

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

JOINT TENANCY AGREEMENT

WHEREAS, DRIFTWOOD DEVELOPMENT COMPANY, INC., a North Carolina corporation ("Declarant"), is the owner in fee of that tract described on Exhibit A attached hereto and made a part hereof (the "Tract"); and

WHEREAS, Declarant has determined to sell undivided interests in the Tract in two hundred fifty-one (251) equal shares, as more fully set out hereinafter; and

WHEREAS, by execution by Declarant of this Joint Tenancy Agreement, and as a precondition to the tendering by Declarant to any party of an undivided interest in the Tract, each purchaser by their purchase of an undivided interest has agreed to the terms and conditions set out herein;

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00) and other valuable consideration, all owners of undivided interests in the Tract and their successors, assigns, legal representatives and vendees agree to be bound by the terms and provisions of this Joint Tenancy Agreement.

ARTICLE I. DEFINITIONS.

1. "Agreement" or "Joint Tenancy Agreement" means this Joint Tenancy Agreement, as the same may be amended, modified or supplemented from time to time.

2. "Association" means Goose Creek Landing, Inc., or such other North Carolina nonprofit corporation as shall be formed pursuant to Section 3 of Article V.

3. "Common Property" means all property within the Tract not included within any Space as shown on the Survey, and shall include in any event all septic tanks, drain fields, pipes and other appurtenant facilities and all water pipes and electrical systems and wiring, provided that "Common Property" shall not include any electrical systems or wiring between the utility company connection and any mobile home located on any Space. "Common Property" shall also include all piers, streets, security gates and facilities, boat ramp, mail boxes and other land and improvements thereon not within any Space as shown on the Survey. For purposes of maintenance, the channel adjacent to the Tract shall be considered a Common Property.

4. "Co-Ownership Interest" means a fee simple undivided interest in the Tract.

5. "Declarant" means Driftwood Development Company, Inc..

6. "Managing Agent" means the management company or other entity engaged by the Declarant or the Owners pursuant to and in the manner provided by this Agreement.

7. "Original Deed" means any deed from Declarant conveying a Co-Ownership Interest to an Owner.

8. "Owner" means the owner of any Co-Ownership Interest, and shall expressly include the Declarant so long as the Declarant has a Co-Ownership Interest.

9. "Rules and Regulations" means the rules and regulations relating to the possession, use and enjoyment of the Tract and the Common Property, and properly adopted by the Declarant or the Owners as set out in this Agreement and the By-Laws.

10. "Space" means each of the two hundred fifty-one (251) spaces designated on the Survey, as such Spaces may be modified pursuant to Section 4 of Article II.

11. "Survey" means the survey, dated January 16, 1992, relating to the Tract, a copy of which is appended hereto as Exhibit B.

ARTICLE II. USE RIGHTS OF OWNERS.

Section 1. Use Rights.

Subject to all the terms and conditions contained elsewhere in this Agreement and in the By-Laws, each Owner and each transferee of the Co-Ownership Interest of such Owner shall have the exclusive right to use and occupy the Space described in the Original Deed to such Owner or, in the case of the Declarant, each Space not allocated to any other Co-Owner pursuant to an Original Deed provided that the Owner shall have no claim to ownership of such Space, except as the Owner of an undivided Co-Owner Interest in the Tract. Each Owner and the Declarant shall also have the nonexclusive right to use all Common Property indicated on the Survey for use as a common easement or common area.

Section 2. Restrictions on Use.

No Owner shall occupy any Space or exercise any other rights of ownership with respect to the Tract other than the rights provided to such Owner in this Agreement, in the By-Laws, in the Original Deed of such Owner, and in the Rules and Regulations. Each Owner shall keep the Tract, such Owner's Space and mobile home and the Common Property in good condition and repair at all times.

688

119

Each Owner shall leave the Tract, such Owner's Space, and the Owner's mobile home and the Common Property in good and sanitary condition and repair and otherwise comply with such procedures as may from time to time be contained in the Rules and Regulations. Each Owner shall be responsible for the maintenance, repair and sightliness of such Owner's Space and mobile home located thereon. Any Owner may permit the Space allocated to such Owner to be occupied by anyone said Owner desires to allow within such Space, but the number of occupants at any given time shall not be in excess of the number of occupants permitted by the Rules and Regulations and the ordinances of Carteret County, and each Owner shall be responsible for any loss, damage, destruction or violation of this Agreement which occurs during such occupation as if the Owner were occupying the Space. The Association is specifically granted the right to prohibit the rental of any mobile home on any Space by rule adopted by the Board of Directors of the Association at any time. Each Owner and their guests, tenants or other permitted users shall comply with the use restrictions as set forth in this Agreement, and each of such persons shall comply with the Rules and Regulations. No Owner shall be entitled to occupy the Space allocated to such Owner unless such Owner has paid in full all fees and assessments legally owing in relation to the Tract, as more fully described herein after. No Owner shall landscape the property or remove, alter or replace any portion of the Common Property without the prior written consent of the Managing Agent, to which Managing Agent the right to perform all of the foregoing acts has been delegated by this Agreement. The foregoing prohibitions, however, shall not modify or affect the obligations of each Owner for the prudent care and ordinary maintenance and upkeep of all property subject to such Owner's use. No animals, livestock, birds, fish, poultry, dogs, cats or household pets of any kind shall be allowed or kept on a Space except within a home located thereon. No more than one mobile home shall be permitted on any Space at the same time. No fences, barriers, barricades or other similar structures may be constructed or placed on the property by any Owner, provided that the Association may cause to be erected a fence or similar structure on the exterior boundary of the Tract. Each Owner agrees to comply with the ordinances of Carteret County with respect to mobile homes and the removal or replacement thereof. Each Owner grants to the Association, the Managing Agent and their respective agents or contractors a right of ingress and egress onto the Space utilized by such Owner for the purpose of maintaining and repairing all Common Property, including without limitation septic and electrical systems located on the Space utilized by such Owner. To the extent any Space abuts any navigable body of water, the Owner with right to utilize such Space shall be prohibited from constructing any dock or pier thereon or therein.

