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Due \$897 quarterly

Please give me a call if  
you have any further questions

Thank

J. Martin



NORTH CAROLINA  
DARE COUNTY

Prepared by and Return to:  
Linda McCown  
300 Sir Walter Raleigh Street  
Manteo, NC 27954

DECLARATION OF  
SLASH CREEK  
CONDOMINIUM

Declarant: Slash Creek, LLC, a North Carolina limited liability company  
(Hereinafter "Declarant")

Date: December 14, 2005

RECITALS:

1. Slash Creek, LLC is the owner in fee simple of a certain tract of land and all improvements thereon. Said lands are situated on Hatteras Island, in Kinnakeet Township, Dare County, North Carolina, and adjoin the development commonly referred to as Slash Creek Condominium.
2. The lands are described in Exhibit "A" attached hereto and incorporated herein by reference. By this Declaration, Declarant submits the land and all improvements, easements, appurtenances, riparian and other incidental rights attaching thereto (all known as "Submitted Property") and further described in exhibit "A" to the provisions of Chapter 47C of the General Statutes of North Carolina and amendments thereto.
3. Chapter 47C is generally known as the North Carolina Condominium Act and by this Declaration the Declarant creates a condominium ("Condominium") with respect to the Submitted Property. A maximum of forty-five (45) Condominium Units may be built on the land that is hereinafter referred to as the Submitted Property (as hereinafter defined), which is submitted to the North Carolina Condominium Act by this declaration. Said units may be built and certified as complete in one phase of development and each Unit shall be assigned and have available a boat slip.
4. The Slash Creek Condominiums shall consist of the Submitted Property as defined herein, together with a boat slip assigned to each Condominium Unit and shall be governed by the Slash Creek Condominium Homeowners Association, which shall be created as the Unit Owners' Association for this Condominium pursuant to the requirements of the Act. Each Unit Owner shall be a member of the Slash Creek Condominium Homeowners Association that shall have the duty to ensure and maintain the overall integrity of the Condominium, and to own, improve, maintain, repair and replace the walkways, pool, amenities and facilities constituting the Common Elements of the Condominium.

NOW THEREFORE, Declarant hereby makes this Declaration for the purposes and subject to all the terms and provisions hereinafter set forth.

ARTICLE ONE  
DEFINITIONS

1.1 Definitions. Any terms defined in Section 47C-1-103 of the Condominium Act and found in the Condominium Documents shall have the meanings specified in the Act unless the context requires otherwise and except to the extent, 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 Documents unless the context requires otherwise. These terms shall maintain the meanings specified in the Act or herein although they may appear in the lowercase or uppercase print either in whole or party.

- a. "Act" means the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as amended.
- b. "Assessment" Means the share of the Common Expenses assessed periodically against a Condominium Unit and its owner by the association in the manner provided herein.
- c. "Association" means, Slash Creek Condominium Homeowners Association, a North Carolina non-profit corporation, formed for the purpose of exercising the powers of the Association under the Act and the Condominium Documents
- d. "Board of Directors" or "board" means the board of directors of the Association that is the governing body of the Association.
- e. "Boat Slip" means the slip assigned by the Association to each Condominium Unit.
- f. "Bylaws" means the bylaws of the Association, amended from time to time, a copy of the initial bylaws being attached hereto as Exhibit "B" and having attached thereto the Articles of Incorporation as Exhibit "B1".
- g. "Common Elements" mean all portions of the Condominium other than the units, including the boat slips, docks and walkways.
- h. "Common Expenses" means all sums lawfully assessed against the Unit or Unit Owners by the Association for the following: 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.
- i. "Condominium" means the Submitted Property submitted to the provisions of the Act by the Condominium Documents.
- j. "Condominium Documents" mean this Declaration, the Bylaws, the Act, the Plat and the Plans, including any and all exhibits, schedules, notes appended thereto, certifications and amendments thereof, as may exist from time to time, and recorded pursuant to the Act.
- k. "Condominium Unit" means a unit together with the undivided interest in the Common Elements appertaining to that Unit.
- l. "Declarant" means Slash Creek, LLC, which is the fee simple owner of the submitted property and has executed this Declaration.
- m. "Declaration" means this declaration as amended from time to time.



- n. "Director" means a member of the Board of Directors.
- o. "First Mortgagee" means the holder of a first-in-priority Mortgage.
- p. "Foreclosure" includes without limitation, the judicial foreclosure of a mortgage or the exercise of a power of sale contained in any Mortgage or the foreclosure of an assessment lien against a Unit Owner.
- q. "Institutional Mortgagee" means one or more commercial or savings banks, savings and loan associations, 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 improvements of real estate, or any assignee of loans made by such a lender or any combination of any of the foregoing entities.
- r. "Lease" means any lease, contract, tenancy, sublease, rental contract or other occupancy agreement whether oral or written.
- s. "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 Units.
- t. "Majority" means more than fifty percent (50%) in any context unless a different percentage is expressly required.
- u. "Mortgage" means a mortgage, deed to secure a debt, deed of trust, security agreement or other instrument conveying a lien upon or security interest to a Condominium Unit as security for indebtedness or for the performance of an obligation.
- v. "Mortgagee" means the holder, guarantor, insurer of a Mortgage or a beneficiary under a Deed of Trust.
- w. "Occupant" means any person, including, without limitation, any guest, invitee, tenant, lessee or family member of an Owner occupying or otherwise using or visiting at or in a unit.
- x. "Officer" means an officer of the Association.
- y. "Owner" has the same meaning as Unit Owner or Unit Owner.
- z. "Plans" mean the plans for the Condominium which were certified and filed for record contemporaneously with this Declaration and recorded in Unit Ownership File 6, Slides 129 through 148, inclusive, Dare County Registry, as amended and certified from time to time.
- aa. "Plat" means the plat of survey for the Condominium which were certified and recorded in Unit Ownership File 6, Slides 129, through 148, inclusive, Dare County Registry, as amended and certified from time to time.
- bb. "Record" or "file for record" means filing for record in the Office of the Register of Deeds Of Dare County, North Carolina.



- cc. "Schedule of Unit Information" means the schedule attached hereto as Exhibit "C", which schedule shows for each Condominium Unit its Unit Designation or Identifying Number, dimensions, undivided interest in the Common Elements, number of Votes in the Association, and share of liability for common Expenses.
- dd. "Size" means the square footage in feet of a Unit as determined by reference to the Plat and Plans and rounded to the nearest whole number.
- ee. "Storage Unit" means the storage shed on the ground floor assigned to each Condominium Unit.
- ff. "Submitted Property" means the property lawfully submitted to the provisions of the Act and the Condominium Documents from time to time by the recordation of Condominium Documents in accordance with the Act. The Submitted Property is the land described Exhibit "A" and shown on the Plat together with all improvements thereon and all rights and easements appurtenant thereto.
- gg. "Unit" means a portion of the Condominium intended for independent ownership and use, as more fully set forth and shown in the Condominium Documents and the Act.
- hh. "Unit Designation" means one or more numbers or letter or combination thereof that identify each Unit, as set forth in the Schedule of Unit Information, and as shown on the Plat and Plans.
- ii. "Unit Owner" or "Unit Owner" has the same meaning as Owner and means one or more persons, including the Declarant, who own a Condominium Unit. 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.
- jj. "Unsold" shall mean not yet having been conveyed.
- kk. "Vote" means the vote in the Association appertaining to each Condominium Unit.
- ll. "Build" or "Built" shall also be deemed to mean "convert" or "converted".

ARTICLE TWO  
CREATION OF THE CONDOMINIUM

2.1 Submission to the Act. Declarant hereby submits the Submitted Property to the Act. 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. The name of the Condominium is "Slash Creek Condominium"

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



ARTICLE THREE  
DESCRIPTION OF THE CONDOMINIUM

3.1 Submitted Property. The Submitted Property is described on Exhibit "A" and shown on the Plat, and includes all improvements thereon. The improvements include forty-five (45) Units, a pool, walkways, docks, and a waste water treatment plant.

