

Filed Book: 1759 Page: 146 Doc Id: 6236138
02/29/2008 04:31PM Receipt #: 200696
Doc Code: DECL
BARBARA M GRAY, REGISTER OF DEEDS DARE CO, NC



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*Marshes
Light*

**DECLARATION OF CONDOMINIUM
FOR
MARSHES LIGHT MARINA, a DOCKOMINIUM**



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DECLARATION OF CONDOMINIUM

FOR

MARSHES LIGHT MARINA, a DOCKOMINIUM

THIS DECLARATION OF CONDOMINIUM for MARSHES LIGHT MARINA, a DOCKOMINIUM is made as of January 30, 2008 by MARSHES LIGHT LLC, a North Carolina limited liability company, ("Declarant"), pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, entitled the "North Carolina Condominium Act."

BACKGROUND STATEMENT

Declarant is the developer of that property situated within the historic town of Manteo on Roanoke Island, North Carolina as more particularly described within the Master Declaration of Covenants, Conditions and Restrictions for Marshes Light recorded in Book 1702 at page 450 of the Public Registry of Dare County, North Carolina (the "Master Declaration") which Master Declaration provides for Marshes Light to be developed in phases of Neighborhoods consisting of residential and commercial uses which may include by way of example and not limitation: individually owned single-family lots and residential condominiums and townhomes, condominiums and cottages all with mixed retail and residential uses. Integral to the community of Marshes Light is Marshes Light Marina, a Dockominium, a phased condominium of boat slips which in the initial phase shall consist of sixty (60) boat slips and thereafter may include up to a total of one hundred seventy-three (173) boat slips. The Declarant has deemed it desirable to create an incorporated owners association, Marshes Light Marina Slip Owners' Association, Inc. (the "Association") which will be delegated and assigned powers of maintaining and administering the common elements and facilities of the boat slips; of administering and enforcing the covenants and restrictions created in this Declaration; and of levying, collecting and disbursing the assessments and charges created in this Declaration; of collecting and holding replacement reserves as agent for the Slip Owners; the duty and obligation of reporting the ownership and

designation of whether all slips are either "community slips" or "public slips" to the Town of Manteo; and of taking any steps or performing any acts deemed necessary or appropriate to preserve the values of the slips and to promote the recreation, health, safety and welfare of the Owners. Each slip owner shall be a member of the Association. It is Declarant's intent to convey to purchasers of slips all Declarant's riparian rights to use the waters within the boundaries of the slip. In order to accomplish the foregoing, Declarant is entering into this Declaration.

STATEMENT OF DECLARATION

NOW THEREFORE, the Declarant hereby declares that all of the property described in Section 2.1 below (the "Submitted Property") shall be held, transferred, sold, conveyed, occupied and used subject to the following covenants, conditions, easements, uses, limitations, obligations, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the division of the Submitted Property into a dockominium consisting of condominium units, and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the Submitted Property, and their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I

DEFINITIONS

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

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

1.2 "Additional Slips" means those additional one hundred thirteen (113 Slips), which could be added to the condominium in that area designated on the Plat (as hereinafter defined) which could be added to the condominium designated as "FUTURE SLIPS NEED NOT BE BUILT" on that Plat and Plans of Marshes Light Marina, a Dockominium dated February 25, 2008 prepared by Seaboard Surveying & Planning, Inc. and filed in the Public Registry of Dare County, North Carolina.

1.3 "Assessment" means the share of the Common Expenses from time to time assessed against a Condominium Unit and its Owner by the Association in the manner herein provided.

1.4 "Association" shall mean and refer to Marshes Light Marina Slip Owners' Association, Inc., a North Carolina non-profit Association incorporated under

Chapter 55A of the General Statutes of North Carolina and N.C.G.S. Section 47C-2-120 of the Act for the purpose of exercising the powers of the Association under the Act and the Condominium Instruments.

1.5 "Board of Directors" or "Board" means the board of directors of the Association, which is the governing body of the Association.

1.6 "Boats" mean boats, charter boats, yachts, ships, and any such other water going vessel.

1.7 "Bylaws" means the bylaws of the Association, as amended from time to time, a copy of the initial Bylaws being attached hereto as Exhibit "B."

1.8 "Common Elements" mean all portions of the Dockominium other than the Slips.

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

1.10 "Community Slip" means a boat slip appurtenant to ownership of a lot in Marshes Light Homesites, a condominium in Marshes Light Marina Condominiums, a townhouse in Marshes Light Townhomes, a unit in Marshes Light Retail Cottages or Marshes Light Compton Corner Quads, a condo/hotel unit of the Inn at Marshes Light, or the Marshes Light Marina Slip Owners' Association, Inc. Community Slips may only be conveyed to a Unit Owner of an above-referenced property or assigned and deeded to the Association for future transfer to a Unit owner. Because parking calculations are based upon a shared use between a Community Slip and a Unit pursuant to the Town of Manteo's Conditional Use Permit, Community Slips shall not be sold or leased as Public Slips. Unit Owners may own or lease both Community Slips and Public Slips, but only a Unit Owner may own or lease a Community Slip. Community Slips are restricted to recreational uses; all commercial uses are prohibited.

1.11 "Condominium" or "Dockominium" means the Submitted Property submitted to the provisions of the Act by the Condominium Instruments.

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

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

1.14 "Declarant" means Marshes Light LLC, a North Carolina limited liability company, which is the principal owner of the submitted property and who has executed this Declaration.



1.15 "Declarant Control Period" means the period commencing on the date that the Declaration is filed in the Dare County Registry and continuing until the earlier of: (i) the date fifteen (15) years after the date of the first conveyance of a Slip to anyone other than Declarant, or (ii) the date upon the Declarant surrenders control of the Dockominium, or (iii) the date one hundred twenty days (120) days after the date Declarant has conveyed seventy-five percent (75%) of the total number of slips [the 60 slips submitted to this Declaration plus those Additional Slips that may be added at a later date] to Slip Owner's other than the Declarant.

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

1.17 "Default Assessment" shall mean and refer to the Assessments levied by the Association pursuant to Section 7.6 below.

1.18 "Default Rate" shall mean and refer to an annual rate of interest that is lesser of: (i) five percent above the prime rate of interest charged by the Association's bank, or such other rate as shall have been established by the Board of Directors, and (ii) the maximum rate permitted by the Act or other applicable law.

1.19 "Director" means a member of the Board of Directors of the Association.

1.20 "Dispute" shall mean and refer to Sections 17.2 and 17.3 and any disagreement between two or more parties that involves: (a) the authority of the Board, under any law or under this Declaration, the Articles or Bylaws to: (i) require any Owner to take any action, or not to take any action, involving that Owner's Slip; or (ii) alter or add to a Common Element; or (b) the failure of the Association, when required by law or this Declaration, the Articles or Bylaws to: (i) properly conduct elections; (ii) give adequate notice of meetings or other actions; (iii) properly conduct meetings; or (iv) allow inspection of books and records. "Dispute" shall not include any disagreement that primarily involves title to any Slip or Common Element; the interpretation or enforcement of any warranty; or the levy of a fee or Assessment or the collection of an Assessment levied against a party.

1.21 "Docks" means all dock structures and piers, including pilings, decks, gangways, stairs, tie pilings, cleats and dolphins located within the Submitted Property, and may include both Limited Common Elements and Common Elements.

1.22 "Dockominium" has the same definition as "Condominium" as set forth in Section 1.11 above.

1.23 "Easement" shall refer to that easement granted by the State of North Carolina to Harry B. Schiffman for those piers and slips formerly known as Salt Dog Marina and that area of Shallowbag Bay as recorded in Book 1479 at page 362 of the Public Registry of Dare County, North Carolina which easement was subsequently assigned to the Declarant.

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





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

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

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

1.28 "Limited Common Elements" means a portion of the Common Elements reserved for the exclusive use of one or more, but less than all, of the Slips.

1.29 "Majority Vote" shall mean and refer to a simple majority [more than fifty percent (50%)] of the votes actually cast in person or by proxy at a duly called and held meeting at which a quorum is present, with the allocations of votes among Owners in accordance with Section 4.3. Any specified percentage vote means that percentage vote with respect to the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of Slips to which such percentage of the total number of votes appertain.

1.30 "Market Boats" shall mean and refer to commercial vessels that sell retail fresh market commodities such as seafood, produce and flowers that may be permitted by the Town of Manteo and the Association to use the Marshes Light Marina for short-term dockage.

1.31 "Marshes Light" shall mean and refer to all of the Neighborhoods of Marshes Light Retail Cottages, Marshes Light Compton Corner Quads, Marshes Light Marina Condominiums, Marshes Light Homesites, Marshes Light Townhomes and the Inn at Marshes Light.

1.32 "Marshes Light Marina" means that portion of Marshes Light Community located on or near Shallowbag Bay in the Town of Manteo, North Carolina and consists of the Submitted Property described in the attached Exhibit "A", together with all improvements located thereon, and including any easements and rights in adjoining areas granted to or reserved by the Association and its members.

1.33 "Marina Waters" mean the waters from time to time located within the boundaries of the Submitted Property and lying above the Submerged Lands, and is sometimes referred to herein as the "Marina Basin".

1.34 "Master Association" shall mean and refer to Marshes Light Master Association, Inc., a North Carolina non-profit association, the governing body for all Neighborhoods of Marshes Light Community.

1.35 "Management Agent" shall mean and refer to that person initially



employed by the Declarant during the Declarant Control Period and the Association thereafter to perform obligations, duties and services relating to the management and maintenance of the Dockominium and the maintenance of reserve funds in compliance with the provisions of this Declaration and the Bylaws.

1.36 "Master Bylaws" shall mean and refer to the Bylaws of Marshes Light Master Association, Inc., a North Carolina non-profit association.

1.37 "Master Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions for Marshes Light recorded in Book 1702 at Page 450 in the Public Registry of Dare County, North Carolina.

1.38 "Management Agreement" shall mean and refer to any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, and management of Marshes Light Marina.

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

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

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

1.42 "Officer" means an officer of the Association.

1.43 "Owner" has the same meaning as Unit Owner or Slip Owner.

1.44 "Parking Analysis" means the method by which parking for Community Slips and Public Slips has been allocated for compliance with the Town of Manteo Conditional Use Permit and Zoning Ordinance and as shown on the Plat and Plans. Such allocation and compliance is designed to ensure that adequate parking exists for the benefit of the residents of Marshes Light. Parking allocations for Public Slips are based upon the Town of Manteo Zoning Ordinance and therefore the maximum number of Public Slips that can be sold is directly tied to the number of designated parking spaces as delineated on the Plat and Plans and approved by the Town of Manteo. Parking allocations for Community Slips were conditionally approved to eliminate the need for additional large parking lots through sharing parking between Units and Community Slips. Parking allocations are shown on the Plat and Plans. Further, the Association shall maintain a chart showing current allocation and use, to be submitted quarterly to the Town of Manteo and available for inspection by the Town Planner and Association members.

1.45 "Plans" mean the plans for the Dockominium which are certified and filed for record contemporaneously with this Declaration and recorded in Unit

Ownership File 6, Slides 343 through 347, Dare County Registry, which depict the Slips, Common Elements and Limited Common Elements of the Dockominium.

1.46 "Plat" means the plat or survey for the Dockominium captioned "Marshes Light Marina, A Dockominium, Properties of Marshes Light LLC, Town of Manteo-Roanoke Island, Nags Head Township-Dare County-North Carolina" dated February 25, 2008, prepared by Seaboard Surveying & Planning, Inc. which depict the location of all of the Submitted Property of the Dockominium and those additional areas of the Dockominium which may be added at a later date.

1.47 "Public Slip" means a boat slip that is not appurtenant to ownership of real property in Marshes Light as described in Article I, Section 1.10. Public Slips may be purchased or leased by the general public or by Unit Owners. The maximum number of Public Slips that can be sold is directly tied to the number of designated parking spaces as delineated on the Plat and Plans and approved by the Town of Manteo. Public Slips are restricted to recreational use, with the exception of short-term dockage for Water Taxis or Market Boats delivering goods such as fresh seafood, produce and flowers that may be permitted by the Town of Manteo and the Association.

1.48 "Rules of Conduct" shall mean and refer to any Rules of Conduct adopted from time to time by the Board of Directors ("Rules of Conduct"), that are deemed necessary for the enjoyment of the Common Elements and Limited Common Elements, respectively, provided they are not in conflict with this Declaration and the Bylaws, and the Master Declaration and Master Bylaws of Marshes Light.

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

1.50 "Schedule of Slip Information" means the Schedule attached hereto as Exhibit "C", which schedule shows for each Condominium Unit: its Identifying Number, undivided interest in the Common Elements, Votes in the Association, and share of liability for Common Expenses.

1.51 "Size" means the length in feet of a Slip as determined by reference to the Plat and Plans and rounded off to a whole number.

1.52 "Slip" shall have the same meaning as "Unit" defined by N.C.G.S. § 47C-103(25) of the Act, in a portion of the Dockominium intended for independent ownership and use, the boundaries of which are described in Section 3.5 below.

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

1.54 "Slip Owner" shall mean and refer to one or more persons, including the Declarant, who has riparian rights to a Slip. This term does not include a Mortgagee in its capacity as such, but shall include any person, firm, corporation or entity capable of holding title to real estate in North Carolina.

1.55 "Special Assessment" shall mean and refer to an assessment levied



pursuant to Section 7.5 below on an irregular basis.

1.56 "Special Declarant Rights" means those rights reserved for the benefit of the Declarant to complete improvements indicated on the Plat and Plans filed with the Declaration and to exercise developmental rights maintaining sales offices, management and signs advertising Marshes Light Marina, to use easements through the Common Elements for the purpose of making improvements within the Dockominium or adding Additional Slips or Common Elements, to appoint or remove any officer of the Association or Board Member during any period of the Declarant Control Period, and to contract with a Management Agent for the operation, maintenance and management of Marshes Light Marina.