Section 3. Failure to Comply.

If any Owner or permitted user fails to comply with this Agreement or prevents another Owner or permitted user from using or occupying the Space granted to such Owner or user, the noncomplying Owner shall:

(a) be subject to immediate removal, eviction, or ejection from the property wrongfully occupied;

(b) be deemed to have waived any notice required by law with respect to any legal proceedings regarding removal, eviction, or ejection (to the extent that such notice may be waived under North Carolina law); and

(c) reimburse the Owner otherwise entitled to use of the Space for all costs and expenses incurred by such Owner as a result of such conduct, including but not limited to costs of alternate accommodations, travel costs, court costs, and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the user refusing to vacate.

For the purposes of this section, the act of a guest or any member of the Owner's family, or any permitted user of an Owner, including a renter, shall be deemed to be the act of the Owner.

Section 4. Space Modification.

The boundaries of the Spaces shown on the Survey may not be modified or altered except pursuant to this Section 4. The Board of Directors may make minor modification in the boundaries of any Spaces, but only for the following purposes:

(a) To correct a clear mistake or error in the Survey;
or

(b) To alleviate a significant hardship relating to the use of any Space, if such alteration can be done without causing material restrictions on the use of any adjoining Space and can be accomplished without significant diminution in the size of any adjacent Space. All costs associated with such change, including the cost of recordation of an amended survey to reflect such changes, shall be borne by the Owner benefited by such change or alteration. If the owner of a Space affected by such alteration objects to such alteration (and such owner shall be given prior notification by the Board of Directors of the proposed change) such change may only be accomplished by unanimous vote of the Board of Directors of the Association.

ARTICLE III. TRANSFER OF OWNERSHIP.

Section 1. Transfer By Declarant.

Declarant shall be entitled to transfer undivided interests in the Tract to any party or parties deemed appropriate to Declarant. Nothing shall prohibit an Owner from owning more than one Co-Ownership Interest.

Section 2. Prohibitive Transfer.

No Owner other than Declarant shall transfer such Owner's Co-Ownership Interest unless such transfer is in compliance with the provisions of this Agreement. Any transfer not in compliance with these restrictions shall be null and void and of no effect. For purposes of this Agreement, the term "transfer" means any sale, conveyance, gift, lease for a period greater than one year, encumbrance or other voluntary disposition by an Owner of such Owner's Co-Ownership Interest. The term "transfer" does not include a conveyance or transfer by descent, distribution or other operation of law. Upon a transfer of a Co-Ownership Interest, the right to utilize the Space allocated to the transferring Owner, as such Space may have been modified pursuant to Section 4 of Article II, shall pass to the transferee, and the transferee shall have no right to use any other Space.

Section 3. Division; Combination.

No Owner shall transfer of record less than all of such Owner's one two hundred fifty-first (1/251) joint tenancy Co-Ownership Interest, nor shall any Owner in any way further divide said interest, provided that any Owner, including the Declarant, who owns more than one Co-Ownership Interest shall be permitted to sell each Co-Ownership Interest separately from time to time.

Section 4. Transfer.

The sale or transfer of any Co-Ownership Interest shall operate to transfer to the new Owner the interest of the prior Owner in all funds in the hands of the Managing Agent without further instrument of transfer. Each subsequent Owner or transferee of a Co-Ownership Interest shall be subject to the provisions of this Agreement, the By-Laws and all other restrictions, including the Rules and Regulations and the Space allocation, which were binding on the transferring Owner. All deeds conveying Co-Ownership Interests shall contain a statement that the conveyance is made subject to this Joint Tenancy Agreement, provided, however, that the failure to include such statement shall not affect the provisions of this Agreement, the By-Laws or the Rules and Regulations, which are binding on all Owners, including the new Owner.

Section 5. Notification Of Sale.

Not later than five days after the transfer of any Co-Ownership Interest, the transferor shall notify the Managing Agent in writing of such sale or transfer. Such notice shall set forth the name and address of the transferee and transferor; the residence and business phone number of the transferee and transferor; and the date, terms, and amount of sale. Unless and until such notice is given, neither the Managing Agent nor the Association shall be required to recognize the transferee for any purpose, nor any action taken by the transferor for any purpose, but any action taken by the transferor as an Owner may be recognized by the Managing Agent. Prior to the receipt of any such notification by the Managing Agent, any and all communication required or permitted to be given by the Managing Agent or the Association shall be deemed duly given and made to the transferee if duly and timely made and given to the transferor.

Section 6. Waiver Of Tenancy In Common and Partition Rights.

Any rights as tenants in common are governed by the provisions of this Agreement, and all other rights granted by law to tenants in common are waived, to the extent that the same are in conflict with any provision of this Agreement, and to the extent that the same may be legally waived. Each Owner expressly waives any statutory or common law right to partition the property subject to this Agreement, including without limitation the right to force a sale of the entire Tract or any portion thereof or to force a partition of the proceeds of any sale of all or a portion of the Tract, to the extent not prohibited by North Carolina law.

Section 7. Encumbrances.