3.2 Condominium Units. The Condominium presently contains forty-five (45) Condominium Units. The Identifying Numbers for the development are set out on the Schedule of Unit Information on Exhibit "C" and are shown on the Plat and Plans. Each Condominium Unit consists of the Unit together with its undivided interest in the Common Elements. The Schedule of Unit Information sets forth for each Condominium Unit its Identifying Number, square footage of heated area, and undivided interest in the Common Elements, Votes in the Association and share of the liability for Common Expenses. The allocation of undivided interests in the Common Elements and of the Common Expenses is based on 100 divided by the number of units (i.e., 100/45 or 2.22222%). The votes in the Association are equally allocated to all Units. Each Condominium Unit shall constitute for all purposes a separate parcel of real property that may be owned in fee simple and which, 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 Unit to which it appertains and is deemed to be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each 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 Unit Owner.

3.3 Unit Boundaries. Each Unit shall include all the space within the boundaries thereof as shown on the Plat and Plans. The perimeter or vertical boundaries of each Unit are the Vertical planes of the interior surfaces of the wood, concrete or metal framing of the walls of the unit, whether such walls are exterior walls or walls separating the Unit boundaries include the sheetrock/drywall on the Unit side of the walls, with the framing being a part of the Common Elements, and they are extended to their intersection with each others and the upper and lower horizontal boundaries of the Unit. The lower horizontal boundary of each Unit is the lower surface of the ceiling joists of the Unit, with such sub-floor and framing being a part of the Common Elements. The upper and lower boundaries of each Unit include the wood, dry-wall, plaster or other material forming the ceiling or floor, as may be applicable, on the Unit side of such sub-floor or framing as the case may be and extend to their intersection with the perimetrical boundaries of the Units. Window screens and all fixtures, equipment and appliances located within the boundaries of each Unit, including without limitation, portions of the heating and air-conditioning system and the hot water heater are deemed to be a part of each Unit. If any Chutes, conduits, wires, pipes or any other apparatus lies partially within or partially outside of the designated boundaries of each Unit, any portions thereof which serve only that Unit shall be deemed a Limited Common Element of that Unit, while any portions thereof which server more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements. Further, any fan coil unit mounted above the ceiling of a Unit and the air-conditions/heating unit located outside the Unit but serving that Unit only shall be deemed to be part of that Unit. In interpreting the Plans, the existing physical boundaries of a Unit as originally constructed or a Unit 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 building 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 Unit. If an Owner acquires an adjoining Unit, thereby becoming the common Owner of adjoining Units, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Units involved and any other approvals necessary as outlined in any Condominium Documents) to remove all or any part of any intervening walls notwithstanding the fact that such partition may, on whole or in part, be party 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 Units, nor an alteration of the allocated interest in the Common Elements, Vote assigned to each Unit, share of liability for Common Expense Assessments or other appurtenant



rights or interests as such appears on the Schedule of Unit Information attached hereto as Exhibit "C".

3.4 Common Elements. The Common Elements consist of all portions of the Condominium other than Units. Certain portions of the Common Elements are Limited Common Elements, as set out in Section 3.5. The Association and the Unit Owners agree that said Common Elements shall not be subject to partition or division except as follows:

3.4.1 Notwithstanding any provisions herein to the contrary, it is expressly provided that the Declarant may convey to the Association any portion of the Common Elements provided that all conveyances are approved in accordance with Section 47C-3-112 of the Act, any other applicable statute and this Declaration. 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 the Common elements.

3.5 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 Units. 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 Units to which they are assigned. Limited Common Elements are assigned as follows and not otherwise:

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

3.5.2 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 Units that 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.

3.6 Development Rights. The Declarant has planned for forty-five (45) Condominium Units to be constructed on the Submitted Property and submitted to the Act. Each Condominium Unit shall also be assigned a storage unit on the ground floor or each building. Each Condominium Unit shall be assigned a boat slip. Reference is hereby made to the Plat and Plans made a part hereof, which Plat and Plans will show the location, size, and dimensions of the entire Condominium once completed. Provided, however, the location of the storage units and the boat slips shall be assigned by the Association. The development rights herein reserved may be exercised with respect to different portions of the property submitted herein at different times. No assurances are made as to the boundaries of those portions or the order in which those portions may be subjected to the exercise of each development right. No assurances are given that if a development right is exercised with regard to one portion of the Submitted Property subject to development rights, that development rights will be exercised in all or in any other portion of the remainder of the Submitted Property.

The Declarant hereby reserves for its benefit, its agents, lessees, employees, successors, and assigns any and all easements and accesses necessary over and through the Submitted Property.

3.7 General Condominium and Association Information.

3.7.1 All Owners, as members of the association, shall have the right to vote on Association matters in accordance with the votes allotted to units owned by that member. The Slash Creek Condominium Homeowners Association shall have the right and duty to maintain and



improve the decks, walkways, docks, pool, vending & ice areas, office, storage and housekeeping spaces and other improvements constituting the Common Elements of the Condominium and to charge the Owners for their proportionate share of the costs of such maintenance and improvements. Among these costs shall be an amount due the association or Slash Creek Condominium Homeowners Association for usage fees of the wastewater capacity and treatment system and to maintain and repair the treatment system.

3.7.2 In the event the declarant shall at any time provide any services for portable water, sewer, garbage and trash pickup, and street, sidewalk and street lighting maintenance to this Condominium, the Declarant is hereby given and granted the right, at its sole option, to assign and transfer its duties and obligations of providing such services to the Slash Creek Condominium Homeowners Association along with all right, title, or interest to any service facilities the Declarant may have.

The Condominium shall be supplied portable water by Dare County and Owners shall be billed direct by the County.

3.7.3 Trash and garbage collection and pickup are currently provided by Dare County. Owners must transport their trash and garbage to a dumpster or other approved container which will then be emptied by Dare county. In the event "door-to-door" pickup is provided to individual Owners, any such "door-to-door" pickup will be provided by the Association or Dare County and not by Declarant, unless otherwise agreed.

3.7.4 The Slash Creek Condominium Homeowners Association accepts the responsibility to provide installation and maintenance of exterior lightning for the Condominium.

The Declarant or the Slash Creek Condominium Homeowners Association shall arrange for electrical services to the Condominium. Utility charges shall be apportioned to the Unit Owners through regular dues and assessments. Portions of the Condominium other than Units may be supplied water and electrical services for the use and benefit of all Owners. The Association shall have the right and duty to charge the Owners for such water and electrical services as a Common Expense of the Association.

3.8 Bylaws of the Slash Creek Condominium Homeowners Association. The Slash Creek Condominiums shall be governed by the Declaration and the Bylaws of the Association attached hereto as Exhibit "B" and incorporated herein by reference. 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.

#### ARTICLE FOUR EASEMENTS

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

4.1 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 Unit over those portions of the Common Elements designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to every Condominium Unit, subject to the following provisions and limitations:

4.1.1 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, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner and his Occupants.

4.1.2 The right of the Association to limit the number of guests of Owners who occupy or use the Unit at one time.





4.1.3 The right of Owners to the exclusive use of the Limited Common Elements appurtenant to their respective Units.

4.1.4 The right of the Association to suspend the (1) Vote and (2) right to use any facilities of the Condominium by the Owner and his Occupants and Common Areas appurtenant thereto for any period of time during which an Assessment against his Unit remains unpaid or, for a reasonable time, for infractions of any provisions of the Condominium Documents or rules and regulations duly promulgated by the Association.

4.1.5 The right of the Association to levy a fine of \$50.00 for violation of these covenants and condition if said violation has not been cured within 30 days of notification of the violation.

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

4.3 Utilities. To the extent that any utility line, pipe, wire or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit or the Common Elements shall be burdened with an easement to be in favor of the Unit or Common Elements served by the same and the Association.

4.3.1 Declarant reserves the right to subject the real property described herein above to 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 Unit. Upon acceptance of a deed to a Unit, each Owner agrees to pay to the public utility, the Declarant or the Association as allowed and in accordance with applicable North Carolina law, the continuing monthly or other periodic payment thereof. Declarant reserves the right to contract on behalf of each Owner with a public utility for street lighting and related services. Upon acceptance of a deed to a Unit, each owner agrees to pay to the public utility, the Declarant or the Association as allowed and in accordance with applicable North Carolina law, the continuing monthly payment thereof.

4.3.2 Declarant for itself and for any successors or assigns, further reserves the right to connect to each Unit water and sewer service which may require a continuance monthly charges to the Owner of the Unit. Said charges may be billed through common dues and assessments. Upon acceptance of a deed to the Unit each Owner agrees to pay any such dues and assessments.

4.3.3 An easement is hereby reserved for the benefit to Dare County which may provide utility services, over all Common Elements and Limited Common Elements hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities and the collection of garbage.

