except such personal property as may be owned by the Owners, shall be procured in an amount equal to at least one hundred percent (100%) of the maximum insurable replacement value thereof (exclusive of land, excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (b) loss or damage by flood; and, (c) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief. Casualty insurance obtained for the buildings and improvements shall provide such coverage commonly known as "all-inclusive building" coverage and/or "completed Unit" coverage as such terms are used in the insurance industry, and shall include, but not be limited to, all components of the Units together with fixtures, cabinets, built in appliances and all other such improvements which were part of the original completed Units, except for betterments and improvements installed by any Owner at any time.

(b) Public liability and property damage insurance in such reasonable amounts and covering all occurrences commonly insured against including, death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements, and in such forms as shall be required by the Association, including, but not limited to, legal liability, hired

automobiles, non owned automobile and off premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to an Owner.

8.2 Premiums - Common Expenses. Premiums upon insurance policies purchased by the Association shall be paid by the Association as Common Expenses to be assessed and collected from all of the Owners of Units.

8.3 Deductibles. The deductible, if any, on any insurance policies maintained by the Association shall be paid by the Association as a Common Expense. In the event that the cause of any damage or destruction of any portion of the Condominium originated in or through the Common Elements or an apparatus located within the Common Elements, the Association may assess (i) any deductible amount necessitated by either the intentional act or omission, negligence, abuse, misuse or neglect of an Owner, or his or her family, guest, tenant, or the family or guest of said tenant, against such Owner; and (ii) a proportionate share of the deductible amount to any Owner whose Unit is repaired (or which Owner is compensated) by funds from the insurance policies maintained by the Association, based on the proportionate amount of insured loss incurred to the Unit relative to the total insured loss to the Common Elements and other Units. In the event that the cause of any damage or destruction to any portion of the Condominium originated in or through a Unit or any component thereof, then the Owner of said Unit shall pay the deductible under the Association's master casualty policy without regard to whether the Owner was negligent. If an Owner fails to pay the deductible assessed against his or her Unit and the Association pays the deductible cost owed by the Owner, then the deductible cost paid by the Association shall be charged to the Unit as an assessment for which the Association shall have a lien. The Board of Directors may, but shall not be required to, adopt a rule requiring all Owners to purchase HO-6 insurance coverage for their Units in an amount equal to or greater than the amount of the Association's deductible under its master casualty insurance policy. In the event the Board adopts such a rule, all Unit Owners shall be required to provide the Association with proof of such insurance and payment within thirty (30) days of adoption of such rule.

8.4 Insurance Claim Adjustment. Any loss covered by the property insurance maintained by the Association shall be adjusted with the Association; provided, however, all insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their Mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association as Trustee. The Trustee shall hold such proceeds in trust for the benefit of the Owners and their respective Mortgagees as their interests may appear.

8.5 Mortgagee-Insurance Proceeds. In the event a mortgage endorsement has been issued for a Unit, the share of any insurance proceeds of the Owner shall be held for the Mortgagee and the Owner as their interests may appear, but nothing herein contained shall be construed so as to give any Mortgagee the right to determine or participate in the determination of reconstruction or repair.

8.6 Use of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be disbursed first for the repair, reconstruction, or restoration of the damaged property, and Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Condominium is terminated except as specified in Article IX.

8.7 Reimbursement of Initial Insurance Premiums. Association shall pay the premium(s) of the initial insurance policies required by this Article VIII and shall be reimbursed for the pro rata portion of the cost thereof by each Owner at the time each Unit is conveyed.

8.8 Insurance Policy Requirements. Insurance policies carried pursuant to this Article VIII shall provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Owner or members of his household, if applicable;

(c) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy;

(d) If, at the time of any loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and

(e) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each Mortgagee or beneficiary under a deed of trust to whom certificates or endorsements have been issued at their respective last known addresses.

8.9 Insurance Coverage-Betterments. The Association shall not be required to maintain insurance coverage for any betterments or improvements to the Units and/or Limited Common Elements added by any Owner and an Owner

may be required to maintain such liability coverage as is otherwise provided herein.

8.10 Insurance Availability Notification. If the insurance described in this Article is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

8.11 Fidelity Insurance. If desired, the Association may maintain fidelity insurance.

5. Article IX of the Declaration is deleted in its entirety and restated as follows:

ARTICLE IX

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

9.1 Reconstruction-Costs. Any portion of the Condominium for which insurance is required pursuant to Article VIII which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) approval of all Owners of Units not to be rebuilt or Owners of Units assigned to Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense. If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated or to lienholders, as their interests may appear, and (3) the remainder of the proceeds shall be distributed to all of the Owners or lienholders, as their interests may appear, in proportion to their Common Element interest. If Owners vote not to rebuild any Unit, that Unit's allocated interests automatically shall be reallocated upon the vote as if the Unit had been condemned pursuant to N.C. Gen. Stat. § 47C 1 107(a), and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations. Unless otherwise prohibited, any such reconstruction or repair shall be substantially in accordance with the plans and specifications contained herein.

9.2 Estimates of Replacement Costs. Immediately after the casualty causing damage to property for which the Association has the responsibility for

maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems necessary or appropriate.

9.3 Priority of Repair. When the damage is to Common Elements, Limited Common Elements and Units, the insurance proceeds will be applied first to the costs of repairing the Common Elements, secondly to the cost of repairing the Units, and thirdly to the cost of repairing the Limited Common Elements.

9.4 Association Right to Insurance Adjustments. Each Owner shall be deemed to have delegated to the Association his right to adjust with insurance companies all losses under policies purchased by the Association.

6. Except as expressly provided in the paragraph above, the terms and provisions of the aforesaid Declaration shall continue in full force and effect according to the terms of the same as modified hereby.

[The remainder of this page intentionally is left blank. A signature page follows.]

IN TESTIMONY WHEREOF, the Association, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding, effective the day and year upon recording this Amendment in the office of the Register of Deeds of Dare County, North Carolina.

OYSTER POINTE ON KITTY HAWK BAY
OWNERS ASSOCIATION, INC.
a North Carolina nonprofit corporation

By: Tamara H. Byrd
TAMARA H. BYRD, President

STATE OF NORTH CAROLINA
COUNTY OF Currituck

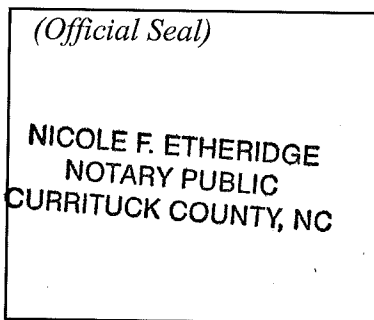
I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Tamara Byrd, President of Oyster Pointe on Kitty Hawk Bay Owners Association, Inc.

Date: 10/15/15

Nicole F. Etheridge
Signature of Notary Public

Nicole F. Etheridge
Notary's printed or typed name

My commission expires: Nov 27, 2016



Notary seal or stamp must appear within this box.