Any Owner may pledge such Owner's Co-Ownership Interest as security for any loan. Such Owner agrees to make or cause all payments to be made when due under all instruments relating to such loan, and such Owner shall not permit such Owner's Co-Ownership Interest to be deeded in lieu of foreclosure. Except as expressly permitted by this Section, no Owner shall permit such Owner's Co-Ownership Interest to be subject to any lien (other than the liens of current real property taxes), claim or charge, the enforcement of which may result in a sale or threatened sale of the Co-Ownership Interest of any other Owner. Should any such action be threatened, the Association shall be entitled, but shall not be required, to satisfy any such claim, and to assess said claim, plus any cost incurred in settling the same, including, but not limited to, court costs and attorney's fees, as an assessment against the Owner occasioning such expense. Nothing contained herein shall in any way restrict any remedy legally available to a holder of a security interest in any Co-Ownership Interest, provided that the provisions of this Joint Tenancy Agreement, including without limitation Section 4 and Section 6 of this Article, shall apply to

any secured party ~~and~~ all persons or entities taking through a secured party.

ARTICLE IV. MANAGING AGENT.

Section 1. Management.

Driftwood Development Company, Inc., has been employed to act as Managing Agent, commencing upon the conveyance of the first Original Deed, and terminating December 31, 1993, or such other date as shall be provided in the By-Laws.

Section 2. Duties Of Managing Agent.

The Managing Agent shall perform all duties necessary for the proper functioning and operation of the Tract as a mobile home park, including, without limitation, those specified in this Agreement. These responsibilities shall include, but shall not be limited to, the following:

(a) collection of all assessments, and the Managing Agent shall account for all such collections to the Treasurer of the Association;

(b) payment of all obligations incurred by the Managing Agent and the Association with respect to the Tract and the Common Property, including without limitation all taxes, and payment of all other obligations owing and chargeable to the Owners jointly, as more fully set out hereinafter;

(c) procure required cleaning and repair service for the Tract and Common Property;

(d) procure all required insurance, provided that the responsibility of insuring mobile homes shall be on the individual owners thereof as hereinafter provided;

(e) require and supervise all maintenance necessary for the Tract and the Common Property in a timely fashion;

(f) act as agent for all Owners in all matters affecting the use, zoning and control of the Tract;

(g) assist the Association in promulgating rules and regulations for consideration by the Owners; and

(h) perform all other acts required of the Managing Agent under the terms of this Agreement.

688 119

Section 3. Maintenance Schedule.

The Managing Agent shall schedule all necessary maintenance and repair work so as to minimize inconvenience to any Owner. The Managing Agent shall give, where possible, reasonable notice to every affected Owner of any intended repairs or maintenance; the Managing Agent shall, where possible, allocate all maintenance and repairs so as to burden no one Owner more than every other Owner. Notwithstanding the provisions of this paragraph, emergency repairs shall be made as required, and the Managing Agent, and the agents employed by the Managing Agent to make repairs, shall have access to the Tract, the Common Property and each home located on any Space at all times necessary to make such repairs.

ARTICLE V. ASSOCIATION; FEES AND ASSESSMENTS.

Section 1. Creation Of Personal Obligation.

Each Owner by acceptance of a deed for a Co-Ownership Interest, whether or not it shall be so expressed in said deed, shall be deemed to have covenanted and agreed to pay the Managing Agent, as agent for the Association, the annual maintenance fee, all special assessments and all personal charges, as are more fully described hereinafter (all of which are sometimes herein called "assessments"), which assessments shall be established, made and collected in accordance with this Agreement and the By-Laws. The assessments, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of each Owner at the time the assessment becomes due and payable and shall be a lien and charge upon the Co-Ownership Interest against which the assessment or charge is made. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them, provided, however, this shall not extinguish the lien on the Co-Ownership Interest until said assessments are paid. No Owner may waive or otherwise avoid liability for the assessment by nonuse of such Owner's Co-Ownership Interest or Space or any abandonment thereof.

Section 2. Purpose Of Assessments.

Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, and to improve, maintain, refurbish, and otherwise keep in good condition the Tract and the Common Property, and to pay any expenses incurred by the Managing Agent or the Association in the performance of the Managing Agent's or the Association's duties, and in the payment of all liens and assessments, including taxes and common utilities, against the Tract and the Common Property.

Section 3. Association.

The Declarant has, prior to recordation of this Agreement, caused to be chartered a North Carolina nonprofit corporation named "Goose Creek Landing, Inc." Each Owner of a Co-Ownership Interest shall be a voting member of said Association. Each Co-Ownership Interest shall be entitled to one (1) vote, for a total of two hundred fifty-one (251) votes. Each Owner owning more than one Co-Ownership Interest shall be entitled to one vote for each Co-Ownership Interest owned by such Owner, which provision shall also apply to the Declarant. To the extent that any Co-Ownership Interest is owned by more than one Owner, said Owners shall determine among themselves, and shall designate, one voting member, which voting member shall cast the vote allocated to said Co-Ownership Interest. In the event that the Owners shall not be able to select a representative, the Managing Agent, on behalf of the Association, shall designate the representative to cast any vote on behalf of such Co-Ownership Interest. The Association shall be governed by a Board of Directors, selected in accordance with the By-Laws of the Association, and the Association shall operate and do business in accordance with the terms of its By-Laws. The Association shall have the responsibility of maintaining in good condition the Common Property, including all septic systems, drain fields and pipes, the interests of the Association in the common pier, all seawalls, the boat ramp and adjacent channel, all streets and security facilities, and all exterior wiring and electrical lines excluding any wiring and electrical wiring running from the utility company connections to any mobile home, relating to the Tract or the Spaces located thereon, and the sightly appearance, landscaping and lawn care of such Common Property. The Association shall be responsible for the payment of all ad valorem real property taxes relating to the Tract; provided that the responsibility for the payment of personal property taxes on any personal property owned by any Owner, including such Owner's Mobile Home, shall be on such Owner. The Association shall be responsible for all connections and tap-on fees in connection with any municipal sewage disposal system. The Association shall have the right, but not the obligation, to provide security to and for the benefit of all or a portion of the Tract, and to provide any other incidental services it deems appropriate to benefit the Tract or the Spaces or mobile homes located within the Tract. These purposes may include the stabilization or improvement of any shoreline, to the extent legally permitted. The Association shall have no responsibility for the restoration of the Tract of any Space thereon in the event that the Tract or a portion thereof or any Space shall be unusable for the placement of a mobile home for any reason whatsoever, including an act of God or a determination by any governmental or regulatory body, agency or representative that such property or Space is unusable. In order to fund its obligations, each Owner is obligated and bound to pay to the Association the assessments and fees provided in this Agreement. The Association may from time to

time increase or decrease the amount of the assessments provided herein in accordance with this Agreement and the By-Laws.