4.3.4 An Easement is hereby reserved for the benefit of the Declarant for the construction, use, maintenance, repair and replacement of the wastewater system affecting the Condominium. Upon acceptance of a deed to a Unit, each owner agrees to pay the Declarant or the Association, as applicable, all fees and assessments provided as may be imposed by the Association for wastewater matters as set forth above.

4.4 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit 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 Condominium, 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 Unit, or of any adjoining Unit, 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 reconstruction, encroachment of portions of the Common Elements, due 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 deprive another Owner or the Association of a substantial property right or use.

4.5 Maintenance. There shall be an easement in favor of the Declarant, the Association and the Owners through the Units and the Common Elements as may be reasonable necessary for the installation, maintenance, repair and replacement of Units 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.

4.6 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 Units and the Common Elements as may be reasonable necessary for the installation, maintenance and operation of the Condominium and for the performance of their respective contractors, agents, representatives and employees, 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 Unit 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, walkways and for other purposes reasonable necessary or useful for the proper maintenance or operation of the Condominium.

4.7 Rights of Declarant. So long as Declarant owns any Unit primarily for the purpose of sale as contemplated herein, Declarant and its duly authorized contractors, representatives, agents, and employees shall have a transferrable easement for the maintenance of signs and promotional facilities on the Submitted Property. The Declarant may use any unsold Unit as a model. The size and location of the Units are shown on the Plat and Plans. During the period that Declarant owns any Condominium Unit, 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.

4.8 Easements There is hereby created a blanket easement upon, across, over, and under all of the Submitted Property subjects to this Declaration for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, drainage, telephones, cable television and electricity. This blanket easement is expressly in favor of, but not limited to, the Declarant and Slash Creek, its directors, officers, or agents. By virtue of the easement, it shall be expressly permissible for the electrical and/or telephone company providing service to erect and maintain underground and other equipment on said property, and to affix and maintain electrical and or telephone wires, circuits, and conduits on, above, across and under the common elements. An easement is further granted to all law enforcement, fire protection personnel, garbage collectors, ambulance, rescue personnel and like persons to enter upon walkways, common porches 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 the 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 Board of Directors. Should any utility furnishing a service 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, and assigns for the installation and maintenance of walkways, roads, streets and parking areas, if any, and for cable television services, sewage utility services, and such other reasonable services that the Declarant may, in its sole discretion, provide the Condominium. Easements are hereby granted over and through the Submitted Property for the use, benefit and enjoyment of Slash Creek Condominium Homeowners Association,



it's agents, employees, successors, and assigns for the installation and maintenance of any walkways, roads, streets, parking areas, if any, and such other properties or improvements in and adjacent to the Submitted Property owned by or entrusted to Slash Creek Condominium Homeowners Association. Said easement in favor of the Slash Creek Condominium Homeowners Association shall include the rights of success, ingress and egress to fulfill it's obligations under the Bylaws of said Association and all applicable Declarations and to enforce said Bylaws hereby granted to Dare County over and through the Submitted Property and are reasonable necessary for the fulfilling of its obligations and purposes as a governmental body and for the providing of its services and utilities to the Condominium. 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 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.

4.8.1 The following additional easements are granted:

- a. North Carolina Department of Transportation for the right of way of NC 12 and is shown in Plat Cabinet D, Slide 117, Dare County Registry.
- b. Utility easements for existing utilities (the same are not recorded easements) and as may arise by implication;
- c. Cape Hatteras Electric Membership Corporation recorded in Book , Page , Dare County Registry; and
- d. Easements in favor of Slash Creek Condominium Homeowners Association for maintenance, repair and replacement of the wood walks and decks leading to and from the Condominium and the boat slips.
- e. Easements in favor of Slash Creek Condominium Homeowners Association, relative to vehicular and pedestrian access over and across certain areas of the Condominium.

4.8.2 Each owner accepts the access "as is" and for itself, its agents, assigns, successors and guests, does forever hold harmless and indemnify the Declarant and Association from any and all loss or damage which Owner, its agents, assigns, successors, and guest may suffer as a result of personal injury, monetary liability, claims, demands, costs or judgements against it arising out of, in whole or part, any alleged inadequately or vehicular and pedestrian access in and around the Condominium development.

#### ARTICLE FIVE MAINTENANCE AND REPAIR

5.1 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 the Units. 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 or 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 government authority.

5.2 Owner. Each Owner shall maintain, repair and replace all portions of his Unit, except those portions, if any, which are to be maintained, repaired or replaced by the Association. The Owner shall maintain, repair and replace all fixtures, equipment and appliances installed in his Unit or located within the boundaries of such Owner's Unit or deemed to be a part thereof as provided herein. Each Owner shall perform his responsibilities in such a manner so as not to unreasonably disturb other persons in other Units. Each Owner shall promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible. The Association shall have the right, but not the obligation, to make any repair or replacement or to do



any cleaning or maintenance which is the responsibility of the Owner if the Owner fails or refuses to do so, and in such event the Owner shall be obligated to pay for the cost incurred by the Association for such work. The Board of Directors shall have the sole right by majority vote to determine when any such repairs or replacements are made. The sums spent by the Association pursuant to this authority shall be conclusive upon the Owner(s) to be assessed. Each Owner shall be obligated to pay 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 Owner or any of his Occupants. The cost of any such repair, replacement, maintenance or cleaning shall be added to and shall constitute a lien against the Unit like manner as other Assessments.

Each Owner Shall:

(i) Keep the Unit and its appurtenant Limited Common Elements in a clean, orderly and safe condition and appearance at the Owner's expense; and

(ii) Not paint or otherwise alter the appearance of a Unit's Limited Common Elements without the Association's prior written consent.

## ARTICLE SIX ASSESSMENTS

6.1 Lien. Each Owner covenants and agrees to pay to the Association all Assessments (general and special Limited Common Element Assessments, or any other Assessments properly levied by the Association) provided by the Act and this Declaration which shall be fixed, established and collected from time to time as hereinafter provided. The formula for allotting percentage liability for Common Expenses and Assessments assigned to each Unit, as such are set forth in the Schedule of Unit Information and in Section 3.2 herein. All Assessments and other charges provided by this Declaration, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge against and continuing on his Unit while is the Owner.

Any Unit shall be conveyed subject to a lien for any unpaid Assessments subject to the provisions of Section 47C-3-116 of the Act and Section 6.7 (Deed in Lieu of Foreclosure) hereof. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Elements or abandonment of his Unit. Notwithstanding any other provision contained in this Declaration, the Declarant may choose to be responsible for all Common Expenses until the end of the period of Declarant control or until the Slash Creek Condominium Homeowners Association makes common Expense Assessments, at which time the Declarant will be bound to contribute to common expenses for Units which remain unsold.

6.2 General Annual Assessments. The amount of all Common Elements not specially assessed against one or more, but less than all undistributed and unreserved excess of assessments and other income over expenditures, shall be assessed against the Condominium Units in accordance with the Schedule of Unit Information. The general annual Assessment shall be established by the Board of Directors in the manner set forth in this Section. During that portion of the Associations initial fiscal year, the annual Assessment applicable to each Condominium Unit shall be as set forth in the estimated budget for the condominium delivered to each purchaser of a Condominium Unit. At least (30) days prior to the annual meeting of the Association, The Board of Directors shall prepare and submit in writing to the Owners an estimated budget of the Common Expenses for the next succeeding fiscal year to be paid by assessments collected from the Owners, together with the amount of the annual Assessment payable by each owner during such fiscal year. If the estimated budget proves inadequate for any reason at any time during the year, then the Board of Directors may levy at any time a further Assessment against the Owners and notify the Owners accordingly. If for any reason an annual budget is not made by the Board, a payment in the amount required by the last prior Assessment shall be due upon each Assessment due date until changed by a new Assessment. Common Expenses of the Association to be paid through annual Assessments shall include, but shall not necessarily be limited to, the following Sections 6.2.1 through 6.2.9, inclusive and the due dates of any such special Assessments shall be specified by Board of Directors.

6.2.1 Management fees and expenses of administration, including management, legal and accounting fees.



6.2.2 Utility charges for utilities, serving the Common Elements and charges for other common services including electricity, water, cable televisions, and telephone service.

6.2.3 The cost of any master or blanket policies of insurance purchased for the benefit of all Owners and the Association, if any, including fire and other hazard coverage, public liability coverage, and such other insurance coverage as the Board of Directors determines to be in the interest of the Association and the Owners.