1.57 "Submerged Lands" mean those areas within the boundaries of the Submitted Property which lie below and at the bottom of the marina waters.

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

1.59 "Successor Declarant" shall mean and refer to any party or entity to whom Declarant assigns any or all of its right, obligations, or interests as Declarant and evidenced by an assignment of record in the Office of the Register of Deeds of Dare County, North Carolina, designating such party as Successor Declarant. Upon such recording, Declarant's rights and obligations under the Declaration shall cease and terminate to the extent provided in such document.

1.60 "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects Additional Slips to this Declaration or imposes, expressly or by reference additional restrictions or obligations on the land described therein.

1.61 "Unit" means a portion of Marshes Light, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as either: an attached or detached residence for a single family, whether the same be a single-family lot as provided in the Neighborhood of Marshes Light Homesites, a condominium unit as provided in the Marshes Light Marina Condominiums, a townhome as provided in Marshes Light Townhomes; as a unit of retail or residential use as provided for in the Neighborhoods of Marshes Light Retail Cottages and Marshes Light Compton Corner Quads; as a Slip as provided in Marshes Light Marina; or as condo/hotel unit as may be provided for in the Inn at Marshes Light. If a condominium or townhouse unit, the term shall refer to land, if any, which is a part of the Unit as well as any improvements thereon. In the case of a structure containing multiple or mixed uses, each Unit dedicated to a separate use shall be deemed to be a separate Unit as will each condo/hotel residence room and each slip.

1.62 "Unit Owner" shall mean one or more persons who hold record title to any Unit (as defined in Section 1.60 above) but excluding in all cases any party



holding an interest merely as security for the performance of an obligation.

1.63 "Unsold" shall mean unconveyed.

1.64 "Vote" means the vote in the Association appertaining to each Condominium Unit.

1.65 "Water Taxis" shall mean and refer to commercial vessels transporting passengers between different locales that may be permitted by the Town of Manteo and the Association to use Marshes Light Marina for short-term dockage.

ARTICLE II

CREATION OF THE CONDOMINIUM

2.1 Submission to the Act. Declarant hereby submits Slips 1 through 60 together with those Common Elements and Limited Common Elements of Marshes Light Marina, a Dockominium to the Act as more particularly described on Exhibit "A" (the "Submitted Property"). The Submitted Property and every interest therein shall, after the recording of this Declaration, be owned, held, transferred, sold, conveyed, used, leased, occupied, mortgaged and deeded in trust subject to the Act and the Condominium Instruments. Every person acquiring or having any interest in the Submitted Property, by acceptance of a deed or other instrument of any kind, whether or not such deed or other instrument is signed by such person or otherwise agreed to in writing, shall take such interest subject to the Act and to the Condominium Instruments and shall be deemed to have agreed to the same.

2.2 Name and Location. The name of the condominium is "Marshes Light Marina, a Dockominium". The Condominium is located in the community of Marshes Light situated in the Town of Manteo in Shallowbag Bay on Roanoke Island, Manteo, North Carolina.

2.3 Governing Provisions. The Dockominium, the Association and each Slip Owner shall be governed by the Act, the Condominium Instruments and any rules and regulations adopted by the Association pursuant to the Condominium Instruments.

2.4 Conditional Use Permit. The operation of Marshes Light Marina is subject to compliance with Paragraph 4 Docks of that Conditional Use Permit issued by the Town of Manteo and recorded in Book 1668 at page 193 in the Public Registry of Dare County, North Carolina.

ARTICLE III

DESCRIPTION OF THE CONDOMINIUM

3.1 Submitted Property. The Submitted Property is described on Exhibit "A" and shown on the Plat, and it includes all improvements thereon and all rights and easements appurtenant thereto. The improvements include sixty (60) Boat Slips



and adjoining Docks, walkways, and parking areas and other improvements shown on the Plat and Plans.

3.2 Declarant's Right to Add Additional Slips. The Declarant owns sufficient property as described in Exhibit "A-1" and it is the intention of the Declarant to submit all or a portion of said property at a later date as an addition to this Declaration and the Act, by a Supplemental Declaration at which time the property shall continue to be known as Marshes Light Marina, a Dockominium. Declarant estimates that the total number of Additional Slips shall not exceed one hundred thirteen (113) for a total of one hundred seventy-three (173) Slips.

3.3 Future Location of Additional Slips and Common Elements. Declarant has reserved the right to add in phases Additional Slips and Common Elements, the location of which are designated on the Plat and Plans as "FUTURE SLIPS NEED NOT BE BUILT". The location of the Additional Slips and any inclusion of that break water captioned "Future Wave Attenuator" shall be subject to the Declarant receiving all necessary permits, including approval by the Town of Manteo that said expansion meets the requirements of the Conditional Use Permit as set forth in Section 2.4 above. The Declarant reserves the right to locate the Additional Slips and Common Elements to any area within the Marina Basin and adjacent waters of Shallowbag Bay subject to obtaining all necessary permits.

3.4 Condominium Units. The Dockominium contains sixty (60) Condominium Units or Slips, the Identifying Numbers of which are set out on the Schedule of Slip Information and are shown on the Plat and Plans. Each Condominium Unit consists of the Slip together with its undivided interest in the Common Elements. The Schedule of Slip Information attached hereto as Exhibit "C" sets forth for each Condominium Unit: its Identifying Number, undivided interest in the Common Elements, Votes in the Association, and share of liability for Common Expenses. The allocation of undivided interests in the Common Elements and of the Common Expenses shall be that formula determined by the numerator being 1 and the denominator being the total number of Slips submitted to the Dockominium. The votes in the Association are equally allocated to all Slips. All Units or Slips may consist of wooden pilings and any wooden docks encroaching within the boundaries of said Units or Slips. Each Condominium Unit shall constitute for all purposes a separate parcel of real property subject to the provisions of the Act and the Condominium Instruments, may be conveyed and encumbered. The undivided interest in the Common Elements for each Condominium Unit shall not be altered except as expressly provided by the Act and this Declaration. Such undivided interest shall not be separated from the Slip or Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Slip or Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Slip or Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership of the Condominium Unit by such Slip Owner.

3.5 Slip Boundaries. Each Slip shall include all the space within the boundaries thereof as shown on the Plat and Plans. The perimetrical or vertical boundaries of each Slip are the vertical planes passing through the innermost surfaces of the Docks or pilings surrounding that Slip and the extension thereof out into the Marina Basin as shown on the Plat and Plans, and the vertical plane passing





along the Slip side of the adjoining channel as shown on the Plat and Plans. The perimetrical slip boundaries are extended vertically to their intersection with each other and the horizontal boundaries of the Slip as shown on the Plat and Plans. The upper and lower horizontal boundaries of each Slip shall extend (a) upward 60 feet above the water surface mark of the Marina Basin and (b) downward to the topmost water surface of Shallowbag Bay within the Slip, respectively, and shall include the airspace within the Slips and extend to their intersection with the perimetrical boundaries of the Slips. If any conduits, wires, pipes or any other apparatus lies partially within or partially outside of the designated boundaries of a Slip, any portions thereof which serve only that Slip shall be deemed a Limited Common Element of that Slip, while any portions thereof which serve more than one Slip or any portion of the Common Elements shall be deemed a part of the Common Elements. In interpreting the Plans, the existing physical boundaries of a Slip as originally constructed or of a Slip reconstructed in substantial accordance with the original Plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any Plat or Plans, regardless of settling or lateral movement of the Docks and regardless of minor variance between the boundaries shown on the Plans or in a deed and those variances between the boundaries shown on the Plans or in a deed and those of the Slip. If an Owner acquires an adjoining Slip, thereby becoming the common Owner of adjoining Slips, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Slips involved) to remove all or any part of any intervening Docks or pilings notwithstanding the fact that such partition may, in whole or in part, be part of the Common Elements, so long as no portion of any other Common Elements, serving any other part of the Condominium, is damaged, destroyed, or endangered. The alterations permitted by the preceding sentence shall not be deemed an alteration or relocation of boundaries between adjoining Slips, nor an alteration of the allocated interest in the Common Elements, Vote assigned to each Slip, share of liability for Common Expense Assessments or other appurtenant rights or interests as such appears on the Schedule of Slip Information attached hereto as Exhibit "C".

3.6 Common Elements. The Common Elements consist of all portions of the Condominium other than Slips. Certain portions of the Common Elements are Limited Common Elements, as set out in Section 3.7. The Association and the Slip Owners agree that said Common Elements shall not be subject to partition or division except as follows:

3.6.1 Notwithstanding any provisions herein to the contrary, it is expressly provided that the Association may convey to the Declarant any portion of the Common Elements theretofore conveyed to the Association in exchange for other portions of the properties conveyed by the Declarant to the Association provided that all conveyances are approved by the Board of Directors of the Association. Upon such conveyance, the area thus conveyed to the Declarant shall cease to be a portion of the Common Elements and shall cease to be subject to the provisions of these covenants relating to the Common Elements, but the area thus conveyed to the Association shall become Common Elements and subject to the provisions of this Declaration relating to Common Elements.

3.7 Limited Common Elements. The Limited Common Elements are those



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

3.7.1 The Docks, pilings, finger piers, gangways, steps, decks and walkways, utility posts, meter boxes, electrical boxes, cable television and telephone lines, power outlets and water faucets or spigots for hose connections, cleats, wires, pipes and conduits which serve a Slip and which are appurtenant to each Slip shall be Limited Common Elements assigned to the Slip or Slips having direct access thereto or direct use thereof. If such are assigned to serve one or more (but less than all) of the Slips, then it shall be a Limited Common Element appurtenant to the Slip or Slips so served.

3.7.2 Parking for Public Slips. Those forty-five (45) parking spaces designated on the Plans as Limited Common Elements of the Dockominium are reserved for parking by the Owners of the Public Slips and their guests to the exclusion of the Owners of Community Slips and the public at large. The maximum number of Public Slips that can be sold is directly tied to the number of designated parking spaces as delineated on the Plans and approved by the Town of Manteo. The parking calculation for recreational use of Public Slips per the Town of Manteo Zoning Ordinance is 0.5 parking spaces per slip. Commercial use of Public Slips is restricted to short-term dockage for Water Taxis and Market Boats that may be permitted by the Town of Manteo and the Association. See also Article I, Section 1.44, "Parking Analysis," and Section 1.47, "Public Slip."

3.7.3 The Board of Directors of the Association shall have the ultimate power and responsibility for determining whether Limited Common Areas in need of repair are to be the obligation of the entire Association or the obligation of the Owners of the Slips, which those Limited Common Elements serve. The Board may, by majority vote, determine the amount and levy any special Assessments for repairs of Limited Common Elements consistent with its determination pursuant to this paragraph.

3.8 Marshes Light Master Association, Inc. The Submitted Property is part of a larger community and development known as Marshes Light which community is governed by a property owners' association known as Marshes Light Master Association, Inc. (hereinafter "MLMA") to which each Slip Owner shall be a member and assessed for expenses. The duties of MLMA include the duty to provide for the preservation of value and the amenities of Marshes Light and to ensure that all improvements within Marshes Light are in conformance with the architectural guidelines as administered by the Architectural Review Board and to ensure and maintain the overall integrity of the development and to own, maintain, repair and replace streets, boardwalks, utility facilities, landscaping and signage which facilities are not part of the Common Elements of Marshes Light Marina Dockominiums. All Slip Owners of Marshes Light Marina Dockominiums are also members of MLMA. Each Slip is hereby allotted one quarter (1/4) vote in MLMA and such vote will be as a Class A member as such is defined in Section



6.03 of the Master Declaration for Marshes Light.

MLMA shall have the right and power to maintain and improve all the facilities of Marshes Light including streets and parking areas and to charge each member a pro rata share of the cost of such maintenance and improvements.

In the case of all costs, expenses, and charges which are hereby made payable by the Marshes Light Marina Slip Owners' Association, Inc. to the MLMA, the amount to be borne by each Slip Owner shall be equal to the Slip Owner's percentage interest in the Common Elements of the Dockominium. The amounts of all such charges, costs and expenses which will be charged by the MLMA to the Marshes Light Marina Slip Owners' Association, Inc. shall be determined by the calculation of Assessments set forth in Section 7.06 of the Master Declaration.

The MLMA shall not be deemed a Master Association as that term is defined in Section 47C-2-120 of the Act. The MLMA shall have, in addition to those powers, duties, and obligations herein specifically enumerated, all the powers enumerated in the Bylaws of the MLMA, which may be invoked to the extent the MLMA deems it necessary to act on its own behalf or on behalf of the Slip Owners. In the event of any conflict between this Declaration and the By-Laws of the MLMA, the By-Laws of the MLMA shall prevail.

The MLMA is hereby granted the absolute right to appoint, designate and hire the managing entity which will provide management services for all Neighborhoods (as defined in Section 1.33 of the Master Declaration) in Marshes Light.

3.9 Bylaws of the Marshes Light Marina Slip Owners' Association, Inc. The Marshes Light Marina Slip Owners' Association, Inc. shall be governed by this Declaration and the Bylaws of the Association attached hereto as **Exhibit "B"** and incorporated herein by reference as if set forth herein word for word. The said Bylaws contain provisions for hearings and the levying of fines against Slip Owners and the suspension of rights and privileges granted to members of the Association. In the event of a conflict or inconsistency between the terms and provisions of the said Bylaws and this Declaration, the terms and provisions of this Declaration shall prevail.