Section 4. Annual Fee.

An annual maintenance fee for each Co-Ownership Interest shall be assessed by the Association against each Owner. The maintenance fee shall be used to operate, manage, maintain and repair the Tract and the Common Property, to provide common utility services, cleaning services, maintenance, replacement and repair of the Common Property; to administer all functions required of the Managing Agent and the Association; to pay premiums on all insurance policies relating to the Tract and the Common Property required under this Agreement; to pay all real estate taxes owed, which are a lien and charge against the Tract; to provide reserves as necessary; and for any other purposes as are required herein or otherwise required by good business practice to maintain the Tract in good condition for the benefit of the Owners. The maintenance fee for the first full year of operation (1992) shall be \$335.00 for each of the two hundred fifty-one Co-Ownership Interests. The Declarant shall not be obligated to pay any annual maintenance fee on unsold Co-Ownership Interests prior to January 1, 1993, provided that, if prior to January 1, 1995, the receipts from maintenance fees shall not be sufficient to satisfy the ordinary operating expenses incurred by the Association, the Declarant shall make up any shortfall. The obligation of the Declarant to make up any shortfall shall terminate January 1, 1995, and prior to such date the Declarant shall be obligated to pay assessments and otherwise subsidize the Association, if required to pay ordinary operating expenses. Declarant warrants and represents that it will use best efforts to ensure that there will be no increase in dues prior to January 1, 1995, and, to the extent that there is any increase in dues relating to the ordinary operating expense of the Association prior to that date, Declarant shall pay for and on behalf of all Owners such increase. Nothing contained herein shall obligate Declarant to pay any assessment or increase in dues related to Improvements or expenses required because of emergency or otherwise outside the normal operating expenses of the Association. Declarant shall bear any expense of extending a public water supply if such public water supply is extended before January 1, 1995. Thereafter, the cost of such extension shall be borne by the Association. If a Co-Ownership Interest is conveyed during any calendar year, dues shall be prorated for that year. The maintenance fee for each year subsequent to 1992 shall be established by the Board of Directors of the Association. Maintenance expenses shall not include any expenses constituting a personal charge. Except as otherwise expressly provided in this Agreement, all fees and assessments shall be charged in equal amounts to all Owners.

Section 5. Payment Of Maintenance Fee.

The maintenance fee shall be payable in two equal semiannual installments, in advance on the first day of each January and July, and shall be payable to the Managing Agent, as agent for the Association. Any payment not received by the Managing Agent within 15 days from the date when due shall be subject to a late fee of 5%. In addition, no occupancy of any Space or the mobile home thereon may be permitted to an Owner unless and until all maintenance fees, and other assessments are paid in full by such Owner. If an Owner has not paid fully all assessments, the Managing Agent shall, at the direction of the Board of Directors of the Association, prohibit use of such Owner's Space by the Owner. The frequency and dates of payment may be changed in accordance with the provisions of the By-Laws.

Section 6. Special Assessments.

If the maintenance fees are, or will become, inadequate to meet all expenses incurred by the Association hereunder for any reason, including nonpayment by any Owner of maintenance fees on a current basis, the Board of Directors of the Association shall immediately determine the approximate amount of such inadequacy and levy against each Owner a special assessment in an amount sufficient to provide for such inadequacy. Declarant shall pay any such special assessment levied for payment prior to January 1, 1995, unless such assessment is for capital improvements or for other purposes outside of normal operating expenses, all as more fully set out in Section 4 of this Article V.

Section 7. Personal Charges.

The term "personal charges" means:

(a) any expense resulting from the act of omission to act of any Owner or other person occupying the Space of such Owner including, without limitation, special services or supplies attributable to the occupancy of the Space or the mobile home thereon;

(b) the cost to satisfy any expense to any of the other Owners, the Association or to the Managing Agent attributable to any act or omission to act of such Owner, such Owner's family, guests or invites or resulting from the breach by such Owner of any of such persons of any provision of this Agreement, the By-Laws or the Rules and Regulations; and

(c) all utility charges, including electricity, telephone and cable television, which are billed directly to an Owner and are not on a common meter.

Failure to pay personal charges in a timely fashion shall be deemed a failure to pay an assessment as more fully set out hereinbefore, and such failure to pay shall subject the defaulting Owner to all of the remedial provisions hereof.

Section 8. Inability to Use Space.

In the event that one or more Spaces shall become unusable for the placement of a mobile home thereon, due to an Act of God or regulatory determination, the Owner of each such Space shall have no obligation to pay any fee or assessment of the Association hereunder for the period from the date such Space shall become unusable to the date, if ever, such Space is determined again to be usable. Notwithstanding the foregoing, such Owner shall retain such Owner's Co-Ownership Interest and shall be entitled to (i) vote as a member of the Association and (ii) share pro rata in the proceeds of any ultimate sale of the entire Tract, upon such terms and conditions as the Owners shall then agree. In the event that any Owner whose Space shall have become unusable desires to utilize the Common Property or amenities relating to the Tract, the Owner shall notify the Managing Agent of such intention, and the Managing Agent shall promptly notify the Board of Directors, who shall establish a fee to be paid by such Owner for such use in lieu of the other assessments required to be paid hereunder, which fee determination shall be absolutely binding on such Owner.