6.2.4 The expense and maintenance, operation and repair of the Common Elements as well as any maintenance upon the Units which is the responsibility of the Association under the provisions of article five, if such expense is not covered by a special Assessment.

6.2.5 Charges for any utilities provided to the Units and not separately metered, which shall be a Common Expense of the Association.

6.2.6 Such other expenses as may be determined from time to time by the Board of Directors to be Common Expenses, including, without limitation. Taxes and governmental charges not separately assessed against each Condominium Unit, other than ad valorem real property taxes.

6.2.7 The establishment and maintenance of an adequate reserve fund or funds for the periodic maintenance, repair and replacement of those Common Elements (including Limited Common Elements) which the Association may be obligated to maintain and of a reserve to cover operation contingencies or deficiencies arising from unpaid Assessments or liens, emergency expenditures and other matters, as may be authorized from time to time by the Board of Directors. A working capital fund shall be established for the initial months of the operation of the Condominium equal to \$1,500.00 per Unit that shall be paid to Slash Creek Condominium Homeowners Association by a purchaser upon conveyance of any Unit. The purpose of such working capital fund shall be enable Declarant to pay the expenses and makes provisions for their payment through Common Expense Assessments. Amounts paid into such fund shall not be considered as advance payment of the annual Assessment.

6.2.8 Expenses declared Common Expenses by the provisions of the Act.

The general annual Assessment for Common Expenses described above shall be paid by and collected from the Owners in accordance with their respective liabilities for Assessments. Each Owner shall be obligated to pay such Assessments to the Association in monthly installments on or before the first day of every month (unless the Declarant or the Association determine a differing instalment period). In any year in which there is an excess of Assessments and other income over expenditures, the Board of Directors, by resolution and without the necessity of a Vote of the Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the Association described above. Any of the foregoing provisions of this paragraph which may be construed to the contrary notwithstanding, no assessment shall be payable under this paragraph by any owner until this Declarant is recorded. The first assessment payable under this paragraph shall be prorated according to the number of days remaining in the Association's billing cycle after the date on which this Declaration is filed for record.

6.3 Special Assessments of Association. Any Common Expenses occasioned by the conduct of less than all Owners or their Occupants may be specially assessed by the Board against the Condominium Unit or Units, the conduct of any Owner or occupant of which occasioned any such Common Expenses. Notwithstanding anything to the contrary set forth herein, except as provided in Section 5 (Owner Maintenance and Repair), there shall be no Assessments against any particular Condominium Unit for any Limited Common Expenses association with the maintenance, repair, restoration, renovation or replacement of any Limited Common Elements; rather, such expenses shall be Common Expenses. The special allocation of assessments provided for in this paragraph shall be levied by the Board of Directors in its reasonable judgement, and the amount and due dates of such Assessments so specially allocated by the Board shall be as specified by the Board. A person serving as a director or officer of the Association shall be immune individually from civil liability for monetary damages as provided for N.C.G.S. 55A-8-60, as amended from time to time.



6.4 Special Assessments for Capital Improvements. In addition to the special and general Assessments authorized above, and in addition to the Special Assessments for reconstruction or repair of casualty damage, the Board of Directors may levy Special Assessments for the purpose of defraying, in whole or in part of the cost of any capital addition to or capital improvement of the Common Elements (including the necessary fixtures and personal property related thereto), or for the cost of repair or replacement of a portion of the Common Elements (including the necessary fixtures and personal property related thereto), which is for the benefit of all Owners; provided, however, the total amount of the special Assessment levied by the Board of Directors under and pursuant to the provisions of this Section shall not exceed the sum of \$1,500.00 per Condominium Unit in any one calendar year unless approved by a Majority of the Owners at a meeting duly called and held for such purpose. Owners shall be assessed for special Assessments under this Section in accordance with the liability for Assessments of their respective Condominium Units, and the Board of Directors shall specify the due date of any such special Assessments.

6.5 Non-Payment of Assessments. Remedies of Association. Any Assessment or portion thereof, not paid when due shall be delinquent, and the Board of Directors shall have the duty to enforce the collection of all delinquent Assessments. Any Assessment, or portion thereof, not paid within thirty (30) days after the due date shall constitute a lien on such Owner's Condominium Unit when filed of record in the Office of the Clerk of Superior Court, Dare County, in the manner provided for filing statutory liens against real property. If the same is not paid within thirty (30) days after the due date, then a late charge, not in excess of the greater of Fifteen Dollars (\$15.00) or eighteen percent (18%) of the amount of each Assessment or installment thereof not paid when due, shall also be due and payable to the Association. If any Assessment or portion thereof is delinquent for a period of more than thirty (30) days, and then is not paid within ten (10) days after written notice is given to the Owner to make such payment, the entire unpaid balance of the assessment for the year in question may be accelerated at the option of the Board of Directors and be declared due and payable in full, and proceedings may be instituted to enforce such obligation and or lien. Such notice shall be sent by U.S. mail, postage prepaid, to the Owner at the address the Owner may have designated to the Association in writing, specifying the amount of the Assessments then due and payable, together with authorized late charges, not paid when due shall bear interest from the date of delinquency until paid at eighteen percent (18%) per annum. The Board of Directors may suspend the Vote of the Owner or the rights of the Owner and his Occupants, invitees and guests, to use the recreational facilities of the Condominium during the period in which any Assessment or portion thereof remains unpaid and after at least ten(10) days written notice is given to the Owner as aforesaid and the Association may bring an action at law against the Owner obligated to pay the same or foreclose its lien against such Owner's Condominium Unit, in which event late charges, interest and costs of collection shall be added to and included in such lien with such cost of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Condominium Unit, and reasonable attorney's fees. For the purpose of this Article, the amount of delinquent Assessments, late charges, accrued interest and the amount of accelerated Assessments, if any, shall be considered an indebtedness and shall be evidenced by this Section 6.5 and therefore evidence of indebtedness shall exist hereby. All payments on account should be first applied to costs of then to late charges, then to interest, and then to the Assessment lien first due. Each Owner vests in the Board of Directors the right and power to bring all actions against him personally for the collection of such Assessments as a debt and to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in the Article shall be in favor of the Association and shall be for the benefit of all Owners. The Association, acting through the Board, shall have the power to bid in the Condominium Unit at any Foreclosure sale and to acquire, hold, lease, encumber and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Elements or abandonment of his Condominium Unit. The rights and remedies herein shall be in addition to, and not in lieu of, those set forth in Section 47C-3-116 of the Act.

In order to perfect the lien given by the foregoing provisions, the Association shall file in the Clerk's office of the Dare County Superior Court, North Carolina, a claim of lien, which contains a description of the Condominium Unit in accordance with the provisions of Section 47C-2-104 of the North Carolina Condominium Act, the names of the record Owners of the Condominium Unit, the amount of unpaid assessments due or past due, together with the date when each fell due pursuant to the provisions of N.C.G.S. Section 47C-3-116 and Article 8 of Chapter 44 of the General Statutes of North Carolina. When payment of satisfaction is made of a debt secured by the foregoing lien, said lien shall be released by the duly authorized agent of the lien creditor.



6.6 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 Mortgagee or other lien or encumbrance recorded prior to the perfection of said lien for Assessments. Except as provided in Section 6.7 (Deed in Lieu of Foreclosure) hereof and section 47C-3-116 of the Act, the sale or transfer of any Condominium Unit shall not affect the Assessment Lien.

6.7 Deed in Lieu of Foreclosure. Notwithstanding anything contained in this Declaration or the Act which may be construed to the contrary, in the event any First Mortgagee that is an Institutional Mortgagee shall acquire title to any Condominium Unit by virtue of any deed in lieu of Foreclosure of a First Mortgage, such a First Mortgagee shall not be liable for, nor shall such Condominium Unit be subject to a lien for, any Assessment chargeable to such Condominium Unit 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 there after from Owners, including such First Mortgagee shall be paid as set forth in this Declaration. The provisions of this section 6.7 (Deed in Lieu of Foreclosure) are in addition to, and not in lieu of, the provisions of section 47C-3-116(f) of the Act.

## ARTICLE SEVEN ADMINISTRATION

7.1 Administration by the Association. The Association shall administer the condominium, and have the rights and duties with respect thereto, as set out in and subject to the Act and the condominium instruments.

