

DECLARATION OF UNIT OWNERSHIP

OF

VIKING COURT CONDOMINIUM

A

EXHIBIT A TO DECLARATION OF UNIT OWNERSHIP

VIKING COURT CONDOMINIUM

Survey entitled "Viking Court Condominium" located on lots 11 through 13, Block 14, Section 4, "Hollywood Beach", Nags Head, Dare County, North Carolina prepared by C. P. Lewis, dated October 18, 1986 and filed in the Dare County Registry is Plat Cabinet B, Slide and in Dare County Unit Ownership Book , Pages

Prepared by and Return to:  
John G. Gaw, Jr.  
P.O. Box 1895  
Kill Devil Hills, NC 27948

NORTH CAROLINA

DECLARATION OF UNIT OWNERSHIP

DARE COUNTY

OF VIKING COURT CONDOMINIUM

THIS DECLARATION made this \_\_\_ day of \_\_\_\_\_, 1985, by ANDERS E. ERICKSON and wife, BARBARA J. ERICKSON, (herein called the Developer) and for themselves, their heirs, grantees, and assigns does hereby make, declare and establish this Declaration of Unit Ownership (hereinafter Declaration) as and for the Plan of Dwelling Ownership of Viking Court Condominium, being the property and improvements hereinafter described.

Section 1. Establishment and Submission to Condominium Ownership. The Developer is the owner of the fee simple title to that certain real property situate in Nags Head, Nags Head Township, Dare County, North Carolina, which property and improvements therein is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. Developer does hereby submit the property described in Exhibit "A" and improvements thereon to condominium ownership under the provisions of Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act), and hereby declares the same to be a condominium to be known and identified as Viking Court Condominium shall also be referred to as the "Condominium".

In furtherance of said purpose, Developer hereby declares that all of the condominium and each part thereof, shall be held, conveyed, hypothecated, mortgaged, encumbered, leased, rented, used, occupied and improved subject to this Declaration and the limitations, covenants, conditions and restrictions set forth in this Declaration as the same may be amended from time to time, all of which are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and enjoyment of the condominium and each part thereof. All such limitations, covenants, conditions,

restrictions and Declarations and the Rules and Regulations shall constitute Covenants running with the land and equitable servitudes and liens and shall be binding upon and for the benefit of the Developer and each condominium unit owner having or acquiring any right, title, interest or estate in a condominium, including, but not limited to, the heirs, executors, administrators and assigns of any such parties and all subsequent owners and lessees of all or any part of a condominium.

The effective date of this Declaration of Unit Ownership shall be as of the date of recordation of this Declaration with the Office of the Register of Deeds of Dare County.

Section 2. Survey and Description of Improvements. Annexed hereto and expressly made a part hereof as Exhibit "B", consisting of 13 pages, is a Survey of the land, graphic descriptions and plans of the improvements constituting the condominium, identifying the condominium units and common areas and facilities, limited common areas, as said terms are hereinafter defined, and their respective locations and approximate dimensions. Each condominium unit is identified by specific numerical designation on said Exhibit "B", and no condominium unit bears the same designation as any other condominium unit.

Section 3. Definitions. The Condominium consists of condominium units, common areas, limited common areas and facilities, as said terms are hereinafter defined.

A. Condominium units as the term is used herein shall mean and comprise the 6 separate numerically identified dwelling units which are designated on Exhibit "B" to this Declaration and each condominium unit shall consist of and include the space and improvements within horizontal and verticle planes consisting of the horizontal plane formed by connecting the lower ends of the foundation pilings in the ground and intersected by verticle planes formed by each exterior perimeter wall surface and outer

most perimeter foundation piling surfaces extended from the point of intersection with the aforesaid horizontal plane in the ground upward to the point of intersection with the diagonal planes formed by the exterior surface material of the roof, and then by extending upward the diagonal planes of the exterior surface of the roof to the point of intersection of said diagonal planes; and each condominium unit shall include all exterior surface materials on the roof and exterior walls (including windows and doors) heating and air conditioning systems and compressor, decks and stairs, and stairways, and the waste water - septic disposal system attached to and used by each condominium unit; and further including all pipes, ducts, wires, conduits and other facilities for the furnishing of utilities and other services to condominium units up to and including the point of entry of such pipes, ducts, wires, and conduits through the exterior surface material of the walls or the point of entry of such through the verticle planes heretofore described. All pipes, ducts, wires, conduits and other such facilities shall become a part of the respective condominium units at such point of entry. All exterior decks, stairways and stairway landings, doors, window frames, panes and screens shall be part of the respective condominium units and the exterior decks and painting of the exterior surface of such decks, stairways and stairway landings, walls, doors and window frames shall be the responsibility of the condominium unit owner subject to the approval of the Board of Directors of Viking Court Condominium Association, Inc., and the Rules and Regulations adopted by the association's board for architectural review.