ARTICLE VI. MEETINGS.

Section 1. Annual Meeting.

An annual meeting of the Association shall be held on the first Saturday in the month of June each year in Carteret County, North Carolina or on such other date as may be established pursuant to the By-Laws.

Section 2. Special Meetings.

Special meetings of the Association may be held in accordance with the By-Laws.

Section 3. Designation of Managing Agent.

The Association shall be entitled to designate the Managing Agent for each year subsequent to 1993, and the Managing Agent may be an Owner.

ARTICLE VII. ENFORCEMENT OF RESTRICTIONS.

Section 1. Enforcement.

The Association shall have full power and authority to enforce compliance with this Agreement, the By-Laws and the Rules.

288

119

and Regulations in any manner provided for by law or in equity including, without limitation, the right to enforce by bringing an action for damages, an action to enjoin the violation or specifically enforce the provisions of this Agreement, the By-Laws or the Rules and Regulations, to enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien by power of sale pursuant to Section 47C-3-116 and Article 2A of Chapter 45 of the North Carolina General Statutes and appointment of a receiver for an Owner and the right to take possession of the Co-Ownership Interest of any Owner in the manner provided by law. In the event the Association shall employ an attorney to enforce the provisions of this Agreement, the By-Laws or Rules and Regulations against any Owner, the noncomplying Owner shall be liable for attorney's fees and costs in addition to any other amounts provided for herein. All enforcement powers of the Association shall be cumulative. In the event that there is a dispute as to the nature or amount of any charges or assessments sought to be collected, the affected owners may pay such charges under protest and sue for a refund in Carteret County District or Superior Court, whereupon the Owner shall be entitled to the use, possession and occupancy of such Owner's Space and mobile home.

Section 2. Priority Of Assessment Lien.

The assessments provided by this Agreement, together with interest, costs and reasonable attorney's fees, shall be a charge on and a continuing lien upon the Co-Ownership Interest against which the assessments are made when a notice of such lien has been filed of record in the office of the Clerk of Superior Court of Carteret County, North Carolina, in the same manner as provided by the North Carolina General Statutes, including Section 47C-3-116 and Chapter 44A, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of 30 days after the same shall become due. Said notice of lien shall also secure all assessments against the Co-Ownership Interest becoming due thereafter until the lien has been satisfied. In addition, each Owner shall be personally liable for any assessments against such Owner's Co-Ownership Interest becoming due and payable while such Owner is the Owner of the Co-Ownership Interest. Such assessment lien shall be prior to and superior to all other liens except:

(a) ad valorem taxes; and

(b) all sums unpaid on deeds of trust, mortgages or other encumbrances against the Co-Ownership Interest advanced prior to the recordation of such lien, and secured by an appropriate instrument recorded as allowed by law prior to the recordation of such lien.

Section 3. Termination.

This Agreement shall remain in affect until the earlier of the happening of the following:

(a) decision by unanimous agreement of all holders of Co-Ownership Interests to terminate this Agreement; or

(b) at any time more than 50 years from the date of recordation of this Agreement at which a majority of Co-Ownership Interests affirmatively vote to terminate this Agreement; or

(c) the sale of the Tract as a whole to one or more third parties, which sale must be approved by the holder of ninety percent (90%) of the co-ownership interests in the Tract.

ARTICLE VIII. MISCELLANEOUS

Section 1. Severability; Captions.

If any provision of this Agreement, or any section, sentence, clause or the application thereof in any circumstance, shall be held invalid, the validity of the remainder of this Agreement and of the application of such provision shall not be affected thereby. If any provision of this Agreement would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein imposed by law, then such provision shall be deemed to remain in effect only for such period as the maximum allowed by the rule against perpetuities. All captions are for reference and shall not be construed to restrict the applicability of the provisions contained therein.

Section 2. Successors In Interest.

The provisions of this document shall run with the land and be binding upon all parties having or acquiring any Co-Ownership Interest or any right, title or interest therein and shall be for the benefit of each Owner and such Owner's heirs, successors and assigns.

Section 3. Interpretation.

The captions of the articles and sections herein are for convenience only and shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Agreement. As used herein, the singular shall include the plural and the masculine shall include the feminine and neuter.

Section 4. Waiver.

The failure to enforce any provision of this Agreement shall not constitute a waiver thereof or the waiver of the right to enforce such provision thereafter.

Section 5. Amendment.

Except as specifically reserved herein, this Agreement may be amended by Owners holding a majority of co-ownership interests. The following amendments, however, require unanimous consent of the holders of all co-ownership interests:

(a) An amendment restricting the use or occupancy of any Space;

(b) An amendment prohibiting the use of any Common Property by any Owner; and

(c) Any amendment that would require a change in the method or amount of determining and collecting assessments.

In addition, no Amendment shall be effective without consent of Declarant until such time as at least two hundred twenty-five (225) of the two hundred fifty-one (251) co-ownership interests have been transferred to third parties.

Furthermore, no amendment shall be approved that would adversely impact the rights of any mortgagee in any material way without the prior, written consent of all such mortgagees.

Section 6. Liability.

None of the Declarant, the Association or the Managing Agent shall have any liability to any Owner in regard to any disputes whatsoever which may arise among or between Owners of Co-Ownership Interests or between any third party and any Owner or Owners. None of the Declarant, the Association or the Managing Agent shall be responsible for the acts, omissions to act or conduct of any Owner or user or for the breach of any obligation by any Owner or user. None of the Declarant, the Association or the Managing Agent makes any representation, warranty or covenant with regard to the use of the Tract or any Space or any Common Property by any Owner.

Section 7. Release.