7.2 Control by Declarant. Except as provided in Section 47C-3-103(e) of the Act, the Declarant shall have the right to appoint or remove all Officers or Directors of the Board or to exercise powers and responsibilities otherwise assigned to the Association Board or Officers by the Act or the Condominium Instruments until the first to occur of: (i) the expiration or two (2) years after the Declarant has ceased to offer units for sale in the ordinary course of business, (ii) 120 days after the conveyance of seventy-five percent (75%) of the Units (including units which may be created pursuant to special Declarant rights) to unit owners other than Declarant (iii) two years after any development right to add new units was last exercised, or (iv) the surrender by Declarant of such rights by an express amendment to this Declaration executed and recorded by Declarant, without the need of consent or joinder by any other person. Upon the expiration of the period of Declarant's rights such rights shall automatically pass to the Owners (including Declarant if Declarant then wins one or more Condominium Units) and a special meeting (which may be the next annual meeting) of the Association shall be called as set forth in the Bylaws. At such special meeting the Owners shall elect a Board or Directors. If conflicts arise between this provisions, the Act and the Bylaws, then the Act and the Bylaws shall control.

7.3 Duties and Powers. The duties and powers of the Association shall be those set forth in the Act, this Declaration and the other Condominium Instruments, together with those reasonable implied to effect the purposes of the Association. Except to the extent otherwise required by the Act, this Declaration or the other Condominium Instruments, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, by action through officers, without any further consent or action on the part of the Owners. Subject to and in accordance with the provisions of limitations set forth in the Bylaws, each Director and each Officers shall be entitled to be indemnified by the Association in connection with any threatened, pending or completed action, suit or proceeding with respect to which such person was or is a party by reason of the fact that such person is or was a Director or Officer.

7.4 Property. All funds received and title of all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the Owners as herein provided and for the purposes herein stated. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except as an appurtenance to a Condominium Unit. In any year in which there is an excess of Assessments over expenditures, such surplus shall be applied in accordance with the provisions of Article 6.



7.5 Rules and Regulations. Without limiting the generality of the Article, the Board of Directors shall have the power and authority to make, amend and revoke reasonable rules and regulations concerning the use of the Units and the Common Elements as may be set forth in the Bylaws or in supplemental Rules and Regulations for Slash Creek, a condominium, as promulgated by the Declarant or the Association from time to time and that shall be available at the front office.

7.6 Professional Management. The Board of Directors may employ a professional management firm to manage the operation and affairs of the Condominium and the Association. Any management firm employed shall be employed pursuant to a written agreement executed on behalf of the Association by its President and Secretary. To the extent permitted by law, the Board of Directors shall be authorized to delegate to such management firm such of the duties and powers of the Association and of its Board of Directors and Officers as the Board of Director shall determine. The Declarant or any person affiliated with Declarant may be employed as the professional management firm pursuant to this section.

7.7 Enforcement of Directors Duties. In the event that the Board of Directors shall fail to perform any duty or duties which, under the terms and provisions of the Act, this Declaration, or the other Condominium Instruments, are to be performed by it, any Owner or First Mortgagee who is aggrieved by such failure shall have the right to proceed in equity to compel the Board of Directors to perform any such duty or duties. In no event however, shall any Director have any liability to any Owner or First Mortgagee for failure by the Board to perform any such duty or duties. In except to the extent provided by the laws of North Carolina.

## ARTICLE EIGHT INSURANCE

8.1 General Obligation and Authority. 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 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, but in no event shall such amount be less than \$500,000.00 for a 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.

8.2 Owners Obligation. Each Owner shall obtain and maintain at all times policies of insurance providing the following coverage:

(a) Property insurance in a sufficient sum to cover the values of all improvements made to the Unit and all personal property therein; and

(b) Liability insurance having policy limits of \$500,000.00 per person and \$500,000.00 per occurrence.





ARTICLE NINE  
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 the 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 Unit and the Common Elements having the same boundaries as before. Any repair or reconstruction may be reasonable take into account changes in construction and design techniques and materials and the cost or availability thereof. The term "substantial loss" relative to Units and/or Common Elements serving exclusively a Unit shall mean a loss involving damage or destruction which renders more than two-thirds (2/3rds) of the Units and/or Common Elements serving exclusively a Unit unusable for its intended purpose. The term "substantial loss" relative to the Common Elements not serving exclusively a Unit shall mean a loss involving damage or destruction have a cost of restoration or repair of more that two-thirds (2/3rds) of the replacement cost of the improvement which are damaged or destroyed by casualty.

9.2 Damage and Destruction

9.2.1 Claims Adjustments and Repair Estimates. Immediately proceed with the filing 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 estimated of the cost of repair or reconstruction of such damages and/or destroyed property.

9.2.2 Common Elements. In the case of damage or destruction to Common Elements not serving exclusively a Unit, such damage or destruction shall be repaired or reconstruction unless both of the following occur: (i) there is a substantial loss of the Common Elements not serving exclusively a Unit resulting from such damage or destruction and (ii) within sixty (60) days of 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 Units In the case of a casualty causing damage or destruction of Owners and obtain reliable and detailed estimated of the cost of repair or reconstruction of such damage and or destroyed property a Unit and /or Common Elements serving exclusively a Unit, such damage or destruction (including any damage or destruction to any Common Elements serving exclusively such Unit) shall be repaired or reconstructed unless each of the following occur: (I) there is a substantial loss of all the Units (including damage or destruction to any Common Elements serving exclusively such Unit): and (ii) within sixty (60) days of such casualty, 100% of the Owners of damaged or destroyed Units and 80% of all Owners vote and agree not to repair or reconstruct. If both (I) and (ii) occur, then such damaged or destroyed Units 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 Units. The undivided interest in Common Elements, votes in the Association and share of liability for Common Expenses appertaining to such Condominium Units on the basis of an equal share per Unit.

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, 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 Units Not Repaired. If it is determined accordance with the provisions hereof that any damaged Common Elements not serving exclusively a Unit 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 interest in the Common Elements. If it is determined with the provisions hereof that any damaged Unit shall not be repaired or restored, then the insurance proceeds appertaining thereto shall be paid to the Owner of such damaged Unit 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 Condominium. In all cases where there is a Mortgage endorsement with respect to a Unit, 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 Unit 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 Condominium Units to raise the funds necessary to defray the costs of such work in excess of any amounts which may be available from any reserves 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 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 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 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. 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 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 for the approval of a majority of the Association, if a request to such effect is submitted in writing signed by Owners owning at least 20 Units no later than 14 days after the meeting at which the Board of Directors approve such differing plans and specification.

9.3.2 Units. If the damage to be repaired or reconstructed is to any Unit, such repair, reconstruction or rebuilding shall be undertaken by the Board or Directors and it shall arrange for and supervise the prompt repair and restoration of the Unit, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owner in the Unit. Notwithstanding the foregoing, each Unit owner shall have the right to supervise the interior redecorating of its own Unit.

9.3.3 Responsibility for Repair or Reconstruction. All of the work of repairing or reconstruction of 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 supervisors, engineers, or architect as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor, engineer, or architect 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 Unit 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 or repair or reconstruction, then the Board of Directors shall levy a special Assessments against all of the Owners of the Units to raise the excess funds necessary to defray such costs.

9.4.2 Units and Common Elements Exclusively Serving Units The costs of repairing or reconstruction each Unit which shall be damaged or destroyed, together with any portion of the Common Elements exclusively serving such Unit 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 Unit. If any amounts shall remain after all the costs and expenses of repairing and reconstruction the Unit are paid, such amounts shall be paid jointly to the Owner and his Mortgagee. If the amount held by the Association for such Unit 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 Units so involved to raise the excess funds necessary to defray such costs.

ARTICLE TEN  
AESTHETICS REVIEW, USE RESTRICTIONS AND SALE OF UNITS

To assure a community of congenial 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.

10.1 Approval Required for Changes. To preserve the architectural appearance of the Condominium, no construction, painting or other changes of any nature whatsoever shall be commenced or maintained by any Owner other than Declarant with respect to any portion of the Condominium, 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 aesthetics review committee appointed by the Board of Directors. An Owner may make improvements and alterations within his Unit; provided, however, that no Owner shall make any structural alterations in a Unit, 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 Unit or any other Unit or otherwise materially lessen the support of any portion of the Condominium. No Owner shall impair any easement without first obtaining the written consent of the Association and of the Owner or Owners and their Mortgagees for whose benefit such easement exists. Any alterations or impairment of the easements granted to or reserved by the Declarant or the Slash Creek Condominium Homeowners Association, shall first have the approval of the beneficiary of such easement.