3.10 Riparian Rights. The riparian rights of each Slip Owner shall include: (1) the right to wharf out and to tie up a boat; (2) the right of access to the navigable waters of Shallowbag Bay and Roanoke Sound; and (3) the right to exclude all others from his Slip. The riparian rights set forth as follows shall be the right and responsibility of the Declarant or the Association, as the case may be, and not of the individual Slip Owners: (1) the right to fill, to wharf and to dredge or excavate for the purposes of gaining access to and maintaining channel depth to the navigable waters of Shallowbag Bay and Roanoke Sound; (2) the right to retain or dispose of spoils or other materials resulting from dredging or other excavation activities; (3) the right to seek and secure all necessary permits for construction, repair, and maintenance of the Marina and related activities. These riparian rights may be subject to the right of the sovereign to regulate commerce on navigable waterways and to require permits and licenses within the authority and jurisdiction of certain



governmental agencies. If any of the Marina Waters or Submerged Lands shall hereafter be deemed to be within the public trust and domain, there exists the right in the sovereign (whether the federal government or the State of North Carolina) to limit or prohibit the use of riparian rights. Riparian rights do not include any fee simple ownership of either the waters of Shallowbag Bay or the Submerged Lands.

ARTICLE IV

THE ASSOCIATION

4.1 Organization of Association. A North Carolina non-profit corporation known and designated as Marshes Light Marina Slip Owners' Association, Inc. (the "Association") has been organized to provide for the administration of the Dockominium, and the Association shall administer the operation and maintenance of the Dockominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation, the Bylaws, and the North Carolina Condominium Act.

4.2 Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit. No owner, whether one or more persons, will have more than one membership per Condominium Unit owned, but all of the persons owning each Condominium Unit will be entitled to rights of membership and use and enjoyment appurtenant to such ownership.

4.3 Voting Rights. The total number of votes in the Association shall be allocated to the Slips and Members in accordance with the formula of one vote per Slip.

4.4 Association Management Duties. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration and the Act, the Association shall be responsible for the administration and operation of the Property and for the exclusive management, control, maintenance, repair, replacement, and improvement of the Common Elements and any Limited Common Elements, and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management operation, maintenance, and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees. The Board of Directors will exercise for the Association all powers, duties, and authority vested in or obligated to be taken by the Association and not reserved to Declarant or the other Members by this Declaration, the other Condominium Instruments, the Act, or the Master Declaration of MLMA.

4.5 Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Elements is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, licensees, or tenants, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner. If the Owner fails to repay the



expenses incurred by the Association within thirty (30) days after the notice to the Owner of the amount owed, then the failure so to repay shall be a default by the Owner under the provisions of this Section, and such expenses shall automatically become a Default Assessment enforceable in accordance with Section 7.6 below.

4.6 Powers: Lien for Assessment. In the administration of the operation and management of the Property, the Association shall have and it is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments in the manner provided in the Bylaws, to file liens for unpaid assessments, and to adopt, promulgate, and enforce such rules of conduct governing the use of the Slips and Common Elements as the Board of Directors may deem to be in the best interest of the Association in accordance with the Bylaws. In the administration of the operation and management of the Dockominium, the Association, subject to the provisions of N.C.G.S. §47C-3-105 and §47C-3-112, shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, to adopt, promulgate, and enforce such rules of conduct governing the use of the Common Elements as the Board of Directors of said Association may deem to be in the best interests of the Association and to exercise such other powers as set forth in N.C.G.S. §47C-3-102, including the right to assign future assessments, assessment rights, and income of the Association.

4.7 Notice of Membership. Any person, on becoming a Member, will furnish the Secretary of the Association with a photocopy or certified copy of the recorded deed, vesting the person with the interest required to make him a Member. At the same time, the Member will provide the Association with the single name and address to which the Association will send any notices given pursuant to the Condominium Instruments. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member will give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association will keep and preserve the most recent written notice received by the Association with respect to each Member.

4.8 Owner's and Association's Addresses for Notices. All Owners of each Slip shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or Owners of a Slip shall furnish such registered address to the Secretary of the Association within five (5) days after transfer of title to the Slip to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Slip or by such persons as are authorized by law to represent the interests of all Owners of the Slip.

4.9 Rules of Conduct.

4.9.1 Board's Power. From time to time and subject to the provisions of the Condominium Instruments, the Board of Directors may adopt, amend, and repeal Rules of Conduct governing among other things and without limitation, the use of the Slip and the use of the Common Elements as needed to promote the health, safety and welfare of Marshes Light

Community. A copy of the Rules of Conduct in effect will be distributed to each Member, and any changes in the Rules of Conduct will also be distributed within a reasonable time following the effective date of change. The initial Rules of Conduct has been promulgated by the Declarant and is dated January 29, 2008.

4.9.2 Enforcement. The Board of Directors will provide for enforcement of the Association rules as set forth in the Bylaws. Without limiting the generality of the foregoing, the Board may suspend the voting rights of a Member after notice and hearing as provided in the Bylaws for an infraction of the rules.

4.10 Delegation by Association Board.

4.10.1 Delegation to Manager. The Association, acting through the Board, may employ or contract for the services of a Manager to act for the Association and the Board and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

4.10.2 Committees. The Association, acting through the Board, may delegate any of its rights, duties, or responsibilities to any committee or other entity that the Board may choose to form.

4.10.3 Limitation. Any delegation by the Board under this Article IV is subject to compliance with the Act and the Bylaws and the requirement that the Board, when so delegating, will not be relieved of its responsibilities under the Condominium Instruments and the Act.

4.11 Acquiring and Disposing of Personal Property. The Association may acquire, own, and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such interests shall not be transferable except with the transfer of a Slip. A conveyance of a Slip shall transfer ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners.

4.12 Capital Improvement Fund. The Association will establish and maintain an adequate reserve fund from Annual Assessments levied pursuant to Section 7.4 below for maintenance, repair, or replacement of the Common Elements that must be replaced on a periodic basis and for any other facilities made available to the Association that must be replaced on a periodic basis with contribution from the Association.





4.13 Working Capital Account. The Association will also administer a working capital account funded as provided in Section 7.4.

4.14 Implied Rights and Obligations. The Association will perform all of the duties and obligations imposed on it expressly by the Condominium Instruments, together with every other duty or obligation reasonably to be implied from the express provisions of the Documents or reasonably necessary to satisfy any such duty or obligation. The Association may exercise any other right or privilege (i) given to it expressly by the Condominium Instruments, (ii) reasonably to be implied from the existence of another right or privilege given expressly by the Condominium Instruments, or (iii) reasonably necessary to effectuate any such right or privilege.

4.15 Appointment of Officers and Directors by Declarant. Until the expiration of the Declarant Control Period and subject to the limitations of the Act, Declarant will retain the exclusive powers to appoint and remove Directors and Officers of the Association. Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint and remove Directors and Officers of the Association before the end of the Declarant Control Period by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Declarant Control Period, Declarant may require throughout the period of the Declarant Control Period (had it not been voluntarily terminated) that specified actions of the Association or the Board, as described in an instrument executed and recorded by Declarant in the Office of the Register of Deeds of Dare County, North Carolina, be approved by Declarant before those actions become effective. After the Declarant Control Period, the Directors and the officers of the Association will be elected as provided in the Bylaws.

4.16 Reporting Obligations of Slip Ownership to the Town of Manteo. The Town of Manteo's Conditional Use Permit for Marshes Light states that [Community] "slips cannot be conveyed separately, rented, or used commercially" from the Unit to which the slip has been assigned. The purpose of this condition is to maintain in perpetuity the approved number of parking spaces for Community Slips delineated in the Parking Analysis (see: Section 1.44). The Town of Manteo has agreed that, with a reporting mechanism adopted as part of the Declaration, the intent of the condition has been fulfilled, and therefore, Community Slips can be conveyed to other Unit Owners or back to the Association, but shall not be rented, used commercially, or converted to Public Slips. Furthermore, parking for Public Slips has been assigned based upon the zoning requirement of 0.5 parking spaces per Slip, with commercial usage prohibited. Therefore, to ensure compliance with the Conditional Use Permit, it shall be the duty of the Association to issue a quarterly written report to the Town Planner of the Town of Manteo that shows the current status of the following: Owner of record of Community and Public Slips, including owner's name, Unit Number (if a Community Slip), Slip Number, Slips owned by Marshes Light LLC; and Slips owned by the Association, including Community Slips formerly assigned to owners that are transferred to the Association for future reassignment to other owners exclusive of the general public. The report shall also include the information of all owners, tenants or guests of the Inn at Marshes Light who either own or have been assigned a Community Slip. Reports



shall be due on April 1, July 1, October 1, and December 31 annually. A chart delineating current ownership shall be maintained in the offices of the Association for inspection by the Town of Manteo and Slip Owners.

ARTICLE V

EASEMENTS

5.1 Preamble. In addition to the easements created by the Act, the easements described in this Article V from each Owner to each other Owner, to the Association, and to the Declarant are hereby granted, reserved and established, subject to and in accordance with the following terms and conditions:

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

5.2.1 The right of the Association to control the use and enjoyment thereof as provided by the terms of this Declaration, which shall include, but not be limited to, the right of the Association to limit the use and enjoyment thereof to the Owners and their respective Occupants.

5.2.2 The right of the Association to limit the number of guests of Owners.

5.2.3 The right of Owners to the exclusive use of the Limited Common Elements appurtenant to their respective Slip.

5.2.4 The right of the Association to suspend the vote and the right to use any facilities of the Condominium by the Owner and his Occupants and Common Elements appurtenant thereto for any period of time during which an Assessment against his Slip remains unpaid or for a reasonable time for infractions of any provisions of the Condominium Instruments or rules and regulations duly promulgated by the Association.

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

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



5.4.1 Declarant reserves the right to subject the real property described hereinabove to a contract with a public utility for the installation of underground electric cables and the installation of lighting, either or both of which may require continuous monthly charges to the owner of each Slip. Upon acceptance of a deed to a Slip, each Owner agrees to pay to a public utility the continuing monthly payment therefor as approved by the North Carolina Utilities Commission, or other governmental authorities having jurisdiction thereof. Declarant reserves the right to contract on behalf of each Slip Owner with a public utility, or its successors and assigns, for street lighting and related services. Upon acceptance of a deed to a Slip, each owner agrees to pay to a public utility the continuing monthly payment therefor as approved by the North Carolina Utilities Commission, or its successor or other governmental authority having jurisdiction thereof.

5.4.2 Declarant, for itself and for any successors or assigns, further reserves the right to connect to each Slip, municipal water or any service which may require a continuous monthly charge to the Owner of the Slip. Upon acceptance of a deed to the Slip each Owner agrees to pay any such continuing monthly charge.

5.4.3 An easement is hereby reserved for the benefit of the Town of Manteo, which may provide utility services, over all Common Elements and Limited Common Elements hereby or hereafter established for the settling, removal, and reading of water meters, the maintenance and replacement of water, any sewer and drainage facilities and the collection of garbage.

5.5 Encroachments. If any portion of the Common Elements encroaches upon any Slip, or if any Slip encroaches upon any other Slip or upon any portion of the Common Elements, as a result of the construction, reconstruction, repair, renovation, restoration, shifting, settlement or movement of any portion of the Dockominium, an easement for the encroachment and for the maintenance, repair and replacement thereof shall exist so long as the encroachment exists. In the event that any Slip, any adjoining Slip, or any adjoining portion of the Common Elements shall be partially or totally damaged or destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then be repaired or reconstructed, encroachments of portions of the Common Elements upon any Slip, or of any Slip upon any other Slip or upon any portion of the Common Elements, due to such repair or reconstruction, shall be permitted, and easements for such encroachments and the maintenance, repair and replacement thereof shall exist. This easement is intended to apply to only the extent necessary and is not intended to deprive another Slip Owner or the Association of a substantial property right or use.

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



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

5.8 Rights of Declarant. So long as Declarant owns any Slip primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have a transferable easement for the maintenance of signs and promotional facilities on the Submitted Property, together with such other facilities as in the opinion of the Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Slips on the Submitted Property. The Declarant may use any unsold Slip as a model. The size and location of the Slips are shown on the Plat and Plans. During the period that Declarant owns any Slip, Declarant, its duly authorized contractors, representatives, agents and employees, shall have a transferable easement on, over, through, under and across the Common Elements for the purpose of making improvements on the Submitted Property and for the purpose of doing all things reasonably necessary and proper in connection therewith.

5.9 Easements. There is hereby created a blanket easement upon, across, over and under all of the Submitted Property subject to this Declaration for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, drainage, telephones, cablevision and electricity and broadband services (the "Utility Services"). This blanket easement is expressly in favor of but not limited to, the Declarant and the Association, its directors, officers, or agents. By virtue of this easement, it shall be expressly permissible for the companies providing utility services to erect and maintain underground and other equipment on said property, and to fix and maintain components to the utility services on, above, across and under the Common Elements. An easement is further granted to all police, fire protection personnel, garbage collectors, ambulance, and like persons to enter upon the streets and Common Elements in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Elements provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said



property except as initially approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any utility company furnishing utility services covered by the general easement herein provided request a specific easement by separate recordable document(s), Declarant or the Association shall have the right and authority to grant such easement. The easement provided for in this Section shall in no way abrogate other recorded easements on said premises.

Easements are hereby reserved over and through the Submitted Property for the use, benefit and enjoyment of the Declarant, its agents, employees, successors and assigns for the installation and maintenance of Docks, piers, Slips, roads, streets and parking areas and for utility services, and such other reasonable services that the Declarant may, in its sole discretion, provide to the Dockominium. Easements are hereby granted over and through the Submitted Property for the use, benefit and enjoyment of the Association, its agents, employees, successors and assigns for the installation and maintenance of any Docks, piers, Slips, roads, streets, parking areas and such other properties or improvements in and adjacent to the Submitted Property owned by or entrusted to the Association. Said easement in favor of Association shall include the rights of access, ingress and egress to fulfill its obligations under the By-Laws of said Association and all applicable Declarations and to enforce said By-Laws and Declarations against all Slip Owners in the Dockominium. Easements of access, ingress and egress are hereby granted to the Town of Manteo over and through the Submitted Property as are reasonably necessary for the fulfilling of its obligations and purposes as a governmental body and for the providing of its services and utilities to the Dockominium. Any easements and accesses herein granted or reserved by this and the preceding paragraph shall not obligate the person, corporation, municipality or other entity in whose favor the easement has been granted or reserved to provide the services or improvements for which the easements have been created, unless, in each instance, they are otherwise obligated to provide such service or improvement.