Each Owner of a Co-Ownership Interest accepts such Co-Ownership Interest and Space allocation as is, without representation or warranty by the Declarant, the Association or the Managing Agent, and each such Owner, for such Owner and such Owner's family, guests, tenants, invites, heirs and legal representatives, releases the Declarant, the Association, their respective officers, directors, shareholders and agents, and the Managing Agent, from and against all claims whatsoever with respect to the Co-Ownership Interest, the Tract, the Space allocated to such Owner and the Common Property. Each Owner agrees to comply with the ordinances of Carteret County with regard to the operation

and use of mobile home parks and mobile homes. Each Owner accepts all risks associated with the ownership of a Co-Ownership Interest, including the effects of Acts of God and governmental regulation, and each Owner further understands that the Space allocated to such Owner may at some future point become unusable due to Acts of God, governmental regulation or other events not within the control of the Owner, the Declarant, the Managing Agent or the Association.

Section 8. Insurance.

The Association may maintain a general public liability policy for the Common Property and the Tract for the benefit of the Association, its officers and directors, the Managing Agent and each Owner, in an amount determined by the Board of Directors, if such a policy is available at reasonable cost. Each Owner shall be solely responsible for insuring such Owner's personal property located on the Tract including without limitation, such Owner's mobile home.

Section 9. Indemnity.

By their acceptance of a Co-Ownership Interest, each Owner agrees to indemnify and hold harmless each other Owner, the Association and its officers and directors and the Managing Agent from and against all claims, costs, liabilities and obligations of any kind whatsoever made against any of such persons or entities by such Owner or any family member, guest, invitee, tenant, heir or legal representatives of such Owner in connection with the Tract, the Common Property, any Space or in any way relating to the activities thereon.

Section 10. Applicable Law.

This Agreement is made in accordance with the provisions of the laws of the State of North Carolina, and any action to enforce any provision of this Agreement shall be brought in Carteret County, North Carolina.

Section 11. Easements.

The easements described on Exhibit A attached hereto are hereby transferred and conveyed, non-exclusively, to Grantee, and to the Association.

IN TESTIMONY WHEREOF, the Declarant has executed this Joint Tenancy Agreement this 22 day of May, 1992.

DRIFTWOOD DEVELOPMENT COMPANY, INC.

BY: Ronald L Smith
_____, President

ATTEST:

A. Mark Baker
_____, Secretary

(Corporate Seal)

NORTH CAROLINA, CARTERET COUNTY
The foregoing certificate(s) of Ronald L Smith
is (are) certified to be correct. The instrument was pre-
sented for registration and recorded at my office in
Book 219 Page 119
This 22 day of May, 1992.

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

I, May D. Cox-Hill, a Notary Public in and for the above named State and County, do hereby certify that personally appeared before me this day Ronald L. Smith, who being by me duly sworn, says that he is the President of DRIFTWOOD DEVELOPMENT COMPANY, INC., and that he knows that A. Mark Baker is the Secretary, and that he knows the common seal of the said corporation; that the corporation's name was subscribed to the within document by him as President and was attested by its Secretary, with its corporate seal thereto affixed, and all by order of its Board of Directors duly given, and that the said instrument is the act and deed of said corporation.

WITNESS my hand and notarial seal, this 22nd day of May, 1992.

May D. Cox-Hill

Notary Public

My Commission Expires:

6/18/92

Tenancy.Agr
Drift
#1

EXHIBIT A

Located in White Oak Township, Carteret County, North Carolina, and being a portion of Tract 12 and 13 of the Daisy Sanders Koonce heirs property, and being more fully described as follows:

Beginning at an existing iron pipe that can be found by proceeding South 75 degrees 01 minutes 02 seconds West a distance of 290.07 feet from the intersection of the Western right-of-way of North Carolina State Road 1119 (Red Barn Road) and the Southern right-of-way of Robin Boulevard (as shown in Map Book 25, Page 24, Carteret County Registry), which point of intersection is the Northwest corner of Lot 1 of the Hoagland property described in Book 310, Page 492, Carteret County Registry, and as shown in Map Book 17, Page 78, Carteret County Registry; from this point and place of beginning running South 75 degrees 01 minutes 02 seconds West 140.22 feet to an iron pipe; then running South 02 degrees 04 minutes 54 seconds East 382.50 feet to a concrete monument; then running North 85 degrees 13 minutes 00 seconds East 30.42 feet to an iron rod; then running South 02 degrees 17 minutes 00 seconds East 350.55 feet to an iron rod; then running along the Northern boundary of the Sanders Farm Subdivision as shown in Map Book 13, Page 73, Carteret County Registry, and other adjacent property South 75 degrees 15 minutes 00 seconds West 3477.85 feet to a concrete monument and the highwater mark of Goose Creek; then following the highwater mark of Goose Creek in a generally Northerly direction North 01 degrees 24 minutes 03 seconds East 686.50 feet to a point on the outside facing of a bulkhead; then running along the facing of said bulkhead North 82 degrees 16 minutes 16 seconds East 14.90 feet to a point in the outside facing of said bulkhead; then running North 76 degrees 55 minutes 56 seconds East 15.89 feet to a point on the outside facing of said bulkhead; then running North 03 degrees 30 minutes 32 seconds East 8.48 feet to a point in the outside facing of said bulkhead; then running South 88 degrees 04 minutes 11 seconds East 189.78 feet to a point; then running North 11 degrees 15 minutes 00 seconds West 90.55 feet to a point in the Southern property line of Goose Creek Resort Campground (Tract 12 of the Daisy Sanders Koonce heirs property as shown on Map Book 3, Page 158, Carteret County Registry); then running along the Southern property line of said Tract 12 North 75 degrees 15 minutes 00 seconds East 2914.49 feet to an iron pipe; then running North 50 degrees 39 minutes 26 seconds East 226.91 feet to an iron pipe; then running North 83 degrees 28 minutes 46 seconds East 69.70 feet to an iron pipe; then running South 81 degrees 02 minutes 36 seconds East 159.73 feet to an iron pipe, being the point and place of beginning. This tract is more fully described on that plat prepared for Driftwood Development Company, Inc., entitled Goose Creek Resort Mobile Home Park, dated January 26, 1992, prepared by John P. McLean Engineering Associates.