10.2 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 Unit 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.

10.3 Uses and Purposes Except for Declarant rights to use a portion of the Property as a commercial hotel or such as other rights as set forth herein, all Units shall be, and the same hereby are, restricted to residential use only and the occupancy thereof shall be subject to such restrictions as the Board of Directors may establish pursuant to the rules and regulations of the Association. Short-term and long-term residential rentals are considered a "residential; use" and specifically approved.

10.4 Business Activities and Signs. 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 the 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 Unit for sale, or to the First Mortgage of any Unit being sold pursuant to a Foreclosure.



10.5 Pets. Only domesticated animals are allowed on Submitted Property. All animals need to be kept on leashes when in Common Elements. All feces must be picked up immediately.

10.6 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 and regulations as may be made and amended from time to time in accordance with Section 7.5 (Rules and Regulations) of this Declaration. This section is for the mutually benefit of all Owners and is necessary for the protection of all Owners.

10.7 Antennas. No antenna or other device for the transmission or reception signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Common Elements, except as have been approved or installed by the Declarant or the Association or except as permitted under applicable Federal, State or local law.

10.8 Motor Vehicle, Trailers, Boats, Etc. Automobiles shall be operated and parked only upon those portions of the Submitted Property designated for such purpose on the Plat and Plans, or in such other areas as may be provided by the Declarant or Association in any rules or regulations adopted from to time. Although not expressly prohibited hereby, the Board of Directors or Association may prohibit the parking of personal-use vehicles for extended periods of time and further may prohibit mobile homes, motor homes, truck campers, trailers of any kind, motorcycles, motor scooters, motorized bicycles, mopeds, motorized go-carts and other such conveyances, or any of them, from being kept, placed, stored, maintained or operated upon any portions of the Submitted Property. No item of personal property or any kind shall be parked within the right-of-way of any street within the Slash Creek Condominiums.

10.9 Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Submitted Property 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 Submitted Property. The Declarant or Association is permitted to fine Owners for the litter of the Owner, lessees, guest, agents or invitees. Said fine shall constitute an Assessment and shall be enforceable in accordance with other sections herein pertaining to Assessments. No nuisance shall be permitted to exist or operate upon any portion of the Submitted Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horn, whistles, bells or other sound devices, except child safety or security devices used exclusively for child safety or security purposes, shall be located, used or placed on the Submitted Property.

10.10 Prohibited Activities. No noxious or offensive activities shall be carried on in any Unit or in any part of the Common Elements. Each Owner and Occupant shall refrain from any act or use of his Unit or the Common Elements which could reasonable cause embarrassment, discomfort, annoyance or nuisance to the other Owners and Occupants, or which could result in cancellation of insurance on any Unit or any portion of the Common Elements, or which would be in violation of any law or governmental code or regulation. The assemble and disassembly of boats, motor vehicles and other mechanical devises, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any portion of the Submitted Property except a permitted by the Declarant or Association.

10.11 Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to be Submitted Property shall be observed and are hereby incorporated by reference herein as if set forth word for word. 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.

10.12 Appearance. In order to protect the first-class quality and reputation of the Condominium, outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, places 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.

10.13 Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Units 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 completion and sale of the Units, including, but without limitation, business offices, signs, model Units, and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use any Units owned by Declarant as model Units, such model Units being located and described as provided herein and in the other Condominium Instruments.

10.14 Sale or Leasing. The right of any Owner, including Declarant, to sell, transfer, convey, mortgage, encumber or pledge the Unit(s) owned by such Owner shall not be subject to any right of first refusal or any similar restriction in favor of the Association or any other Owner.

10.15 Pool. Owners are cautioned that the pool and surrounding concrete area are often dangerous even during normal use. There is a high risk of serious injury or death from drowning and slipping. Children must be supervised at all times.

## ARTICLE ELEVEN GENERAL PROVISIONS

11.1 Amendment. This Declaration may be amended at any time and from time to time by the affirmative Vote of owners having at least 67% of the total Vote of the Association and as otherwise provided by North Carolina law; provided, however, that during such time as Declarant has the right to appoint and remove members of the Board of Directors and Officers pursuant to Section 7.2 (Control by Declarant) such amendment shall require the agreement of both Declarant and Owners to Which 67% of the Votes in the Association appertain, exclusive of any Vote or Votes appertaining to any Units then owned by Declarant. So long as the same shall not (a) adversely affect the title to any Unit, (b) change the percentage of undivided ownership interest in and to the Common Elements appurtenant to any Unit, (c) materially alter or change any Owner's right to the use and enjoyment of his Unit or the Common Elements as set forth in this Declaration, or (d) otherwise make any material change in this Declaration. Each Owner agrees that, if requested to do so, such Owner will consent to the amendment of the Condominium Instruments, (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with, or remove any conflict or inconsistency with, the provisions of any applicable governmental statute, rule, regulation, including without limitation the provisions of the Act, or judicial determination which shall be in conflict therewith, or (ii) if any such amendment is necessary to enable any governmental agency to insure mortgage loans on the Units bases on the statutes, laws, rules or regulations applicable to or promulgated by such agency. Except as expressly permitted of required by Act and this Declaration, any amendment to this Declaration which would change the boundaries of any Unit, the undivided interest in the Common Elements, the number of Votes in the Association or the liability for Common Expenses appertaining to any Unit shall be approved in writing by all Owners. Any provisions in this Declaration which may be construed to the contrary notwithstanding, any amendment to this Declaration, which would change, alter, modify or rescind and right, title, interest or privilege herein expressly granted to any Mortgagee shall require written approval of such Mortgagee. Amendments to this Declaration or the other Condominium Instruments may be proposed by Declarant, by the Board of Directors, or by petition signed by Owners having at least twenty-five percent (25%) of the total Votes of the Association. Agreement of the required majority of Owners to any amendment of the Condominium Instruments shall be evidenced by the certification of the Secretary of the Association. Any such amendment of the Condominium Instruments, including this Declaration, shall become effective only when recorded or at such later date as may be specified in the amendment itself. The written consent of any Mortgagee required with respect to such amendment shall also be recorded with such amendment.

11.2 Eminent Domain In the event that all or part of the Submitted Property shall be taken by any authority having the power of eminent domain, the allocation of the award for such condemnation and all related matters, such as the reallocation of undivided interests in the Common Elements, liabilities for Assessment and Votes, shall be handled as follows:

11.2.1 If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any First Mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or of any other Condominium Instrument establishing the



Condominium will entitle the Owner or other person to priority over any Mortgagee with respect to the distribution of the proceeds of any award of settlement relating to such Unit.

11.2.2 In the event all or any part of the Submitted Property shall be taken in condemnation or by eminent domain, each Owner hereby grants an irrevocable power of attorney to the Association to represent such Owner in any and all condemnation proceedings, negotiations, settlements and agreements with the condemning authority. The award for such taking shall be payable to the Association for the use and benefit of the Owners and their respective Mortgagees as their interest may appear and shall be disbursed by the Board as hereinafter provided.

11.2.3 If the taking is confined to Common Elements, the Board of Directors shall arrange for restoration of the remaining Common Elements and the Board of Directors shall disburse the proceeds for condemnation award in the same manner as required for the disbursement of insurance proceeds where damage or destruction to the Common Elements is to be repaired or reconstructed, as provided in Article 9 hereof.

11.2.4 If the taking includes any part of a Unit, whether or not there is included in the taking any part of the Common Elements, such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided in Article 9 hereof, whereupon:

a. The Board of Directors, using the proceeds of such condemnation award, shall acquire, on behalf of the remaining Owners, the Unit(s) of the Owner whose Unit(s) have been taken in whole or part, at a price equal to the lesser of (1) the fair market value of such Unit(s) as of the date immediately preceding the condemnation thereof or (2) the amount of the condemnation award allocated to the particular Unit to be acquired. The "fair market value" as used herein shall mean such price as is determined by Majority vote of three (3) appraisers, one whom shall be selected by the Owner or Owners affected, one of whom shall be selected by the Board of Directors and the third of whom shall be selected by the two (2) appraisers so selected. All appraisers so selected shall be members of the American Institute of Real Estate Appraisers (or any successor association or body of comparable standing if such institute is not then in existence), disinterested, have at least ten (10) years of experience in the appraisal of real estate, and be familiar with property values in Dare County, North Carolina.

b. After acquisition of the unit(s) as aforesaid, the undivided interest in the Common Elements, Votes of the Association and share of liability for Common Expenses appertaining to such Unit(s) shall thenceforth appertain to the remaining Unit(s) on the basis of an equal share per Unit. The Board of Directors shall determine the method of disturbing the remainder of the condemnation award, if any.

