

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

AMENDMENT TO DECLARATION AND
OPERATING AGREEMENT

This AMENDMENT TO DECLARATION AND OPERATING AGREEMENT (hereinafter referred to as "Amendment") made and entered into this the 15th day of November, 1994 by and between THE NASSAU CORPORATION (hereinafter referred to as "Nassau") and CAPE ROYALL DOLPHIN ASSOCIATION, INCORPORATED (hereinafter referred to as "Corporation").

W I T N E S S E T H:

WHEREAS, Nassau acquired from Corporation twenty-two and 78/100 (22.78) Base Units as set forth in the Declaration and Operating Agreement (hereinafter referred to as "Declaration") recorded in Book 669, Page 444, in the office of the Register of Deeds of Carteret County; and,

WHEREAS, pursuant to Paragraph B of Article IV, Nassau is entitled to allocate its base units as it deems fit to lots in Dolphin Ridge and Royall Oaks, and pursuant to this authorization, Nassau hereby executes this Amendment.

NOW, THEREFORE, Nassau hereby allocates its 22.78 base units as follows:

- | | | | | |
|----|------------------|------------------|-------|------------|
| 1. | Lot 87 | in Dolphin Ridge | 14.44 | Base Units |
| 2. | Lot 113 | in Dolphin Ridge | 1 | Base Unit |
| 3. | Lot 1 | in Royall Oaks | 1 | Base Unit |
| 4. | Lot 5 | in Royall Oaks | 1 | Base Unit |
| 5. | Lot 18 | in Royall Oaks | 1 | Base Unit |
| 6. | Lot 20 | in Royall Oaks | 1 | Base Unit |
| 7. | Lot 21 | in Royall Oaks | 1 | Base Unit |
| 8. | Lot 22 | in Royall Oaks | 1.34 | Base Unit |
| 9. | Lot 39 | in Royall Oaks | 1 | Base Unit |
| | Total Base Units | | | 22.78 |

Nassau hereby declares that the aforesaid lots shall be allocated the base units as set forth above unless subsequently amended by Nassau pursuant to the provisions of the Declaration. Until otherwise amended or modified by Nassau, the aforesaid lots

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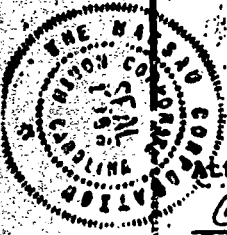
shall be subject to the terms and provisions of the Declaration pursuant to Paragraph B of Article IV. Provided, however, Nassau agrees that it shall not amend or modify the amount of base units allocated to a specific lot without the written consent of the owner of such specific lot. Nassau certifies that it presently owns all of the lots listed above.

IN TESTIMONY WHEREOF, Nassau has caused this instrument to be properly executed and sealed, all by authority duly given, this the day and year first above written.

THE NASSAU CORPORATION

By:

David L. Ward
Vice President



Attest:

Carolyn C. McCreary
Asst. Secretary

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STATE OF NORTH CAROLINA
COUNTY OF GRAVEN

I, SONDER W. MOFFAT, a Notary Public in and for said County and State, do hereby certify that on the 15 day of November, 1994, before me personally appeared DAVID F. WARD, JR. with whom I am personally acquainted, who, being by me duly sworn, says that he is VICE President and that CAROLYN C. MCKELVEY is ASST Secretary of THE NASSAU CORPORATION, the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said VICE President; that the said VICE President and ASST Secretary subscribed their names thereto and the said common seal was affixed, all by authority of the Board of Directors of said corporation; and that the said instrument is the act and deed of said corporation.

WITNESS my hand and notarial seal, this the 15 day of November, 1994.

Sonder W. Moffat
Notary Public

My Commission Expires:

12-21-97

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

The foregoing certificate of Sonder W. Moffat a Notary Public of Graven County, North Carolina, is certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Carteret County, North Carolina, in Book 746, Page 881.

3:30 This 11 day of November, 1994, at 9 o'clock P.M.

Nancy Harris
Register of Deeds

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WARD AND SMITH PA ATTORNEYS AT LAW