5.10 Declarant's Easements. Declarant hereby reserves such easements though the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, which easements shall exist as long as reasonably necessary for such purpose.

5.11 Easements to Run With Land. All easements and rights described in this Article V are appurtenant easements running with the land, and except as otherwise expressly provided in this Article V shall be non-exclusive and perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Slip Owners, Occupants, First Mortgagees, and any other person having any interest in the Dockominium or any part thereof. The Dockominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article V, whether or not specifically mentioned in any such conveyance or encumbrance.

5.12 Association Rights. The Association, the Board, and the Managing Agent shall have a non-exclusive right and easement to make such use of and to enter into or upon the Common Elements, the Limited Common Elements, and the Slips as may be necessary or appropriate to the performance of their duties and functions for which they are obligated or permitted to perform under this



Declaration.

5.13 Emergency Easement. A non-exclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons now or hereafter servicing the Dockominium in the performance of their official duties, including any property manager of the Dockominium.

5.14 Agreement to Grant Additional Easements. If additional easements between portions of the Dockominium are reasonably necessary to effectuate the purposes of this Declaration, provided said proposed additional easements will not unreasonably interfere with the use and occupancy of any portion of the Dockominium burdened by the proposed additional easements, unreasonably affect access to, or the operation of, any portion of the Dockominium burdened by the proposed additional easements, or unreasonably increase the operating cost of, or create any other additional expense for, the portion of the Dockominium burdened by the proposed additional easements, each Owner, and its applicable Mortgagee, hereby agrees to use its best efforts to agree upon, determine, and grant such additional easements. No abandonment of any of the easements created by this Declaration shall be deemed to exist in the absence of a written agreement by the Owners whose property is benefited by the easement being abandoned, provided, however, that each Owner agrees to execute such a written agreement promptly upon demand of the other Owners at such time as any such easements created by this Declaration are no longer needed and not reasonably anticipated to be needed in the future in connection with construction, reconstruction, or restoration as permitted by this Declaration. There shall be no merger of the easements created by this Declaration and fee title to any portion of the Dockominium in the absence of a written agreement executed by the holders of all such interests.

ARTICLE VI

MAINTENANCE AND REPAIR

6.1 Association. The Association shall maintain, repair and replace all portions of the Common Elements, except as may be herein otherwise specifically provided. This responsibility shall also include all Limited Common Elements appurtenant to Slips. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under the Act or this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

6.2 Slip Owner. Each Slip Owner shall maintain, repair and replace all portions of his Slip, except those portions, if any, which are to be maintained, repaired or replaced by the Association. The Slip Owner shall maintain, repair and replace all fixtures, equipment and appliances installed in his Slip [including any



vessel] located within the boundaries thereof, and all conduits, wires, pipes or other apparatus located within the boundaries of such Owner's Slip or deemed to be a part thereof as provided herein (the "Maintenance Obligation"). Each Slip Owner shall perform his responsibilities in such a manner so as not to unreasonably disturb other persons in other Slips. Each Slip Owner shall promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible. In the event a vessel becomes a nuisance or a threat to other vessels and slips included within the Dockominium as a result of the failure of an Owner to perform its Maintenance Obligation, the Association shall have the right but not the obligation to make any necessary repair or replacement or to do any cleaning or other maintenance which is the responsibility of the Slip Owner if the Slip Owner fails or refuses to do so, and in such event, the Slip Owner shall be obligated to pay for all costs incurred by the Association in connection with the Maintenance Obligation. Such costs may include in addition to any repairs associated with the Maintenance Obligation, any related towing of the Owner's vessel, dry dock facility fees and any other storage fees that may be incurred at such dry dock facility for storage of the Owner's Vessel. The Board of Directors shall have the sole right by majority vote to determine when an Owner has failed to perform its Maintenance Obligation and proceed with any repairs or removal of a vessel from the Dockominium. The sums spent by the Association pursuant to this authority shall be conclusive upon the Slip Owner(s) to be assessed. Each Slip Owner shall also be obligated to pay for the cost of repairing, replacing, or cleaning any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of such Slip Owner or any of his Occupants. The cost of any such repair, replacement, and maintenance or cleaning shall be added to and become part of the Assessment or portion thereof next coming due to which the Slip Owner is subject and shall constitute a lien against the Slip in like manner as other Assessments. **THE RIGHTS AND ANY OBLIGATIONS OF DECLARANT OR ASSOCIATION TO REPAIR OR REPLACE THE PHYSICAL IMPROVEMENTS WITHIN THE DOCKOMINIUM MAY BE REGULATED BY LOCAL STATE AND FEDERAL LAW.**

Each Owner shall:

- (i) Keep the Slip, its appurtenant Limited Common Elements, and any boat within the Slip in a clean, orderly and safe condition and appearance at the Owner's expense; and
- (ii) Not paint or otherwise alter the appearance of the Slip or its appurtenant Limited Common Elements without the Association's prior written consent.
- (iii) Be responsible for all charges incurred by the Association for failure to perform its maintenance obligations.

6.3 Dock Maintenance. From time to time, Docks, piers and boats may be required to be removed for maintenance, repairs, and dredging, at which time the Slip may be entered by the Declarant or the Association for such period as may be necessary to perform any repairs and dredging. To the extent fill is removed from the Slip, subject to the rights of the state, such fill will be treated as the property of the Association.



ARTICLE VII

ASSESSMENTS

7.1 Creation of Lien and Personal Obligation for Assessments. Declarant, by creating the Condominium Units pursuant to this Declaration, hereby covenants, and each Owner of any Slip, by accepting a deed for a Slip, whether or not it shall be so expressed in such deed or other instrument of transfer, is deemed to covenant to pay to the Association: (1) Annual Assessments imposed by the Board of Directors as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements, to fund the Capital Improvement Fund contemplated under Section 7.4 below and to generally carry out the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; (3) Default Assessments that may be assessed against a Slip for the Owner's failure to perform an obligation under the Condominium Instruments or because the Association has incurred an expense on behalf of the Owner under the Condominium Instruments; and (4) MLMA Assessments remitted by the Association as set forth within Section 7.06 of the Master Declaration.

All Assessments, together with fines, interest, costs, reasonable attorneys' fees, and other charges allowed under the Act, shall be a charge on the Slip and shall be a continuing lien upon the Slip until paid subject to the provisions of Section 47C-3-116 of the Act.

Each such Assessment, together with fines, interest, costs, and reasonable attorneys' fees and other charges allowed under the Act, shall also be the personal and individual obligation of the Owner of such Slip as of the time the Assessment falls due, and two or more Owners of a Slip shall be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment or leasing of his Slip or by waiver of the use or enjoyment of the Common Elements. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment liens provided in this Declaration.

7.2 Purpose of Assessments. The Assessments shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Dockominium, and for the improvement and maintenance of the Dockominium and of the services and facilities located on the Dockominium. Proper uses of the Assessments shall include, but are not limited to, the following:

7.2.1 Repairing, replacing, renovating, and maintaining any of the Common Elements not made the responsibility of the Owners by Section 4.5 above, and Section 9.2 below, or other provisions of this Declaration;

7.2.2 Installing, maintaining, and repairing underground utilities upon, across, over, and under any part of the Dockominium that are not conveyed to and accepted by utility companies including phone, cable, and wi-fi services;



7.2.3 Obtaining and maintaining insurance in accordance with the provisions of Article VIII below;

7.2.4 Establishing and maintaining reserves for repairs, replacement, maintenance, taxes, capital improvements, and other purposes;

7.2.5 Carrying out all other powers, rights, and duties of the Association specified in the Condominium Instruments; and

7.2.6 Generally, addressing any other expenses necessary to meet the primary purposes of the Association.

7.3 Annual Assessments.

7.3.1 Association Budget. The Board of Directors shall prepare a budget and prepare Annual Assessments before the close of each fiscal year of the Association and submit the budget to the Association as required by the Act. Annual Assessments for Common Expenses shall be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of routine maintenance and operation of the Common Elements; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; care of grounds, common lighting within the Common Elements; routine renovations within the Common Elements; wages; common water and utility charges for the Common Elements; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the Capital Improvement Fund for general, routine maintenance, repairs, and replacement of the Common Elements on a periodic basis, as contemplated under Section 7.2. Within thirty (30) days after adoption of any proposed Budget, the Board of Directors shall set a date for a meeting of the Slip Owners to consider ratification of the Annual Budget, which date shall be not less than fourteen (14) days nor more than thirty (30) days after the mailing of copies of such Annual Budget or summary thereof to the Slip Owners. There shall be no requirement that a quorum be present at the meeting. The Annual Budget is ratified unless at that meeting a majority of all the Slip Owners reject the Annual Budget. In the event the proposed Annual Budget is rejected, the periodic budget last ratified shall be continued until such time as the Slip Owners ratify (i.e. fail to reject by a majority of all Slip Owners) a subsequent budget proposed by the Board of Directors.

7.3.2 Apportionment of Annual Assessments. Generally, each Owner shall be responsible for that Owner's share of the Common Expenses, which, except as specifically provided in this Declaration, shall be assessed to the Slips in proportion to the respective undivided interests in the Common Elements appurtenant to the Slips, as shown on the Schedule of Slip Information attached as Exhibit "C", subject to the following provisions. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the



Slip or Slips to which that Limited Common Element is assigned, equally, or in any proportion the Board of Directors reasonably determines. Any Common Expense or portion thereof benefiting fewer than all of the Slips shall be assessed exclusively against the Slips benefited. The total Annual Assessments of the Association shall be apportioned among all Slips as provided in this Section 7.3 and shall not be apportioned between Common Elements and Limited Common Elements.

7.3.3 Collection. Annual Assessments shall be collected in periodic installments as the Board may determine from time to time, but until the Board directs otherwise, they shall be payable monthly in advance on the first day of each calendar month. The Association shall have the right, but not the obligation, to make pro rata refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year, however specifically excluding herefrom any amounts deposited in the Capital Improvement Fund of the Association. Any such excess funds not refunded will be applied to the next installment(s) of Annual Assessments due.

7.3.4 Date of Commencement of Annual Assessments. The Annual Assessments shall commence as to all Slips no later than sixty (60) days after the date of the first conveyance by Declarant of a Slip to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year.

7.4 Capital Improvement Fund. The Board in establishing the Annual Budget for operation, management, and maintenance of the Dockominium, shall designate therein a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Elements, which capital improvement and replacement fund (the "Capital Improvement Fund") shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of the Owners of the Slips. The amount to be allocated to the Capital Improvement Fund may be established by the Board so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Elements. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Elements. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board, be expended for current operation and maintenance.

7.5 Special Assessments.

7.5.1 Determination by Board. Subject to the budget procedures required by the Act, the Board of Directors may levy in any fiscal year one or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement within the Dockominium or any facilities located in the Dockominium, including the necessary fixtures and personal property related to it, or to make up any shortfall in the current year's budget.



7.5.2 Apportionment and Collection of Special Assessments. The Board will apportion Special Assessments among the Slips and collect payment according to the same guidelines as set forth for Annual Assessments in Section 7.3.2.

7.5.3 Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least 30 days prior to the due date.

7.5.4 Member Approval. If any Special Assessment levied is to be used for the construction of facilities (as opposed to repair and reconstruction of existing facilities in the Dockominium), and if the total amount of the Special Assessments levied for such construction exceeds ten percent (10%) of the gross annual budget for the Association for that year, then the use of Special Assessments for that construction will require the approval of Owners representing at least sixty-seven percent (67%) of the votes in the Association. The use of Special Assessments pursuant to this Section for constructing any Common Elements shall not apply to the construction of any Common Elements to be completed by Declarant in development of the Dockominium.

7.6 Default Assessments. All monetary fines, penalties, interest, or other charges or fees levied against an Owner pursuant to the Condominium Instruments, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Condominium Instruments, and any expense (including without limitation reasonable attorneys' fees) incurred by the Association as a result of the failure of an Owner to abide by the Condominium Instruments, constitutes a Default Assessment, enforceable as provided in this Declaration below and in accordance with the Act.

7.7 General Remedies of Association for Nonpayment of Assessment. Any installment of an Annual Assessment, Special Assessment or Default Assessment which is not paid within the time period established from time to time by the Board shall be delinquent. If such an Assessment installment becomes delinquent, or if any Default Assessment is levied, the Association, in its sole discretion, may take any or all of the following actions:

7.7.1 Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time;

7.7.2 Charge interest from the date of delinquency at the Default Rate;

7.7.3 Suspend the voting rights of the Owner during any period of delinquency;

7.7.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;



7.7.5 Bring an action at law against any Owner personally obligated to pay the delinquent Assessment charges;

7.7.6 File a statement of lien with respect to the Slip and foreclose as set forth in more detail below.

The remedies provided under this Declaration shall not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

7.8 Priority of Lien. The lien for Assessments, once perfected, shall be prior to all other liens and encumbrances except (a) the lien for real estate taxes on that Condominium Unit, and (b) the lien of a mortgage securing sums unpaid to a First Mortgagee or other lien or encumbrance recorded prior to the perfection of said lien for Assessments. Except as provided in Section 7.9 hereof and Section 47C-3-116 of the Act, the sale or transfer of any Condominium Unit shall not affect the Assessment lien.