11.3 Rights of Third Parties. This Declaration shall be recorded pursuant to the provisions of the Act for the benefit of Declarant, the Owners and their Mortgagees as herein provided, and by such recording, the Owners shall have the right to cancel, extend, modify, amend or otherwise change the provisions of this Declarations as provided herein or as allowed by the Act without the consent, permission or approval of any adjoining owner or third person except as limited by Article 11.4.

11.4 Termination The Common Elements shall remain undivided, and unless the Condominium form of ownership hereby established is terminated in accordance with Section 47C-2-118 of the Act, no Owner nor any other person shall bring any action for partition or division of the whole or any part of any Unit or of the whole of any part of the Common Elements. The Condominium may be terminated or abandoned only by the agreement of all Owners, provided that all holders of Mortgages encumbering the Unit(s) consent thereto and agree as may be required be Section 47C-2-118 of the Act.

11.5 Enforcement. Each owner shall comply strictly with the provisions of the Condominium Instruments and rules and regulations of the Association. In the event of a violation or aggrieved Owner or Owners, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies, the Association, or a duly authorized agent thereof, shall have the right to enter upon any portion of the Common Elements including any Limited Common Elements,



where a violation exists and, at the expense of the Violating Owner, abate or remove any erection, thing or condition that may be or exist contrary to the intent and meaning of the Condominium Instruments or rules and regulations, if after notice and hearing as set forth in the Bylaws, it shall not have been corrected by such Owner, neither the Association, nor its agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the Association employ legal counsel to enforce any of the foregoing or any other rights or remedies of the Association, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the violating Owner. In as much as the enforcement of the provisions of the Condominium Instruments and the rules and regulations is essential for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the Association or, in any proper case, any aggrieved Owner or Owners, in addition to all other remedies, may require and shall be entitled to the remedy by failure any such violation or injunction to restrain or breach or threatened violation or breach. No delay, omission on the part of the Association or any aggrieved Owner or Owners in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association or its Officers or Directors for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions and regulation, however long continued, or for the imposing of provisions which may be unenforceable.

11.6 Exhibits. All exhibits referred to in and attached to this Declaration or any other Condominium Instrument are hereby incorporated in this Declaration or such other Condominium Instrument in full by this reference.

11.7 Duration Unless the Condominium is terminated as herein otherwise provided, the provisions of this Declaration shall run with and bring the land, shall be binding upon and inure to the benefit of all Owners and Mortgagees, their heirs, executors, legal representatives, successors and assigns, and shall be and remain in effect perpetually to the extent permitted by North Carolina law.

11.8 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of the condominium. The provisions hereof shall be liberally interpreted, and if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Declaration shall be the date it is filed for record. In the event of any conflicts or inconsistencies between the Act, this Declaration or the Bylaws, the terms and provisions of the Act and this Declaration, in that order, shall prevail.

11.9 Gender and Grammar The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.10 Rights of Mortgagees and Unit Owners. In addition to the rights of Mortgagees elsewhere provided, each Mortgagee shall: (a) be entitled to written notice from the Association of any default by the Owner of the Unit mortgaged in the performance of his obligations under the Condominium Instruments which is not cured within sixty (60) days specifically including any delinquency in payment of an Assessment; (b) be entitled to receive written notice of any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which a Mortgagee holds a Mortgage; (c) be entitled to receive thirty (30) days prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (d) be entitled to receive written notice of any proposed action which would require the consent of a specified percentage of the Mortgagees; and (e) be furnished copies of annual financial reports within 120 days after the end of the Association's fiscal year. The above is limited, however, in that the Mortgagee is entitled to the above information only so long as such Owner or Mortgagee shall first file with the Association a written request (setting forth the name of such Owner or Mortgagee and the Unit Designation of the Unit respect to which such request is made) that notices of default, and copies of financial reports be sent to a named agent or



representative of the mortgagee or owner at an address stated in such notice. Further, each Mortgagee and Owner shall, upon request, be entitled to inspect the books, records, and financial statements of the Association (including the Condominium Instruments and other documents) during normal business hours. Any First Mortgagees shall, upon written request, be entitled to a financial statement of the Association for the immediately preceding fiscal year.

11.11 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of the Declaration are declared to be severable.

11.12 Captions. The captions of each Article and Section hereof refers to its contents and are inserted only for convenience and in no way to be construed as defining, extending or otherwise modifying or adding to the particular Article or Section.

11.13 Restrictions on Other Actions. Notwithstanding anything to the contrary contained in the Condominium Instruments, except as provided by the Act in case of substantial loss to the Units or termination and as provided herein in the case of condemnation, termination, partition or in the case of substantial loss to the Common Elements or during the Declarant Control Period, unless at least two thirds (2/3rds) of the First Mortgagees (based upon one vote for each first mortgagee owned) and Owners (other than the Declarant) of the Units have given their prior written approval, neither the Association nor the owners shall be entitled to:

11.13.1 Except for special Assessments levied pursuant to Section 6.3 hereof, and except for the distribution of hazard insurance proceeds pursuant to paragraph 9.3.2 hereof, change the prorata interest or obligations of any Unit for the purpose of: (a) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the prorata share of ownership of each Unit in the Common Elements.

11.13.2 By act or omission, seek to encumber, sell or transfer the Common Elements, except in the case of reassignment of Limited Common Elements pursuant to Section 3.5 hereof (neither the granting of easements for public utilities or for other public purposes consistent with the intended use of the common Elements, as an appurtenance to a Unit, shall be deemed a transfer within the meaning of this subparagraph).





IN WITNESS WHEREOF, Declarant has caused this instrument to be executed under seal pursuant to due authority as of the day and year first above written.

SLASH CREEK, LLC

BY: 

John W. Dixon, Manager

STATE OF NORTH CAROLINA, COUNTY OF

I, a Notary Public of the aforesaid State and County, do hereby certify that John W. Dixon, Manager of Slash Creek, LLC, personally came before me this day and acknowledged that he is the Manager of Slash Creek, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by him as the official act of the company.

Witness my official hand and seal, this the 14<sup>th</sup> day of December, 2005.

**PENNY C. BEASLEY  
NOTARY PUBLIC  
TYRRELL COUNTY, N.C.**

  
Notary Public

My commission expires: 12-10-09



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## EXHIBIT A

### Parcel I:

Beginning at a point located on the East margin of right of way of the N C State Highway leading through the Village of Hatteras known a NC Highway No. 12, said right of way being 100 feet at this point. Said calculated point being designated "A", said point being located on a grid tie, Note #8 on said survey, N 71 deg. 55 min. 24 sec. E a distance of 22.63 from North Carolina Geodetic Surveys Monument "A-193", and being the Northwest corner of the Norfolk Carolina Telephone & Telegraph property as received by Deed Book 143, at Page 265, and the Southwest corner of the property herein conveyed; THENCE RUNNING FROM SAID BEGINNING POINT and along the North line of the Norfolk & Carolina Telephone & Telegraph Company property herein referred to North 71 deg. 55 min. 24 sec. East a distance of 685.07 feet to an existing concrete monument; and running thence North 04 deg. 03 min. 52 sec. West and along a deed line a distance of 556 feet more or less to a point in the canal; and running thence South 47 deg. 08 min. 05 sec. West a distance of 979 feet more or less to an iron pipe in the East margin or right of way of North Carolina State Highway No. 12, said right of way being 100 feet at this point; and running thence in a southerly direction and along the East margin of the aforesaid highway right of way and along a curve with a radius of 1881.44 feet a length of 146.11, a delta of 4 deg. 26 Min. 59 sec., chord bearing South 42 deg. 36 min. 31 sec. East, a chord distance of 146.08 feet to the calculated point "A", the point or place beginning.

Said property being more particularly described on survey by Seaboard Surveying & Planning, Inc., drawn November 30, 2005 and entitled "As Built Survey for Slash Creek, LLC, Jackie R. Harrison Tract - The Village of Hatteras - Hatteras Township - Dare County - North Carolina.