The maintenance and repair of the heating, air conditioning unit, compressor, fan, and any accessory heating and air conditioning equipment, septic tank, septic drainfield or septic-wastewater system serving each unit shall be the expense of the unit owner. The repair, maintenance or replacement of or any

portion of the water system within the common area, including but not limited to lines, taps, meters, pipe and water pumps, if any, shall be the expense of the Condominium Unit Owners Association.

B. Common areas and facilities (sometimes referred to herein as "Common Property") shall mean and comprise all of the real property, improvements and facilities of the condominium other than the condominium units and shall include all personal property held and maintained for the use and enjoyment of all the owners of condominium units.

Common areas and facilities are further defined in North Carolina General Statute 47A-3(2) except as modified herein.

C. Certain portions of the common areas and facilities may be reserved for the use of a particular condominium unit or units to the exclusion of other units and are designated as "Limited Common Areas" or "Limited Common Elements". Limited common areas and the condominium units which they are reserved for are as follows:

The concrete drive-way from the said concrete parking areas within the condominium unit to the common access drive-way as delineated on Exhibit "B" and roof overhangs.

The condominium unit owners shall have the exclusive right to possession and control of the limited common areas appurtenant to their respective units subject to the Declaration of Unit Ownership and the Viking Court Condominium Association, Inc., By-Laws and said unit owners shall bear the expense of repairing and maintaining the limited common areas due to normal wear and tear.

The terms "Association of Unit Owners," "Building," "Common Areas and Facilities" (sometimes herein referred to as "Common Property"), "Common Expenses," "Common Profit," "Declaration," "Majority" or "Majority of Unit Owners," "Person", "Property," "Recordation," "Unit" or "Unit Designation," and "Unit Owner", unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, as used herein, have

the meaning set out in Section 3 of Chapter 47A of the General Statutes of North Carolina, known as the Unit Ownership Act.

Section 4. Ownership of Condominium Units and Appurtenant Interest in Common Property. Each condominium unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the owner of each unit shall also own, as an appurtenance to the ownership of each said condominium unit, an undivided interest in the common property. The undivided interest appurtenant to each condominium unit shall be as set out in Exhibit "C" attached hereto and made a part hereof. The proportional interest in the common property that is appurtenant to each condominium unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each unit at the date of the Declaration bears to the then aggregate fair market value of all of the units having an interest in the common property. The fair market value of each unit and the aggregate fair market value of all the units has been determined by the Developer, and this determination shall be binding upon all unit owners. The percentage of undivided interest in the common property assigned to each condominium unit shall not be changed except with the unanimous consent of all of the owners of all of the condominium units and with the consent of all of the Institutional Lenders holding first mortgages or deeds of trust on the condominium units.

Section 5. Restriction Against Further Subdividing of Condominium Units; Separate Conveyance of Appurtenant Common Property Prohibited. No condominium unit may be divided or subdivided into a smaller unit or units than as shown on Exhibit "B" hereto, nor shall any condominium unit or portion thereof be added to or incorporated into any other condominium unit. The undivided interest in the common property declared to be an appurtenance to each condominium unit shall not be conveyed, transferred, devised, encumbered or otherwise dealt with

separately from said condominium unit, and the undivided interest in common property appurtenant to each condominium unit shall be deemed conveyed, transferred, devised, encumbered or otherwise included with the condominium unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, transferring, devising, encumbering or otherwise dealing with such condominium unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a condominium unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a condominium unit and its appurtenant undivided interest in common property, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire condominium unit. Any instrument conveying, devising, encumbering, or otherwise dealing with any condominium unit, which describes said condominium unit by the numerical designation assigned thereto in Exhibit "B" without limitation or exception, shall be deemed and construed to affect the entire condominium unit and its appurtenant undivided interest in the common property. Nothing herein contained shall be construed as limiting or preventing ownership of any condominium unit and its appurtenant undivided interest in the common property by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

Section 6. The Condominium Subject to Restrictions. The condominium units, common property, and limited common areas shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said condominium units, common property and limited common areas and the use thereof shall be in accordance with the following provisions:

A. Each of the condominium units shall be used only for residential purposes and occupied only as a residence, or

vacation or resort retreat, and for no other purpose. No condominium unit may be used for any commercial or professional purpose, provided, however, this restriction shall not prohibit any unit owner from selling his unit or from renting, leasing or letting his unit for any period of time or the Developer (or Developer's Agents) from selling or marketing a unit or units until all units have been sold by Developer, their successors or assigns

B. The common areas and limited common areas shall be used only for the purposes for which they are intended in furnishing services and facilities for the enjoyment and recreation of the condominium units.