7.9 Deed in Lieu of Foreclosure. Notwithstanding anything contained in this Declaration or the Act that may be construed to the contrary, in the event any First Mortgagee that is an Institutional Mortgagee shall acquire title to any Slip by virtue of any Deed in Lieu of Foreclosure of a First Mortgage, such First Mortgagee shall not be liable for, nor shall such Slip be subject to a lien for, any Assessment chargeable to such Slip on account of any period prior to the time such First Mortgagee shall so acquire title to such Condominium Unit, provided, however, that Common Expenses collectible thereafter from all Owners, including such First Mortgagee, shall be paid as set forth in this Declaration. The provisions of this Section 7.9 are in addition to, and not in lieu of, the provisions of Section 47C-3-116(f) of the Act.

7.10 Statement of Assessment Status. Whenever any Slip may be leased (when expressly permitted as allowed pursuant to the provisions of Section 10.15 below), sold, or mortgaged by the Owner thereof, the Association, upon written request of the Slip Owner, shall furnish to the proposed lessee, purchaser, or mortgagee, a statement verifying the status of payment of any assessment that shall be due and payable to the Association for such Slip. Such statement shall be executed by any officer of the Association, and any lessee, purchaser, or mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction, and the Association shall be bound by such statement.

7.11 Initial Contribution to Working Capital Fund. Upon the sale and closing of the purchase of each Slip by the Declarant to a person other than Declarant, the purchaser of each Slip shall pay a non-refundable contribution to the working capital of the Association in an amount of \$300.00 to be assessed against such Slip for the first year of operation of the Dockominium. The contribution to working capital may be utilized to reimburse the Declarant the costs of premiums for insurance purchased by the Declarant for the benefit of the Dockominium and the Association.

7.12 Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association in accordance with any budget procedures as may be required by the Act.

ARTICLE VIII

INSURANCE

8.1 Authority to Purchase and Notice to Owners. The Association will obtain and maintain at all times (a) insurance for all of the insurable improvements on the Submitted Property (with the exception of improvements, and betterments made by the respective Owners or Occupants) against loss or damage by fire or other hazards, pursuant to Section 47C-3-113 of the Act, and including extended coverage, vandalism, malicious mischief, debris removal, cost of demolition, windstorm and water damage, in an amount consonant with full replacement value of such insurable improvements, (b) any such fidelity coverage against dishonest acts on the part of its Directors, Officers, employees, agents and volunteers responsible for handling funds belonging to or administered by the Association in any amounts as the Board may determine in its sole discretion, (c) comprehensive public liability insurance, in amounts established by the Board of Directors from time to time, pursuant to Section 47C-3-113 of the Act, but in no event shall such amount be less than \$1,000,000.00 for single limit coverage, and (d) such other types of insurance either required by the Federal, State or any other applicable governmental authority or law or authorized by the Board of Directors from time to time. Such casualty, liability and fidelity coverage shall be maintained in accordance with and satisfy all of the applicable rules, regulations and provisions of the Federal, State or any other applicable governmental authority. When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Slip Owner by the Officer required to send notices of meetings of the Association.

8.2 General Insurance Provisions. Pursuant to Section 47C-3-113 of the Act, the Association may be required to obtain and maintain at all times:

(a) Insurance for all of the insurable improvements on the Submitted Property (with the exception of improvements, and betterments made by the respective Owners or Occupants) against loss or damage by fire or other hazards, and including extended coverage, vandalism, malicious mischief, debris removal, cost of demolition, windstorm and water damage, in an amount consistent with full replacement value of such insurable improvements.

(b) Any such fidelity coverage against dishonest acts on the part of its Directors, Officers, employees, agents and volunteers responsible for handling funds belonging to or administered by the Association in any amounts as the Board



may determine in its sole discretion:

(c) Comprehensive public liability insurance, in amounts established by the Board of Directors from time to time, but in no event shall such amount be less than \$1,000,000.00 for single limit coverage; and

(d) Such other types of insurance either required by the Federal, State or any other applicable governmental authority or law or authorized by the Board of Directors from time to time. Such casualty, liability and fidelity coverage shall be maintained in accordance with and satisfy all of the applicable rules, regulations and provisions of the Federal, State or any other applicable governmental authority. When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner by the Officer required to send notices of meetings of the Association.

8.3 Waived Insurance Requirements. In that the Condominium Units are restricted to nonresidential use only, the above insurance requirements and those outlined in N.C.G.S. §47C-3-115 may be varied or waived by Declarant and Association.

8.4 Insurance Obtained by Owners. It shall be the responsibility of each Owner, at such Owner's expense, to maintain property damage insurance on such Owner's personal property and furnishings and public liability insurance covering such Owner's Slip. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Slip as the Owner, in the Owner's sole discretion, shall conclude to be desirable. However, no such insurance coverage obtained by the Owner shall operate to decrease the amount that the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association resulting from insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the owner as if the amount were a Default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners (including Declarant, should Declarant be the Owner of any Slip).

The Board of Directors may require an Owner who purchases additional insurance coverage for the Owner's Slip (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.





ARTICLE IX

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

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

9.2 Damage and Destruction.

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

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

9.2.3 Slips. In the case of a casualty causing damage or destruction to a Slip and/or Common Elements serving exclusively a Slip, such damage or destruction (including any damage or destruction to any Common Elements serving exclusively such Slip) shall be repaired or reconstructed unless each of the following occur: (i) there is a substantial loss of all the Slips (including any damage or destruction to any Common Elements serving exclusively such Slip) contained in any one pier in the Dockominium; and (ii) within sixty (60) days of such casualty, one hundred percent (100%) of the Owners of damaged or destroyed Slips and eighty percent (80%) of all Owners vote and agree in writing not to repair or reconstruct. Should the Owners so decide not to repair or reconstruct damaged or destroyed Slips, then such damaged or destroyed



Slips shall not be repaired or reconstructed and the provisions of Section 47C-3-113(h) of the Act shall govern and control the ownership of such damaged or destroyed Slips. The undivided interest in the Common Elements, votes in the Association and share of liability for Common Expenses appertaining to such Slips shall thenceforth appertain to the remaining Slips on the basis of an equal share per Slip. **THE RIGHTS OF AN OWNER, THE DECLARANT OR ASSOCIATION TO REPAIR OR REPLACE THE PHYSICAL IMPROVEMENTS WITHIN THE DOCKOMINIUM MAY BE REGULATED BY LOCAL, STATE AND FEDERAL LAW.**

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

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

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

9.3.1 Common Elements. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds payable as a result of such damage or destruction is less than ten percent (10%) of the total annual revenues anticipated to be received by the



Association under the then current budget of the Association, such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specification as may be approved for such purpose by the Board of Directors. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds available as a result of such damage or destruction is greater than ten percent (10%) of the total annual revenues anticipated to be received by the Association under the then current budget of the Association, such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors; provided, however, that in the event the Board of Directors shall approve plans and specifications for the repair or reconstruction of such damaged property which differ materially from those of the damaged property prior to the occurrence of such damage, such plans and specifications shall be submitted for the approval of a majority of the Association, if a request to such effect is submitted in writing signed by Owners together possessing at least fifteen percent (15%) of the total Vote of the Association no later than fourteen (14) days after the meeting at which the Board of Directors approve such differing plans and specifications.

9.3.2 Slips. If the damage to be repaired or reconstructed is to any Slip, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged Slip prior to the occurrence of such damage, provided it also complies with any local, state or federal law applicable at the time.

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

9.4 Costs of Repair and Reconstruction.

9.4.1 Common Elements. The costs of repairing or reconstructing any portion of the Common Elements not exclusively serving any Slip which shall be damaged or destroyed shall be paid with any insurance proceeds which shall be paid to the Association on account of such damage or destruction. If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the Association for such purposes, are not sufficient to defray such costs of repair or reconstruction, then the Board of



Directors shall levy a Special Assessment against all of the Owners of the Slips to raise the excess funds necessary to defray such costs.

9.4.2 Slips and Common Elements Exclusively Serving Slips. The costs of repairing or reconstructing each Slip which shall be damaged or destroyed, together with any portion of the Common Elements exclusively serving such Slip which shall be damaged or destroyed, shall be paid with the insurance proceeds which shall be paid to the Association on account of such damage or destruction for such Slip. If any amounts shall remain after all of the costs and expenses of repairing and reconstructing the Slip are paid, such amounts shall be paid jointly to the Owner and his Mortgagee. If the amount held by the Association for such Slip is not sufficient to defray such cost of repair and reconstruction, the Board of Directors shall levy a special Assessment against the Owners of the Slips so involved to raise the excess funds necessary to defray such costs.

9.4.3 Common Elements Exclusively Serving a Slip. For purposes of this Article, Common Elements shall be deemed to serve exclusively a particular Slip only if they constitute all or a portion of the docks and pier in which such Slip is contained or a Limited Common Element assigned to such Slip. This is necessary because almost all structural parts of the docks and piers technically constitute Common Elements under the Slip Boundaries established in Section 3.5 of this Declaration.

ARTICLE X

ARCHITECTURAL CONTROL, USE RESTRICTIONS AND SALE OR LEASING OF SLIPS

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

10.2 Approval Required for Changes. To preserve the architectural appearance of the Dockominium, no construction, painting or other changes of any nature whatsoever shall be commenced or maintained by any Slip Owner other than Declarant with respect to any portion of the Dockominium, including any Limited Common Elements, nor shall any addition to or change or alteration therein be made, unless and until the plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted and approved in writing as to harmony of design and location in relation to surrounding structures and topography by the Board of Directors or by an architectural committee appointed by the Board of Directors. An Owner may make improvements and alterations within his Slip; provided, however, that no Owner shall make any structural alterations in a Slip, or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety, soundness or structural integrity of that Slip or any other Slip or otherwise materially lessen the support of any portion of the Dockominium. No Owner shall impair any easement without first obtaining the prior written consent of



the Association and of the Owner or Owners and their Mortgagees for whose benefit such easement exists. Any alteration or impairment of the easements granted to or reserved by the Declarant or the Association shall first have the approval of the beneficiary of such easement.

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

10.4 Uses and Purposes. Except for Declarant's rights as set forth herein, all Slips and any appurtenant uses shall be, and the same hereby are, restricted to recreational uses and those commercial activities by Market Boats and Water Taxis that may be permitted by the Town of Manteo and the Association, and the occupancy and use thereof shall be subject to the Rules of Conduct initially promulgated by the Declarant on January 29, 2008 and any amendments thereto by the Declarant and the Association. In the event any Slip is used for residential purposes, for any period of time, the occupant shall comply with all governmental regulations and restrictions applicable to such use.

10.5 Business Activities and Signs. As a rule business activities are not permitted however, business activities that are associated with any Market Boats and/or Water Taxis shall be permitted subject to being permitted by the Town of Manteo and the Association. No "For Sale" or "For Rent" signs or other signs or advertising posters of any kind shall be maintained or permitted on any portion of the Submitted Property. Notwithstanding the foregoing, the provisions of this Section shall not apply to any signs maintained on the Submitted property by Declarant, its agents, representatives or assigns, during the period that Declarant has any Slip for sale, or to the First Mortgagee of any Slip being sold pursuant to a foreclosure sale.

10.6 Animals and Pets. No animals of any kind shall be kept, raised, or bred on any portion of the Dockominium, except not more than one dog or cat may be kept by an Owner. The Rules of Conduct may regulate, permit, or prohibit the kind and number of such pets from time to time.

10.6.1 Containment. Pets must be contained within a Slip and shall not be permitted to run at large at any time on the Limited Common Elements or Common Elements of the Condominium.

10.6.2 Leashes. Pedestrians within Marshes Light Marina who are accompanied by pets permitted under this Declaration must have the pets under the pedestrians' direct control by use of a leash not to exceed 10 feet in length.

10.6.3 Noise. Owners of pets within Marshes Light Marina will be required to take all steps necessary to control excessive barking or other disturbances caused by their pets.

10.6.4 Feces. Owners of pets shall be responsible for the clean-up a



and sanitary disposal of their pet's waste.

10.7 Use of Common Elements. The use and enjoyment of the Common Elements by the Owners and their Occupants shall be subject to such reasonable Rules of Conduct as may be promulgated by the Declarant or the Association and any amendments. This Section is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

10.8 Antennas. No antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Common Elements, unless such have been approved or installed by the Declarant or the Association. Such antenna or other device for the transmission or reception of radio signals shall be permitted on any boat or other vessel or craft docked or moored in a Slip. Hookups for cable television shall be provided to each Slip.

10.9 Motor Vehicle, Trailers, Boats, Etc. Automobiles shall be operated and parked only upon any portions of the Common Elements that may have been designated for such purpose on the Plat and Plans or by the Board of Directors. Other motor vehicles, including, without limitation, mobile homes, motor homes, truck campers, trailers of any kind and boats, shall be kept, placed, stored, parked, maintained or operated only upon those portions of the Submitted Property, if any, designated specifically for such purpose by the Board of Directors. Notwithstanding the foregoing provision, boats and other vessels and watercrafts are specifically permitted in the Slips and the Marina Basin. Further, although not expressly prohibited hereby, the Board of Directors may prohibit mobile homes, motor homes, truck campers, trailers of any kind, motorcycles, motor scooters, motorized bicycles, mo-peds, motorized go-carts and other such conveyances, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Submitted Property if in the opinion of the Board of Directors such prohibition shall be in the best interest of the Dockominium. No boats or trailers of any Owner or member of his family, his tenants, guests or contract purchasers shall be parked within the right-of-way of any street or Common Elements of Marshes Light.

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

10.11 Prohibited Activities. Noxious or offensive activities shall not be carried on in any Slip or in any part of the Common Elements. Each Owner and Occupant shall refrain from any act or use of his Slip or the Common Elements which could reasonably cause embarrassment, discomfort, annoyance or nuisance



to the other Owners and Occupants, or which could result in the cancellation of insurance on any Slip or any portion of the Common Elements, or which would be in violation of any law or governmental code or regulation. The assembly and disassembly of boats, motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any portion of the Submitted Property.