Easement 1

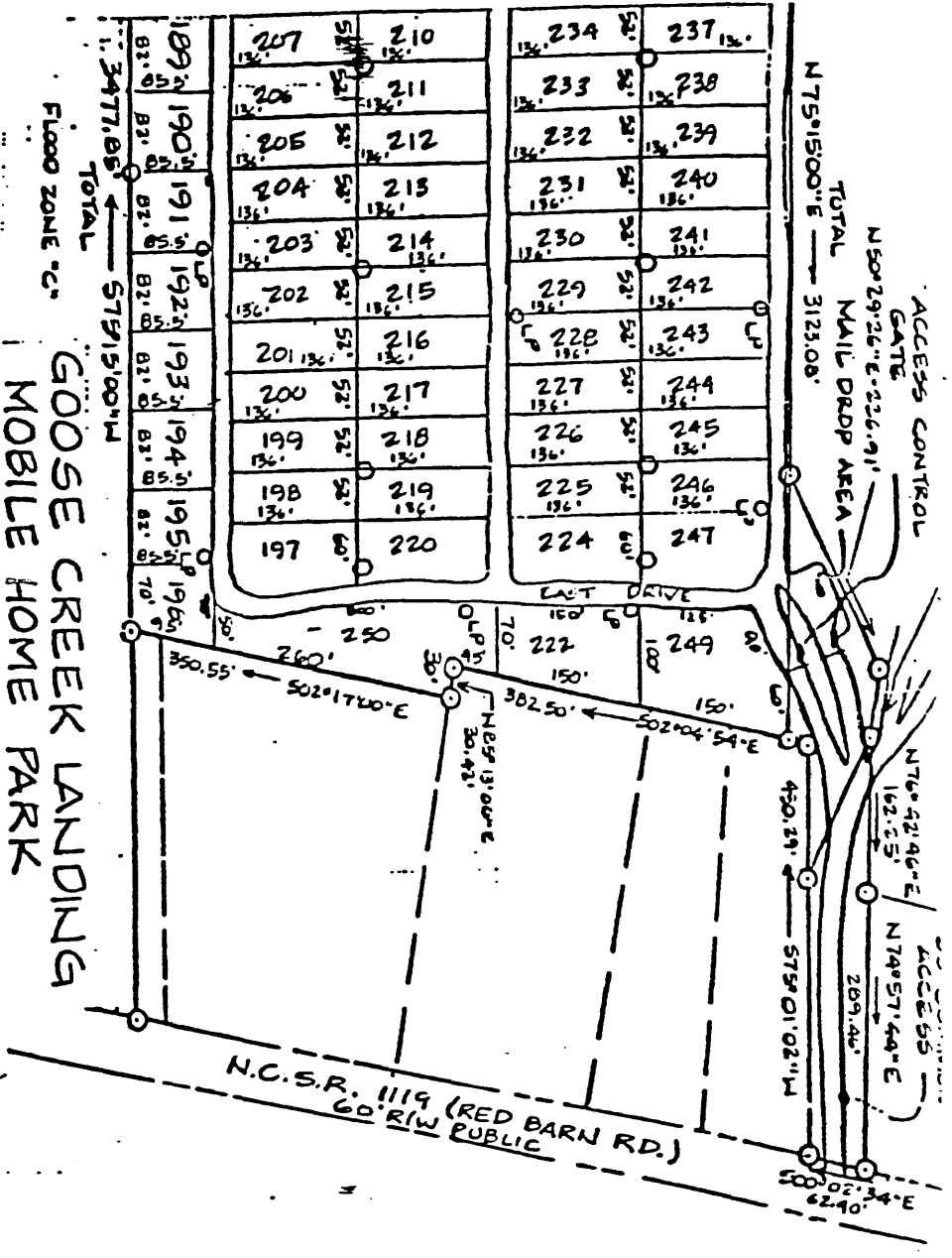
30 foot right-of-way easement extending across the Southern 30 feet of Lot 4, Daisy Sanders Koonce heirs property, as shown in Map Book 17, Page 78, Carteret County Registry, which easement extends from North Carolina State Road 1119 to the Southeastern corner of the tract above-described.

Easement 2

Beginning at an iron pipe in the Western right-of-way of North Carolina State Road 1119 (Red Barn Road), where such right-of-way intersects with the Southern right-of-way of Robin Boulevard as shown on that plat recorded in Map Book 25, Page 24, Carteret County Registry, which point is the Northeast corner of Lot 1, Daisy Sanders Koonce heirs property as shown in Map Book 17, Page 78, Carteret County Registry, and from this point of beginning running along the Southern right-of-way of Robin Boulevard South 75 degrees 01 minutes 02 seconds West 290.07 feet to an iron pipe; then running North 81 degrees 02 minutes 36 seconds West 159.73 feet to an iron pipe in the Northern right-of-way of Robin Boulevard; then running along the Northern right-of-way of Robin Boulevard North 76 degrees 42 minutes 46 seconds East 162.25 feet to a concrete monument; then running with said right-of-way and along the South line of Lot 2 as shown in Map Book 25, Page 24, Carteret County Registry North 74 degrees 57 minutes 44 seconds East 289.96 feet to a concrete monument in the Western right-of-way of North Carolina State Road 1119; then running along the right-of-way of North Carolina State Road 1119 South 00 degrees 02 minutes 34 seconds East 62.40 feet to an iron pipe, being the point and place of beginning. This grant of right-of-way is subject to the terms and provisions of a Joint Maintenance and Access Agreement of even date herewith, the terms of which are incorporated by reference. Said agreement requires equal maintenance of that portion of Robin Boulevard subjected to the easement above-described by Grantor and Grantee herein, and their successors and assigns.