C. No use or practice shall be permitted on the condominium property which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. The use of clothes lines, except inside the garage area out of view of any other condominium unit, is prohibited. No condominium unit owner shall permit any use of his condominium unit, or of the common areas or limited common areas, which will increase the rate of insurance upon the condominium property. No immoral, improper, offensive, or unlawful use shall be made of the condominium property or any part thereof. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification, or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

D. No trailer, travel trailer, camper, mobile home (self-contained or otherwise), tent, boats, storage shed, garage or other similar outbuilding or structure, shall be permanently



placed or stored on the common property at any time. Temporary storage of a travel trailer, camper, boat and/or boat trailer while the unit is occupied by the owner of the vehicle, camper, travel trailer, boat and/or boat trailer (and storage at any time of the unit owner's boat and/or boat trailer) will be permitted provided the vehicle, travel trailer, boat and/or boat trailer, or camper is stored or parked within the unit and is stored in accordance with any regulations promulgated therefore by the Board of Directors.

E. Except as hereinafter reserved unto the Developer, no signs (including but not limited to "For sale," "for rent," or the unit owner's name) shall be erected or maintained on any condominium unit or any portion of the common areas or limited common areas, except with the written consent of the Board of Directors, it being understood that the Board of Directors will not grant permission for said signs unless their erection is reasonably necessary, or unless said sign conforms with a sign format adopted by the Board of Directors to indicate the condominium unit owner's name.

F. All utilities serving the condominium property (including but not limited to electrical utility service, telephone service, television cable service, water, sewage and drainage) shall be located underground along and under easements heretofore reserved in Section 9 of this Declaration and as delineated on the Plat of the Condominium recorded in the office of the Register of Deeds of Dare County. The use of exterior radio, television or satellite system antennas on the roof or outside of any building is expressly prohibited. Each condominium unit owner shall be responsible for all charges and assessments, connection fees, tap fees and deposits made or levied by any utility company or municipal agency for service furnished each individual condominium unit. Charges and assessments for utilities furnished to the common areas and

limited common areas shall be a common expense borne by the Association.

G. No animals shall be kept on the premise, or in a unit except common domesticated household pets. Pets outside of the unit shall be on a leash or otherwise restrained by the owners. While outside the owner's unit, pets will be encouraged to use areas designated by the Board of Directors for waste disposal. Any expense incurred by the owner's association cleaning up or removing animal waste will be assessed against the unit owner of the animal or his invitee's animal. Such assessment shall be paid by the unit owner at the time of an in the manner on the next owner's assessment coming due.

H. Reasonable regulations concerning the use of the condominium common property may be made and amended from time to time by the Association in the manner provided by its By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all condominium unit owners upon request.

I. In the event of a violation of breach of any of these use restrictions or of any other covenant of this Declaration by any property owner or his guest, tenant, invitee, licensee or agent, the owner of any condominium unit shall have the right to proceed at law or in equity to compel a compliance of the terms hereof or to prevent the violation or breach in any event.

Section 7. Perpetual Non-Exclusive Easements in Common Property. The common property or common elements, exclusive of limited common elements, shall be, and the same is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of condominium units in the condominium for their use and the use of their immediate families, guests and invitees, and licensees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the

enjoyment of said owners of the condominium units. In addition, this easement shall run in favor of the Developer, the condominium unit owners association, the managing agent if one is so designated, and the easement may be used for ingress and egress for providing electric power, telephone, sewer, water and other utility services and lighting facilities, including but not limited to, cable television reception facilities, security services, and facilities connected therewith. The Developer, for themselves, their heirs and assigns, and for the Association reserves the right to impose upon common elements and areas, from time to time, such easements and cross-easements in favor of the unit owners for any of the foregoing purposes the Developer deems in the best interest of and necessary and proper for the condominium unit owners. Notwithstanding anything above provided in this Section, Mariner's Landing Condominium Association, Inc., hereinafter identified, shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any condominium unit, his family, guests and invitees, may be entitled to use the common property, including the right to make permanent and temporary assignments of parking spaces, and to establish regulations concerning the use thereof and to establish rules and regulations concerning the use of any recreation area.