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

10.13 Appearance. In order to protect the first-class quality and reputation of the Dockominium, no vessel shall be brought or kept within the Dockominium or any of the Slips unless it is first approved by Declarant as to size, appearance, seaworthiness and safety. In this regard, Declarant shall have the right to require in advance a recent photograph and description of the vessel, proof of its ownership and registration, and such other information as Declarant considers appropriate under the circumstances. Outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained on any portion of the Submitted Property, nor shall any clothing, rugs or any other item be hung on any portion of the Common Elements. Said "seaworthiness" and "safety" inspections are not for the purpose of assuring the same and Declarant makes no representations as to the actual seaworthiness or safety of any vessel so inspected.

10.14 Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Slips it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Submitted Property as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the completion and sale of the Slips, including, but without limitation, business offices, signs, model Slips, and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Submitted Property for such purposes and to use any Slips owned by Declarant as model Slips, such model Slips being located and described as provided herein and in the other Condominium Instruments.

10.15 Sale or Leasing. The sale and leasing of Community and Public Slips are restricted by the terms and provisions of that Conditional Use Permit issued by the Town of Manteo for Marshes Light, by which parking is a shared calculation between Units and Community Slips. Therefore, the Conditional Use Permit requires that a Community Slip be appurtenant to a "Unit" of Marshes Light, i.e., a Lot in Marshes Light Homesites, a condominium in Marshes Light Marina



Condominiums, a townhouse in Marshes Light Townhomes, a unit in Marshes Light Retail Cottages or Marshes Light Compton Corner Quads, or a condo/hotel unit of the Inn at Marshes Light.

A Community Slip assigned and deeded to a Unit Owner cannot be conveyed to a non-Unit owner, cannot be leased to anyone other than the lessee of that Unit, cannot be sublet by the lessee, and cannot be used commercially. Community Slips assigned to Condo/Hotel Units at the Inn at Marshes Light may be leased by a registered guest concurrently with his stay at the Inn and cannot be sublet by that guest. A Community Slip shall be used strictly for recreational boating; all commercial uses are prohibited.

A Public Slip may be owned or leased by a member of the general public and by Unit Owners at Marshes Light. Parking calculations for Public Slips are based upon 0.5 parking spaces per Public Slip. Only Owners of Public Slips or their guests can park in these restricted spaces. A Public Slip shall be used strictly for recreational boating; all commercial uses are prohibited with the exception of short-term dockage for Water Taxis and Market Boats delivering fresh seafood, produce and flowers, subject to any zoning requirements for additional parking.

So that the Town of Manteo can maintain an accurate accounting of Community and Public Slips to ensure compliance with the Conditional Use Permit, the Marshes Light Marina SlipOwners' Association, Inc. shall maintain a registry of ownership and make quarterly reports to the Town (see Article IV, Section 4.16).

As required by the Town of Manteo, all docks attached to the public boardwalk must be accessible to pedestrians at all times.

10.16 Occupancy and Use Restrictions. Each Slip is restricted to marine mooring occupancy for a single non-commercial pleasure boat or sportfishing boat and their respective tenders. No slip may be used for boat charter, boat rentals or any other commercial activity whether the activity involves the use of a boat or not, with the exception of short-term dockage for water taxis and market boats delivering fresh produce and flowers, subject to any zoning requirements for additional parking. A "pleasure boat" is defined as a registered pleasure boat under the licensing laws of the state or the United States, not licensed for carrying passengers or cargo for hire, and operated by its owners on a non-profit non-commercial basis. A "sportfishing boat" is defined as a boat registered by the Coast Guard not licensed for carrying passengers or cargo for hire, and operated by its owners on a non-profit non-commercial basis. Vessels used in commercial fishing and crabbing operations are prohibited. The sale of fish or any other catch is prohibited on all portions of the Dockominium unless expressly permitted by the Town of Manteo and the Association in connection with the delivery of commodities by Market Boats. Barges with no method of self-propulsion are prohibited. No boats may discharge household sewage, trash, petroleum products, or other waste overboard into the Marina Waters. Per agreement with the Town of Manteo, boat lifts shall be prohibited with the exception of Slip Number 6.

10.17 Maximum Boat Length within the Slips. The dockage of any vessel within a Slip is subject to the vessel not exceeding the maximum boat length allowed for each particular Slip. The maximum boat length for each Slip is set forth



in that document captioned "Maximum Boat Length" attached hereto as Exhibit "D"

ARTICLE XI

SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

11.1 General Provisions. Until the expiration of the Declarant Control Period, Declarant will have the following Special Declarant Rights with respect to all of the Property:

11.1.1 Construction and Completion of the Dockominium. The right to construct and complete the Dockominium including those Slips which may be added as Additional Slips. The right of the Declarant to add the Additional Slips and Common Elements also includes the right of the Declarant to determine the exact location of the Additional Slips and Common Elements within the Marina Basin and the adjacent waters of Shallowbag Bay which will be located within the proximity of those areas designated as "FUTURES SLIPS NEED NOT BE BUILT" and "FUTURE WAVE ATTENUATOR NEED NOT BE BUILT" as shown on the Plat and Plans subject to the issuance of all necessary permits.

11.1.2 Sales Activities. The right to maintain a sales office and signs advertising the Dockominium.

11.1.3 Association Directors and Officers. The right to appoint any officer or director of the Association, as provided in this Declaration or the Bylaws, but subject to the limitations of the Act.

11.1.4 Contract with a Management Agent. The right to enter into a Contract with either an affiliate of Declarant or a third party for the purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, and management of the Condominium.

11.1.5 Rules of Conduct. The right to promulgate and amend any Rules of Conduct.

11.2 Supplemental Provisions Regarding Declarant's Rights. Declarant reserves the right to amend this Declaration in connection with the exercise of any development rights or any other Special Declarant Rights to the extent permitted by the Act, and Declarant also reserves the additional rights retained for the benefit of Declarant in this Article and in any other provisions of this Declaration.

11.3 Limitation on Special Declarant Rights. The Special Declarant Rights reserved by Declarant shall terminate no later than the earlier of: (i) one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of the Slips, including Slips which may be created pursuant to the Special Declarant Rights and the Declarant's right to add Additional Slips, to Owners other than a Declarant, (ii) two (2) years after all Declarants have ceased to offer Slips for sale in the ordinary



course of business; or (iii) two (2) years after the Development Right to add new Slips was last exercised.

11.4 Interference with Special Declarant Rights.

11.4.1 Neither the Association nor any Slip Owner may take any action or adopt any Rules of Conduct that will interfere with or diminish any Special Declarant Right without the prior written consent of Declarant.

11.4.2 In relation to Declarant's exercise of any Special Declarant Right, the provisions of the Declaration that prohibit or require approval of construction of or additions or alterations to any improvements shall not be applicable.

11.5 Assignment of Declarant's Rights and Duties. Any and/or all of the rights, powers, and reservations of Declarant herein contained may be assigned by Declarant to any person that will assume any and/or all of the duties of Declarant hereunder, and upon any such person, corporation, or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment and to the extent thereof, Declarant shall be relieved from all liabilities, obligations, and duties hereunder. Declarant may limit and restrict the rights and powers that are assigned to any person, corporation, or association in the instrument which assigns such rights. The term "Declarant" as used herein includes all such assignees and their successors and assigns, subject to such restrictions or limitations as may be imposed in the instrument assigning such rights.

11.6 Easements. All rights of easements set forth in Article V above.

ARTICLE XII

ASSOCIATION AS ATTORNEY-IN-FACT

12.1 Appointment. Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for purposes of dealing with the Property upon its damage or destruction as provided in Article IX, or a complete or partial taking as provided in Article XIII below. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article VIII above and to represent the Owners in any condemnation proceeding under Article XIII below including: the collection and appropriate disposition of the proceeds of such insurance or any condemnation award; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying

any portion of the Dockominium shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner that may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIII

CONDEMNATION

13.1 Consequences of Condemnation. In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Condominium, the same shall be repaired or restored, and/or the awards paid on account thereof shall be used and applied in accordance with N.C.G.S. §47C-1-107.

13.2 Reorganization. In the event a partial taking results in the taking of a Slip, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, subject to the provisions of the Act, the Association shall reallocate the ownership and assessment ratios determined in accordance with this Declaration and the Act, according to the same principles employed in this Declaration at its inception and as required under the Act and the Board of Directors of the Association shall amend this Declaration accordingly.

13.3 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article IX.

13.4 Notice of Condemnation. In the event that any portion of the Condominium shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.

ARTICLE XIV

RIGHTS RESERVED TO FIRST MORTGAGEES

14.1 Rights of First Mortgagees to Examine Books and Records. Any First Mortgagee, and any insurer or guarantor of loan secured by a mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Instruments, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year. If any First Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant.



14.2 First Mortgagee's Rights to Notice. If any First Mortgagee, or any guarantor or insurer of a loan secured by a First Mortgage, has served written notice of its desire to receive notices upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Mortgage that it holds, guarantees, or insures, which notice designates the place to which notices are to be given by the Association to such party, then such party shall have the right to receive from the Association prompt written notice of the following:

14.2.1 Default under any of the terms and provisions of the Condominium Instruments by any Owner owning a Slip encumbered by a First Mortgage held, insured, or guaranteed by such party.

14.2.2 Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Slip encumbered by a First Mortgage held, insured, or guaranteed by such mortgagee.

14.2.3 Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

14.2.4 Any proposed action by the Association, the Board of Directors, or the Owners, which under the terms of the Condominium Instruments requires the consent of all or any portion of the First Mortgagees.

The failure of any First Mortgagee to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of an addition or amendment to the Condominium Instruments wherever First Mortgagee approval is required shall constitute an approval by that mortgagee of the proposed addition or amendment.

14.3. First Mortgagees' Rights.

14.3.1 Rights of First Mortgagee to Insurance Proceeds or Condemnation Awards. With respect to first mortgages held by or for the benefit of First Mortgagees, no provision of this Declaration or the Bylaws shall be deemed to give a Slip 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.

14.3.2 Payment of Taxes and Insurance. First Mortgagees, jointly or singly, may pay taxes or other charges that are in default and that may or have become a charge against any of the Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Common Elements. First Mortgagees making such payments shall be owed reasonably prompt reimbursement from the Association.



14.3.3 Payment of Assessments. First Mortgagees shall be entitled to cure any delinquency of the Owner of the Condominium Unit encumbered by the First Mortgagee in the payment of assessments of which the First Mortgagee has received notice under Section 14.2 above. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

14.4 Title Taken by First Mortgagee. Any First Mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, shall be liable for all Assessments due and payable as of the date title to the Condominium Unit vests in the First Mortgagee under the statutes of North Carolina governing foreclosures. Except as provided in the Act, such First Mortgagee shall not be liable for any unpaid dues and charges attributable to the Condominium Unit that accrue prior to the date such title vests in the First Mortgagee.

14.5 Enforcement. The provisions of this Article are for the benefit of all First Mortgagees and their successors, and may be enforced by any of them by any available means.

ARTICLE XV

AD VALOREM TAXES

15.1 Ad Valorem Taxes. Pursuant to the provisions of N.C.G.S. §47C-1-105, each Slip and its appurtenant undivided interest in the Common Elements shall be deemed to be a parcel and shall be separately assessed and taxed by each assessing unit and special district for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each Slip Owner shall be liable solely for the amount of taxes against his individual Slip and shall not be affected by the consequences resulting from the tax delinquency of other Slip Owners. No part of the Dockominium nor any of the Common Elements shall be deemed to be a parcel for separate tax listing purposes.

ARTICLE XVI

ENFORCEMENT OF COVENANTS

16.1 Violations Deemed a Nuisance. A violation of this Declaration or any other of the Condominium Instruments is deemed to be a nuisance and is subject to all the remedies provided for the abatement or correction of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of these covenants will be available.

16.2 Compliance Each Owner or other occupant of any part of the Condominium will comply with the provisions of the Condominium Instruments as the same may be amended from time to time.

16.3 Failure to Comply. Failure to comply with the Condominium





Instruments will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Bylaws will be given to the delinquent party prior to commencing any legal proceedings.

16.4 Who May Enforce. Any action to enforce the Condominium Instruments may be brought by Declarant, the Board, or the Managing Agent in the name of the Association on behalf of the Owners, or any aggrieved Owners. Such an action may be brought against the Declarant, the Board, the Managing Agent, the Association, or any Owner.

16.5 Cumulative Remedies for Default-Self-Help. All rights, remedies, and privileges granted to the Association or the Owner or Owners of a Slip pursuant to any terms, provisions, covenants, or conditions of the Condominium Instruments, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

In addition to other rights set forth in the Condominium Instruments, the Board shall have the right: (i) to enter a Unit or Limited Common Element appurtenant thereto, on which or as to which such violation or breach exists and summarily to abet and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions of the Condominium Instruments, and the Board shall not thereby be deemed guilty in any manner of trespass, (ii) to use self-help to remove or cure any violation of the Condominium Instruments (including, without limitation, the towing of vehicles); or (iii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, provided, however, that before any construction or improvements may be altered or demolished, except in emergencies, judicial proceedings shall be instituted by the Association against such defaulting Owner or its tenant.

16.6 Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

16.7 No Waiver. The failure of the Board of Directors, Declarant, the Managing Agent, or any aggrieved Owner to enforce the Condominium Instruments will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Condominium Instruments at any future time.

16.8 No Liability. No member of the Board of Directors, the Declarant, the Manager, or any Owner will be liable to any other Owner for the failure to enforce any of the Condominium Instruments at any time.