### Parcel II:

Being all of that "WOOD WALK" AND "WOOD DOCK" on the parcel designated "THIS AREA TO BE CONVEYED TO SLASH CREEK, LLC, 2.67 acres - 116,323.57 sq. ft." as shown on map or plat entitled "SLASH CREEK EAST, Hatteras, NC 27943" by Freddy D. Rankin, PLS, dated 9/8/05 and recorded in the Dare County Public Registry at Plat Cabinet G, Slide 149 on December 1, 2005. For further clarification, the "Wood Walk" which is contained within the boundaries of the 2.67 acre parcel shown thereon.



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**EXHIBIT B**

**BY-LAWS  
OF  
SLASH CREEK CONDOMINIUM HOMEOWNERS ASSOCIATION  
ARTICLE ONE - ORGANIZATION**

1. The name of this organization shall be:  

Slash Creek Condominium Homeowners Association
2. The organization shall have a seal which shall in the following form:
3. The organization may at its pleasure by a vote of the membership body change its name.

**ARTICLE TWO - PURPOSES**

The following are the purposes for which this organization has been organized:

To maintain the common areas of the Slash Creek Condominium project, to assign boat slips, to assign storage units, to provide and maintain Insurance on the condominium project and to do any acts necessary to accomplish the business of the Association.

**ARTICLE THREE - MEMBERSHIP**

Membership in this organization shall be open to all who are owners of the Condominium Units known as Slash Creek Condominiums.

**ARTICLE FOUR - MEETINGS**

The annual membership meeting of this organization shall be held on the 1<sup>st</sup> of March each and every year except if such day be a legal holiday then and in that event the Board of Directors shall fix the day but it shall not be more than two weeks from the date fixed by these by-laws. The secretary shall cause to be mailed to every member in good standing at his or her address as it appears in the membership roll book of this organization a notice telling the time and place of such annual meeting.

Regular meetings of this organization shall be held at the time and date specified in the notice.

The presence of not less than five (5) members shall constitute a quorum and shall be necessary to conduct the business of this organization; but a lesser number may adjourn the meeting for a period of not more than six (6) weeks from the date scheduled by these by-laws and the secretary shall cause a notice of this scheduled meeting to be sent to all those members who were not present at the meeting originally called. A quorum as hereinbefore set forth shall be required at any adjourned meeting.

Special meetings of this organization may be called by the president when he deems it for the best interest of the organization. Notices of such meeting shall be mailed to all members at their addresses as they appear in the membership roll book at least three (3) but not more than ten (10)



ays before the scheduled date set for such special meeting. Such notice shall state the reasons that such meeting has been called, the business to be transacted at such meeting and by who called.

At the request of one member of the Board of Directors or three (3) members of the organization the president shall cause a special meeting to be called but such request must be made in writing at least five (5) days before the requested scheduled date. No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

#### ARTICLE FIVE - VOTING

At all meetings, except for the election of officers and directors, all votes shall be viva voce, except that for the election of officers, ballots shall be provided and there shall not appear any places on such ballot any mark or marking that might tend to indicate the person who cast such ballot.

At any regular or special meeting, if at least ten members of the Association so required, any question may be voted upon in the manner and style approved upon by the membership. The vote could be, but is not limited to be, by ballot, viva voce, e-mail, or facsimile.

At all votes by any form of written communication, the chairman of such meeting shall immediately prior to the commencement of such balloting, appoint a committee of one (1) who shall act as "Inspector of Election" and who shall at the conclusion of such balloting certify in writing to the chairperson the results and the certified copy shall be physically affixed in the minute book to the minutes of that meeting.

No inspector of election shall be a candidate for office or shall be personally interested in the question voted upon.

#### ARTICLE SIX - ORDER OF BUSINESS

- 1 - Roll call.
- 2 - Establish quorum.
- 3 - Reading of the minutes of the preceding meeting.
- 4 - Reports of committee.
- 5 - Reports of officers.
- 6 - Old and unfinished business.
- 7 - New business.
- 8 - Adjournments.

#### ARTICLE SEVEN - BOARD OF DIRECTORS

The business of this organization shall be managed by a Board of Directors consisting of two (2) members together with the officers of this organization. The number shall vary depending the identity of the Directors and the Officers. Thus, for example, if a member of the Board is also an officer, he/she counts as one (1) member, SO THAT if John W. Dixon and David W. Hoyle are the initial members of the Board of Directors, as well as President and Vice-President, and Linda H. McCown is the initial Secretary and Treasurer; the initial Board of Directors shall be three members consisting of John W. Dixon, David W. Hoyle and Linda H. McCown.

The directors to be chosen for the ensuing year shall by chosen at the annual meeting of this organization in the same manner and style as the officers of this organization and they shall serve for a term of one (1) year.

The Board of Directors shall have control and management of the affairs and business of this organization. Such Board of Directors shall only act in the name of the organization when it shall be regularly convened by its chairman after due notice to all the directors of such meeting.

Two members of the Board of Directors shall constitute a quorum and the meetings of the Board of Directors shall be held regularly on the same day as the regularly scheduled meeting, immediately following the meeting of the Corporation.



Each director shall have one vote and such voting may not be done by proxy.

The Board of Directors may make such rules and regulations covering its meetings as it may in its discretion determine necessary.

Vacancies in the Board of Directors shall be filled by a vote of the majority of the remaining members of the Board of Directors for the balance of the year.

The president of the organization by virtue of the office shall be chairperson of the Board of Directors. The Board of Directors shall select from one of their number a secretary.

A director may be removed when sufficient cause exists for such removal. The Board of Directors may entertain charges against any director. A director may be represented by counsel upon any removal hearing. The Board of Directors shall adopt such rules as it may in its discretion consider necessary for the best interests of the organization, for this hearing.

### ARTICLE EIGHT - OFFICERS

The officers of the organization shall be as follows:

President - John W. Dixon  
Vice President - David W. Hoyle  
Secretary - Linda H. McCown  
Treasurer - Linda H. McCown

The president shall preside at all membership meetings, by virtue of the office be chairperson of the Board of Directors, present at each annual meeting of the organization an annual report of the work of the organization, appoint all committees, temporary or permanent, see that all books, reports and certificates as required by law are properly kept or filed, be one of the officers who may sign the checks or drafts of the organization, and have such powers as may be reasonably construed as belonging to the chief executive of any organization.

The vice president shall in the event of the absence or inability of the president to exercise his or her office become acting president of the organization with all the rights, privileges and powers as if he or she had been the duly elected president.

The secretary shall keep the minutes and records of the organization in appropriate books, file any certificate required by any statute, federal or state, give and serve all notices to members of the organization, be the official custodian of the records and seal of the organization, be one of the officers required to sign the checks and drafts of the organization, present to the membership at any meetings any communication addressed to the secretary of the organization, submit to the Board of Directors any communications which shall be addressed to the secretary of the organization, attend to all correspondence of the organization and exercise all duties incident to the office of secretary.

The Treasurer shall have the care and custody of all monies belonging to the organization, be solely responsible for such monies or securities of the organization and be one of the officers who shall sign checks or drafts of the organization. No special fund may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it.

The Treasurer shall render at stated periods as the Board of Directors shall determine a written account of the finances of the organization and such report shall be physically affixed to the minutes of the Board of Directors of such meeting and shall exercise all duties incident to the Office of Treasurer.

Officers shall by virtue of their office be members of the Board of Directors.

No officer or director shall for reason of the office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director for receiving any compensation from the organization for duties other than as a director or officer.



## ARTICLE NINE - SALARIES

The Board of Directors shall hire and fix the compensation of any and all employees which they in their discretion may determine to be necessary in the conduct of the business of the organization.

## ARTICLE TEN - COMMITTEES

All committees of this organization shall be appointed by the Board of Directors and their term of office shall be for a period of one year, less if sooner terminated by the action of the Board. The permanent committees shall be:

1. Budget
2. Rules and Regulations
3. Boat Slip

## ARTICLE ELEVEN - DUES

The dues of this organization shall initially be \$3,540.00 per annum and shall be payable monthly as \$295.00 on the 1st day of each month. These dues may be modified from time to time as needs dictate.

## ARTICLE TWELVE - AMENDMENTS

These by-laws may be altered, amended, repealed or added to by an affirmative vote of not less than a majority of the members or 23.