Desc-Bak
Drift
#1

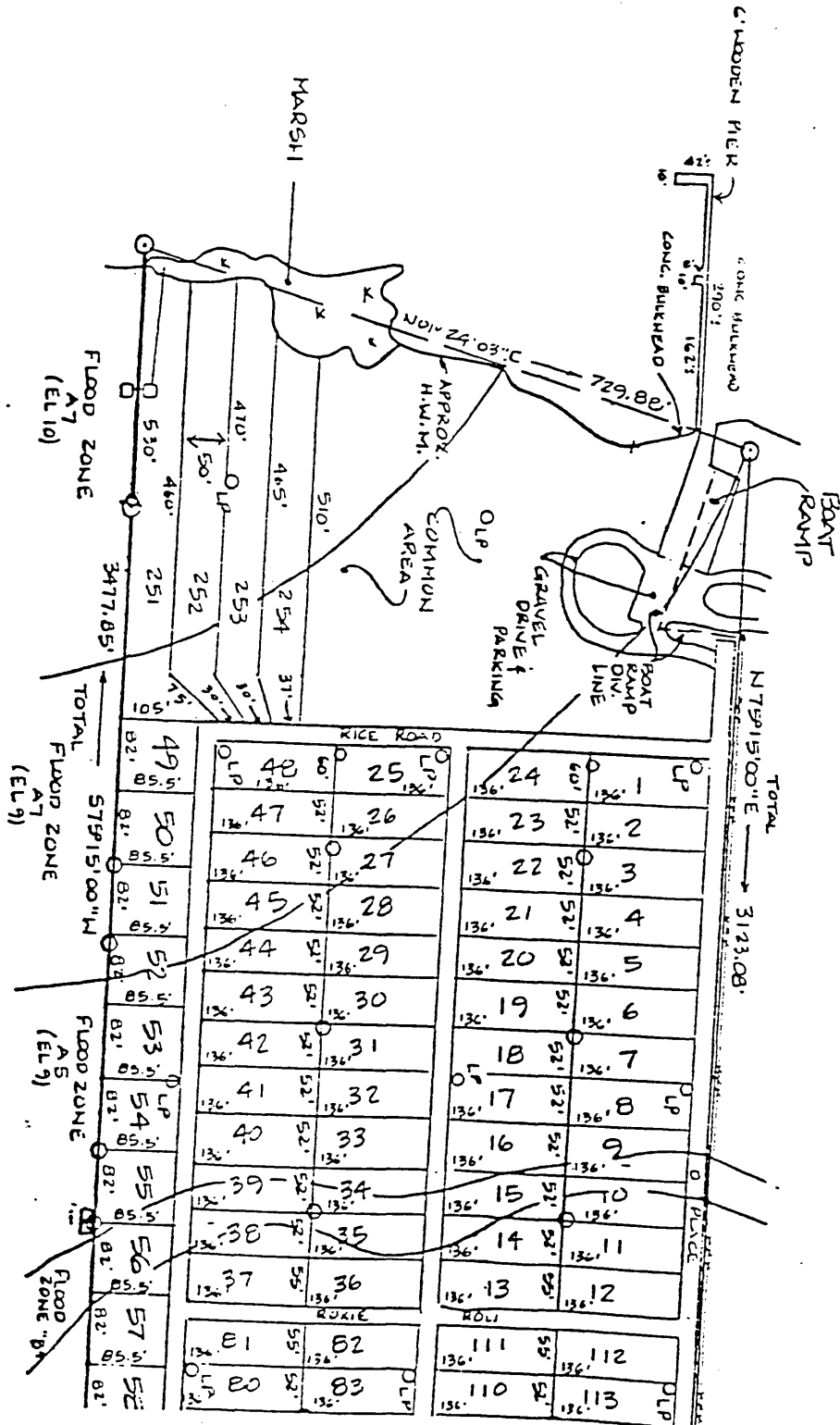
BOOK 188 PAGE 119



DRIFTWOOD DEVELOPMENT COMPANY, INC.			
BEING A PORTION OF TRACT 12 1/3 OF THE DAISY SANDERS KOONCE HEIRS			
CITY	N/A	TOWNSHIP	WHITE OAK
DATE	JANUARY 16, 1992	DATE SURVEYED	
SURVEYED BY	B. HUSTON	DRAWN BY	FS
FIELD BOOK	SE #14	PARTIAL	1-40
		PROJECT NUMBER	900025
<p>John P. McLean Engineering Associates</p> <p>ENGINEERING LAND SURVEYING LAND PLANNING</p> <p>101 MANATEE STREET CAPE CARTERET-SWANSBORO, N.C. 28504 (919) 393-2129</p>			

FLOOD ZONE "C" 547.85' TOTAL 579.150' TOTAL	58	80	83	110	113
	59	79	84	109	114
	60	78	85	108	115
	61	77	86	107	116
	62	76	87	106	117
	63	75	88	105	118
	64	74	89	104	119
	65	73	90	103	120
	66	72	91	102	121
	67	71	92	101	122
	68	70	93	100	123
	69	69	94	99	124
	70	68	95	98	125
	71	67	96	97	126
	72	178	153	152	127
	73	177	154	151	128
	74	176	155	150	129
	75	175	156	149	130
	76	174	157	148	131
	77	173	158	147	132
	78	172	159	146	133
	79	171	160	145	134
	80	170	161	144	135
	81	169	162	143	136
82	168	163	142	137	
83	167	164	141	138	
84	166	165	140	139	
85	208	209	235	236	
86	207	210	234	237	

688 119



688 119