16.9 Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Condominium Instruments, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Condominium Instruments or the restraint of violations of the Condominium Instruments, the prevailing party will be entitled to recover all costs incurred by it in such action,



including reasonable attorneys' fees as may be incurred and allowed by N.C.G.S. §47C-3-116(e)

ARTICLE XVII

ENFORCEMENT, MEDIATION, ARBITRATION

17.1 Actions by Owners. If the Association, Board of Directors, or any Owner shall fail to perform any obligation imposed upon them by the Condominium Instruments, and such failure shall cause an immediate risk of substantial economic loss to any Owner, or shall significantly jeopardize the physical condition of the Property, or any part thereof, then any Owner shall have the right to perform such obligation and to exercise any authority otherwise delegated to the Board, or any other Owner, necessary to perform such obligation. If an obligation so performed was the obligation of an Owner, the reasonable cost of performing such obligation shall be immediately due and payable from the Owner who has failed to perform the obligation to the Owner who performed it. If an obligation so performed was the obligation of the Association or the Board of Directors, the reasonable cost of performing such obligation shall be a Common Expense.

17.2 Mediation. Each Owner, by accepting a deed to a Slip, agrees that any Owner or the Association may require that any Dispute among the Owners or before the Board of Directors or before the Association be submitted to non-binding mediation, prior to pursuing any other remedies. The fees and expenses of mediation shall be paid by the participants and shall not be a Common Expense unless all Owners so agree in writing.

17.3 Arbitration. Each Owner, by accepting a deed to a Slip, agrees that any Owner or Association may require that any Dispute between the Owners or before the Board of Directors or before the Association be submitted to binding arbitration pursuant to the Uniform Arbitration Act set forth in N.C.G.S. §1-567.1 et seq. as the same shall be amended from time to time. The fees and expenses of arbitration shall be paid as set forth in the award and shall not be a Common Expense unless all Owners so agree in writing.

17.4 Civil Suit. Any Owner may also bring a civil action against any other Owner, or against the Association, or against the Board of Directors, or any one of more of them to enforce any obligation imposed hereunder.

ARTICLE XVIII

TERMINATION

18.1 Amendments Proposed by Association. An amendment or amendments to this Declaration may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any amendment or



amendments to this Declaration being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President who shall either:

(a) call a Special Meeting of the members of the Association for a date not later than sixty (60) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each member written notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than fourteen (14) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United State Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote of at least sixty-seven percent (67%) of the votes in the Association which are allocated to Slip Owners in the Condominium in order for such amendment or amendments of this Declaration to be adopted. Any such amendment or amendments as adopted shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such amendment or amendments, so certified and executed with the same formalities as a deeds hall be recorded in the Register of Deeds Office of Dare County, North Carolina, such amendment or amendments to specifically refer to the recording data identifying this Declaration. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the Association shall be delivered to the Owners of all Slips, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting; or

(b) as an alternative to holding a meeting of the members to consider an amendment of this Declaration, a written agreement may be circulated among the members. To be effective, the written agreement must be executed by Slip Owners of Slips to which at least sixty-seven percent (67%) of the votes of the Association are allocated. Once approved, the amendment or amendments shall be transcribed, executed, recorded, and a copy sent to all Owners as specified above.

18.2 Amendments by Declarant. A Declarant may amend the Declaration as set forth herein and in the Act without the consent of any other person or the Association to exercise Development Rights.

18.3 Amendments Requiring Declarant Consent. During the Declarant Control Period reserved by the Declarant to exercise Development Rights, this Declaration may not be amended without the prior written consent of the



Declarant. Except to the extent expressly permitted by the Act or other provisions of this Declaration (in compliance with the Act), no amendment may create or increase Special Declarant Rights, create or increase Development Rights, increase the number of Slips, change the boundaries of any Slip, change the allocated interest of any Slip, or change the uses to which any Slip is restricted in the absence of unanimous consent of the Slip Owners.

ARTICLE XIX

MISCELLANEOUS PROVISIONS

19.1 Severability. This Declaration, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

19.2 Captions. The headings are included only for purposes of convenient reference, and they will not affect the meaning or interpretation of this Declaration.

19.3 Waiver. No failure on the part of the Association or the Board to give notice of default or to exercise or to delay in exercising any right or remedy will operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests. No waiver will be effective unless it is in writing and signed by the President or Vice President of the Board on behalf of the Association.

19.4 Limitation of Liability. Neither the Association nor any officer or member of the Board will be liable to any party for any action or for any failure to act with respect to any matter arising by, through, or under the Condominium Instruments if the action or failure to act was made in good faith. The Association will indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

19.5 Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration will control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation will control.

19.6 Law Controlling. This Declaration and the Condominium Instruments shall be construed and controlled by and under the laws of the State of North Carolina.

19.7 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership as provided in the North Carolina Condominium Act. Specific language shall control over general language. Throughout this Declaration, wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.



IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year below subscribed.

MARSHES LIGHT LLC, a North Carolina limited liability company

BY: BODDIE-NOELI ENTERPRISES, INC.
Its Manager

By: Charles J. Hayes, Jr. (SEAL)
Charles J. Hayes, Jr., Attorney-in-fact

TRUSTEE:

BB&T COLLATERAL SERVICE CORPORATION

By: Stephen A. G. (SEAL)
Name: Stephen A. G.
Title: VICE PRESIDENT

BENEFICIARY:

BRANCH BANKING AND TRUST COMPANY

By: Scott Hennessee (SEAL)
Name: Scott Hennessee
Title: DEPUTY VICE PRESIDENT

STATE OF NORTH CAROLINA
COUNTY OF DARE

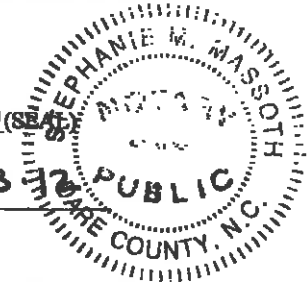
I, STEPHANIE M. MASSOTH, a Notary Public for the aforesaid County and State, do hereby certify that Charles J. Hayes, Jr., personally appeared before me this day, and acknowledged that he is Attorney-in-Fact for Boddie-Noeli Enterprises, Inc., a North Carolina corporation, the Manager of Marshes Light, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the Company in its capacity as Manager of said Company, he executed the foregoing instrument, and that his 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, in Book 1702, Page 449 and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney.

I do further certify that the said Charles J. Hayes, Jr. acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of the said Boddie-Noeli Enterprises, Inc., acting as Manager of Marshes Light, LLC.

Witness my hand and official seal, this 22nd day of February, 2008.

Stephanie M. Massoth (SEAL)
Notary Public

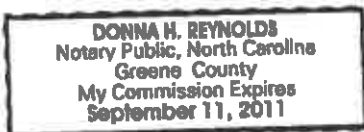
My Commission expires: 3-13-08



STATE OF NORTH CAROLINA
COUNTY OF Greene

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Abraham A. Cox personally came before me this day and acknowledged that he/she is (title) Vice President of BB&T Collateral Services 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 (title) Vice President and attested by him/her as its (title) Vice President.

Witness my hand and official seal, this 26 day of February, 2008.



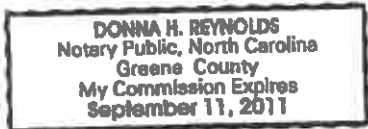
Donna H. Reynolds (SEAL)
Notary Public

My Commission expires: 9-11-2011

STATE OF NORTH CAROLINA
COUNTY OF Greene

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Scott Hennessee personally came before me this day and acknowledged that he/she is (title) Senior Vice President of Branch Banking and Trust Company., 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 (title) Senior Vice President and attested by him/her as its (title) Senior Vice President.

Witness my hand and official seal, this 26 day of February, 2008.



Donna H. Reynolds (SEAL)
Notary Public

My Commission expires: 9-11-2011

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EXHIBIT "A"
THE SUBMITTED PROPERTY

The initial phase of the Dockominium shall include that portion of land appurtenant to Slips 1-60 and Common Elements and Limited Common Elements contiguous with Slips 1-60 as shown on those plats and plans captioned "Dockominium Plat for Marshes Light Marina, a Dockominium" dated February 25, 2008, and prepared by Seaboard Surveying and Planning, Inc., which reference is incorporated herein and more particularly described as follows: Being all the parcel of land above normal water level of Shallowbag Bay and the adjacent boat basin as delineated on plat entitled Marshes Light Marina, a Dockominium, prepared by Seaboard Surveying and Planning, Inc., dated February 25, 2008, said parcel being located within the lands of Marshes Light LLC, as described in Deed Book 1642, Page 268, Dare County Registry. Beginning at an iron rod set at the corner of a wood walk at the Northwest Corner of this parcel, said point being located S39-08-28 E, a Distance of 589.54' from Control Point "A", this being the same point as "Control Point "A" depicted upon plat of Marshes Light Marina Condominiums recorded in U.O.F 6, Page 324, Dare County Registry, Control Point "A" further being defined as being located N 72-46-00 E, a Distance of 730.98' from N.C.G.S. monument "Agona". Running thence from the point of beginning N 60-56-36 E, a Distance 160.45' along a wood walk to an iron rod set, thence S 29-12-53 E, a Distance 22.80' to a point on the north side of a boat basin, thence the following courses and distances along said boat basin: S 54-24-35 W, a Distance of 9.60'; thence N 29-25-05 W, a Distance of 14.17'; thence S 60-32-37 W, a Distance of 39.16'; thence S 61-08-02 W, a Distance of 29.46'; thence S 60-45-05 W, a Distance of 37.52'; thence S 61-34-04 W, a Distance of 35.40'; thence S 27-37-00 E, a Distance of 42.08'; thence S 27-22-05 E, a Distance of 30.18'; thence S 31-26-07 E, a Distance of 9.70'; thence S 27-10-28 E, a Distance of 16.16'; thence S 25-00-15 E, a Distance of 13.11'; thence S 27-46-50 E, a Distance of 33.25'; thence S 26-24-54 E, a Distance of 40.06'; thence N 62-56-29 E, a Distance of 30.73'; thence N 64-13-23 E, a Distance of 30.83'; thence N 65-04-08 E, a Distance of 32.73'; thence N 29-06-36 W, a Distance of 15.56'; thence N 27-33-10 W, a Distance of 48.66'; thence N 52-08-55 E, a Distance of 28.09'; thence N37-41-41 W, a Distance of 0.50'; thence N 52-35-18 E, a Distance of 28.56'; thence N 52-54-51 E, a Distance of 18.44'; thence N 53-24-51 E, a Distance of 20.98'; thence N 54-37-19 E, a Distance of 19.68'; thence N 54-05-39 E, a Distance of 20.00'; thence N 53-34-46 E, a Distance of 19.57'; thence N 53-21-14 E, a Distance of 19.94'; thence N 52-48-10 E, a Distance of 19.84'; thence N 52-38-56 E, a Distance of 19.61'; thence N 53-03-35 E, a Distance of 19.74'; thence N 52-50-34 E, a Distance of 19.51'; thence N 53-48-52 E, a Distance of 21.17'; thence N 53-11-38 E, a Distance of 18.90'; thence N 53-05-12 E, a Distance of 19.95'; thence N 54-18-07 E, a Distance 21.21' to a point on Shallowbag Bay; thence along Shallowbag Bay the following courses and distances; S 36-48-54 E, a Distance of 23.94'; thence S 35-41-28 E, a Distance of 17.03'; thence S 32-58-34 E, a Distance of 4.21'; thence S 16-34-24 W, a Distance of 3.88'; thence S 39-50-58 W, a Distance of 5.96'; thence S 42-05-09 W, a Distance of 45.71; thence S 42-53-45 W, a Distance of 29.28' to a point on the shoreline of Shallowbag Bay; thence S 33-51-25 W, a Distance of 44.74' to an iron rod set; thence S 37-36-33 W, a Distance of 37.70' to an iron rod set; thence S 45-14-35 W, a Distance of 118.38' to an iron rod set; thence S 80-47-25 W, a Distance of 67.57' to an iron rod set at the corner of a wood walk; thence along the wood walk S 64-09-10 W, a Distance of 111.28' to an iron rod set at the corner of the wood walk; thence along the wood walk N 27-24-37 W, a Distance of 153.68' to an iron rod set; thence S 62-35-23 W, a Distance of 5.60' to an iron rod set, thence N 27-24-37 W, a Distance of 7.70' to an iron rod set; thence N 62-35-23 E, a Distance of 5.60' to an iron rod set at the wood walk; thence along the wood walk N 27-24-37 W, a Distance of 40.02' to the Point of Beginning, parcel containing 0.73 acres.

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EXHIBIT "A-1"
ADDITIONAL SLIPS
AND
COMMON ELEMENTS

Pursuant to Sections 3.2 and 3.3 the Declarant has reserved the right to add Additional Slips and Common Elements which are designated on the map or plat captioned "Dockominium Plat for Marshes Light Marina, a Dockominium" as "FUTURE SLIPS - NEED NOT BE BUILT" and "FUTURE WAVE ATTENUATOR - NEED NOT BE BUILT". The Declarant has reserved the right to locate the Additional Slips and Common Elements within any area of the Marina Basin and adjacent waters of Shallowbag Bay, an approximate description of said area is designated on the afore-referenced plats being more particularly described as follows: Being all the parcel of land above normal water level of Shallowbag Bay, delineated on plat entitled Marshes Light Marina, a Dockominium, prepared by Seaboard Surveying and Planning, Inc., dated February 25, 2008, said parcel being located within the lands of Marshes Light LLC, as described in Deed Book 1642, Page 268, Dare County Registry, and lying immediately east of Building 13 of Marshes Light Marina Condominiums as shown in U.O.F 6, Page 324, and lying immediately west of a dock and group of boat slips labeled as "FUTURE SLIPS - NEED NOT BE BUILT" on said aforementioned plat entitled Marshes Light Marina, a Dockominium. Beginning at a point on a bulkhead at the Northwest Corner of this parcel, said point being located S80-57-22 E, a Distance of 738.24' from Control Point "A", this being the same point as "Control Point "A" depicted upon plat of Marshes Light Marina Condominiums recorded in U.O.F 6, Page 324, Dare County Registry. Running thence from the point of beginning N 79-45-14 E, a Distance of 9.50' to a point at the corner of the bulkhead; thence along the bulkhead S 11-42-29 E, a Distance of 35.21'; thence continuing along the bulkhead S 03-00-46 E, a Distance of 53.78'; thence N 87-39-04 W , a Distance of 9.62' to a point on the western edge of a wood walk; thence along the wood walk N 03-12-34 W, a Distance of 52.56'; thence continuing along the wood walk N 11-22-57 W, a Distance of 34.30' to the point of beginning, said parcel containing 848 square feet.



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Doc Code: S/DECL

Vanzolla McMurrin, Register of Deeds Dare CO, NC

Doc Id: 6287957

Receipt #: 11-1037

Prepared by and return to:
Daniel D. Khoury, Esquire
Vandevanter Black LLP
101 Sir Walter Raleigh St
305 Essex Square
Manteo, NC 27954

*Marshes
Light*

**First Supplemental Declaration of
Condominium for Marshes Light Marina, a Dockominium**

THIS FIRST SUPPLEMENTAL DECLARATION OF CONDOMINIUM FOR MARSHES LIGHT MARINA, A DOCKOMINIUM is made on January 19, 2011, by **Marshes Light LLC**, a North Carolina limited liability company ("Declarant").

RECITALS:

A. Declarant has submitted property situated within the Town of Manteo on Roanoke Island, North Carolina and being a part of the Marshes Light Development pursuant to Section 47C, of the North Carolina Condominium Act, and known as Marshes Light Marina, a Dockominium (the "Dockominium").

B. The Dockominium is a phased expandable condominium of boat slips which may include a total of one hundred seventy-three (173) boat slips.

C. The Dockominium is governed by that Declaration of Condominium for Marshes Light Marina, a Dockominium as recorded in Book 1759 at Page 146 in the Office of the Public Registry of Dare County, North Carolina (the "Marina Declaration") which Dockominium is further subject to that

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First Supplemental Declaration 1/09/11

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Book 1855 Page 338

Master Declaration of Covenants, Conditions and Restrictions for Marshes Light as recorded in Book 1702 at Page 450 in the Office of the Public Registry of Dare County, North Carolina (the "Master Declaration").

D. Pursuant to the provisions of Section 3.2 of the Marina Declaration, the Declarant has reserved the right to add additional slips to the Dockominium by filing a Supplemental Declaration, and further pursuant to the provision of Section 18.02, Declarant has reserved the right to amend the Declaration without the consent of any other person or the Association in the exercise of Declarant's Developmental Rights, and in accord therewith, Declarant acting in further of its developmental rights and within the Declarant Control Period, amends the Declaration as herein after stated.

F. The Marina Declaration submitted the first phase with the total planned slips of 173, which first phase consisted of Slips 1 through 60 ("Phase One") said Phase One being identified and set forth in Exhibit "C", Schedule of Slip Information, however, the Exhibit "A" to the Marina Declaration only partially described Phase One which metes and bounds description is hereby corrected by this Supplemental Declaration.

G. The Declarant further wishes to amend Exhibit "D" Maximum Boat Length as hereinafter provided and further to amend Section 10.17 Maximum Boat Length within the Slips to allow boats while moored in a slip to extend up to five (5) feet outward from the slip into the marina waters provided the extension does not interfere in the use of the marina waters by other boats.

H. This Amendment further addresses live-aboard restrictions, easements granted to the Ship Store and clarification as to the purpose of the Bylaws as hereinafter provided.

I. The parking analysis for Marshes Light has been updated as of September 30, 2010 as reflected on Sheets 4 and 5 of the revised Plat and Plans as further referenced in Paragraph 1 below.

NOW, THEREFORE, Declarant hereby declares that the Declaration of Condominium for Marshes Light Marina, a Dockominium, is hereby amended as follows:

1. "Plat" and "Plans" as defined in Sections 1.45 and 1.46 and as referenced in Section 3.1 Submitted Property, Section 3.5 Slip Boundaries, and other references to the Slips and Common Elements of Marshes Light and Marshes Light Marina, a Dockominium, is hereby amended and shall mean and refer to that plat or survey for the Dockominium captioned "Revised Dockominium Plat for Marshes Light Marina, a Dockominium, Properties of Marshes Light, LLC-Town of Manteo-Roanoke Island Nags Head Township-Dare County-North Carolina" prepared by Manson Ray Meekins, RLS, with a checked dated of October 7, 2009 and a certification of December 21, 2010, said revised Plat and Plans recorded in Unit Ownership File ~~7~~, Slide ~~22~~ through ~~26~~ of the Dare County Public Registry (the "Revised Plans"). Sheets 4 and 5 of the Revised Plans reflect the "Parking Detail Plan" prepared by Quible & Associates, P.C. which reflect amendments approved by the Town of Manteo as of September 14, 2010.

2. Submitted Property. Section 3.1 Submitted Property and Exhibit "A" is amended to add Slips 30-60 as more particularly described:



Parcel Two: Beginning at the intersection of a bulkhead and the north side of the boardwalk along slips 30-60, on the west side of Shallowbag Bay, also shown as the west end of L358 as delineated on plat entitled Marshes Light Marina, a Dockominium, prepared by Seaboard Surveying and Planning, Inc., dated February 25, 2008, recorded in Unit Ownership File 6, Pages 343-347, said parcel being located within the lands of Marshes Light LLC, as described in Deed Book 1642, Page 268, Dare County Registry; said point being located S67-36-06 E, a Distance of 857.91' from Control Point "A", this being the same point as Control Point "A" depicted upon plat of Marshes Light Marina Condominiums recorded in Unit Ownership File 6, Page 324, Dare County Registry, Control Point "A" further being defined as being located N 72-46-00 E, a Distance of 730.98' from N.C.G.S. monument "Agona". Running thence from the point of beginning the following Courses and Distances along the boardwalk: N 50-26-03 E, a Distance of 14.65'; N 50-39-00 E, a Distance of 27.20'; N 52-31-47 E, a Distance of 16.07'; N 51-00-55 E, a Distance of 15.71'; N 51-48-50 E, a Distance of 16.47'; N 50-59-20 E, a Distance of 15.59'; N 52-31-18 E, a Distance of 16.19'; N 50-40-42 E, a Distance of 16.16'; N 51-58-15 E, a Distance of 17.41'; N 51-01-20 E, a Distance of 14.40'; N 51-49-46 E, a Distance of 16.32'; N 51-23-30 E, a Distance of 16.01'; N 52-54-21 E, a Distance of 16.01'; N 51-09-13 E, a Distance of 17.50'; N 51-56-41 E, a Distance of 17.72'; N 50-16-44 E, a Distance of 18.29'; N 52-54-39 E, a Distance of 18.25'; N 49-16-55 E, a Distance of 17.59'; N 50-34-38 E, a Distance of 18.37'; N 36-33-32 W, a Distance of 40.63'; N 54-15-03 E, a Distance of 7.25'; S 36-15-31 E, a Distance of 266.65'; S 54-02-21 W, a Distance of 8.43'; N 36-59-49 W, a Distance of 1.31'; S 52-42-53 W, a Distance of 39.71'; N 37-25-08 W, a Distance of 6.51'; N 51-58-05 E, a Distance of 40.78'; N 36-44-54 W, a Distance of 16.59'; N 33-44-49 W, a Distance of 15.51'; N 37-49-05 W, a Distance of 16.51'; N 34-07-18 W, a Distance of 16.82'; N 38-16-58 W, a Distance of 14.95'; N 34-43-57 W, a Distance of 16.26'; N 39-18-59 W, a Distance of 15.86'; N 33-50-31 W, a Distance of 15.11'; N 36-16-16 W, a Distance of 16.84'; N 34-44-30 W, a Distance of 15.05'; N 37-07-25 W, a Distance of 16.17'; N 34-57-44 W, a Distance of 14.82'; N 37-23-21 W, a Distance of 16.73'; S 51-28-38 W, a Distance of 325.85' to a point on the bulkhead; thence along the bulkhead N 36-48-54 W, a Distance of 9.78' to the point of beginning.

3. **Maximum Boat Length within the Slips.** In accord with the revised Plat as set forth in Paragraph 1 above, **Exhibit "D" Maximum Boat Length** has been revised to reflect actual as built measurements in the calculation of the maximum boat length that is allowed for each Slip. A copy of the revised **Exhibit "D" Maximum Boat Length** is attached hereto and incorporated by reference. Further Section 10.17 **Maximum Boat Length within the Slips** is amended to add the following:

A boat may extend up to five (5) feet outward from the Slip into the Marina Waters (the "Extension") provided the portion of any Extension lying beyond the maximum boat length allocated to the Slip does not interfere with the use of the Marina Waters by adjacent Slip Owners or other boats operating within the Marina Waters.

4. **Animals and Pets.** Section 10.6 **Animals and Pets** is amended by deleting the first sentence and substituting the following:

No animals of any kind shall be kept, raised or bred in any portion of the Dockominium, except for pets belonging to a Slip Owner.

5. Live-Aboard Restrictions. The following Section is added to Article X:

Section 10.18 Live-Aboard Restrictions. As stated in Section 10.16 Occupancy and Use Restrictions, each Slip is restricted to marine occupancy for a single non-commercial pleasure boat or sportfishing boat and their respective tenders. Live-Aboard vessels that are used solely as a residence and not for navigation are prohibited from mooring within Marshes Light Marina. Owners of vessels that are primarily used for navigation are permitted temporary Live-Aboard use not to exceed four (4) weeks during each six (6) month period (January-June and July-December), (the "Maximum Live-Aboard Use"). The Maximum Live-Aboard Use not exercised during any six month period may not be carried over to another six month period. "Live-Aboard" shall refer to the occupancy or use of a vessel by one or more persons as a place of habitation, residence, living quarters or for dwelling purposes, temporarily or permanently, continuous or transiently. Notwithstanding any exception permitted herein, Live-Aboard Use may be subject to regulations by the Town of Manteo. For the purposes of determining whether or not this Section has been violated, the physical observations of the Dock Master or other Slip Owners or Town of Manteo Officials shall be deemed prima facie evidence.

6. Ship Store. The Ship Store (being Building #18 on the master plan of Marshes Light) which provides ship services to Marshes Light Marina is located outside of and adjacent to Marshes Light Marina in an area located to the South of that 20' Access Easement which provides ingress and egress to Slips 16-60 of Phase One and Additional Slips as proposed pursuant to Section 3.2. To assure perpetual rights of access, Section 5.14 is added to Article V as follows:

Section 5.14 Ship Store Easement. There shall be a perpetual non-exclusive easement over the designated 20' Access Easement (that provides ingress and egress to Slips 16-60 of Phase One and parking as more particularly set forth on Sheets 4 and 5 of the Plans) in favor of the Owner and its employees, invitees and successors in interest of that property known as the Ship Store, said property being designated as Building #18 on the master site plan of Marshes Light for the purpose of providing access and parking.

7. Bylaws. Section 1.2 Purpose of the Bylaws of Marshes Light Marina Slip Owners' Association, Inc. is amended by adding the following:

Notwithstanding any recitals herein or in Section 1.3 Applicability, the Operation of Marshes Light Marina and it's facilities including the management of Slips shall be delegated to a Marina Operator as may be contracted with or appointed by the Declarant unless said powers have been specifically delegated by the Declarant to the Association.

Except as hereby amended and supplemented, the Declaration of Condominium for Marshes Light Marina, a Dockominium shall remain in full force and effect.

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IN WITNESS WHEREOF, Declarant has caused this First Supplemental Declaration to be duly executed as of the day and year below acknowledged.

MARSHES LIGHT LLC,
a North Carolina limited liability company

BY: BODDIE-NOELL ENTERPRISES, INC.
Its Manager

By: *Douglas E. Anderson* (SEAL)
Douglas E. Anderson, Executive Vice President

NORTH CAROLINA
COUNTY OF Greene

I, the undersigned, a Notary Public for the aforesaid County and State, certify that Douglas E. Anderson, personally appeared before me this day and acknowledged that he is the Executive Vice President of BODDIE-NOELL ENTERPRISES, INC., a North Carolina corporation, the Manager of Marshes Light, LLC a North Carolina limited liability company, and that he as Executive Vice President, being authorized to do so, executed the foregoing on behalf of the corporation in its capacity as Manager of the limited liability company.

Witness my hand and official seal, this 20 day of January, 2011.

Donna H Reynolds
Notary Public

DONNA H. REYNOLDS
Notary Public, North Carolina
Greene County
My Commission Expires
September 11, 2011

My Commission expires: 9/11/2011

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EXHIBIT "D"

MAXIMUM BOAT LENGTH

<u>Slip Number</u>	<u>Maximum Boat Length*</u>
1	35'
2	35'
3	35'
4	35'
5	35'
6	35'
7	50'
8	35'
9	35'
10	35'
11	35'
12	35'
13	30'
14	30'
15	30'
16	40'
17	50'
18	45'
19	50'
20	45'
21	50'
22	45'
23	45'
24	50'
25	45'
26	45'
27	50'
28	45'
29	on hold for fuel dock
30	on hold for fuel dock
31	40'
32	40'
33	40'
34	40'
35	40'
36	40'
37	40'
38	40'
39	40'
40	40'
41	40'
42	45'
43	45'
44	45'
45	50'
46	45'
47	45'
48	40'
49	40'
50	40'
51	40'
52	40'
53	40'
54	40'
55	40'
56	40'
57	40'
58	40'
59	40'
60	40'

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* not including the 5' Extension allowed outward into the Marina Waters

01/19/11