Developer, for themselves, their heirs and assigns, reserve the right to use a portion of the common elements for the purpose of aiding in the sale of condominium units, including the right to use portions of the condominium elements for parking for prospective purchasers and such other parties as the Developer determines. The foregoing right shall include the right to use an unsold unit therein as a model, granting use thereof to prospective purchasers, and the right to display and erect signs, placards and to store, keep and exhibit the same and distribute audio visual promotional material upon the common elements.

There is hereby granted and conveyed to each condominium

unit owner, their heirs, successors and assigns, and reserved unto them a non-exclusive easement of access, egress and ingress to and from the condominium unit and the North Carolina State Road designated 1243 upon the drive-way or 20 foot access easement as designated on the Plat of the Condominium shown on Exhibit "B" and for access, egress and ingress to recreational facilities situate within the development area (subject to such assessments and conditions of use as set forth in Section 22) and for access, egress and ingress over such easements as may be submitted to this Declaration and/or shown on the survey for Viking Court Condominiums shown on Exhibit "B" for purposes of access to and from the Atlantic Ocean, such easements being also for the benefit of the Developer and those to whom the Developer may convey a similar easement or easements as an appurtenance to any real property interest conveyed by the Developer within the Condominium.

There is hereby granted and conveyed an easement of right of way and access in and to the condominium common area for the benefit of condominium unit owners and the Viking Court Condominium Association, Inc., for the construction, operation, and maintenance of all utility lines, pipes, sewage lines, septic tanks, waste treatment facilities, drain fields, drain lines and facilities related thereto, which said easement shall inure to the benefit of the Developer, its successors, heirs and assigns and all future owners of condominium units, their heirs, successors and assigns.

The Developer reserves unto itself and the Viking Court Condominium Association, Inc., the right to specifically designate on the ground within the common property, the location of the above-described easement, including but not limited to, easements for all roads, walkways, parking areas, utility lines, cable television and recreational facilities.

Section 8. Easement for Unintentional and Non-Negligent

Encroachments. In the event that any condominium unit shall encroach upon any common property, or any other condominium unit or units, for any reason not caused by the purposeful or negligent act of the condominium unit owner, or agents of such owner, then an easement appurtenant to such condominium unit shall exist for the continuance of such encroachment upon the common property or upon a condominium unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the common property shall encroach upon any condominium unit, then an easement shall exist for the continuance of such encroachment of the common property upon any condominium unit for so long as such encroachment shall naturally exist. If any condominium unit or common property shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such unit and/or common property in accordance with Section 20 hereof, there exist encroachments or portions of the common property upon any condominium unit, or of any condominium unit upon any other condominium unit or upon any portion of the common property, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

Section 9. Utility Easement. The Developer, on behalf of itself and/or such utility companies that may service the condominium from time to time, reserves a perpetual right, privilege and easement four feet in width over, on, upon, under, and along each side line and the front lot line of the real property delineated on the survey attached hereto as Exhibit "B" and incorporated herein, the same being the real property upon which the condominium is located. All utility connections must be installed underground. After the first condominium unit has been sold and the deed therefore recorded in the Dare County

Registry, any common subsequent utilities shall be paid for by the condominium unit owners association. Said easements hereby reserved shall be for the purpose of constructing, maintaining and operating in, upon, under and through said easement, in a proper workmanlike manner the electric, telephone, gas, sewer, water, television, drainage and other conveniences and utilities and appurtenances necessary and convenient thereto, together with the right at all times to enter upon easement with men and equipment for the purpose of inspecting, altering and repairing the same. The Developer reserves the right to maintain or otherwise keep clear any obstructions that may adversely affect the proper maintenance and operating of the various utility systems.

Section 10. Administration of the Condominium by Unit Owners Corporation. To efficiently and effectively provide for the administration of the condominium by the owners of the condominium units, a non-profit North Carolina Corporation known and designated as Viking Court Condominium Association, Inc., has been organized, and said Corporation shall administer the operation and management of the condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. A true copy of said Articles of Incorporation and By-Laws are annexed hereto and expressly made a part hereof as Exhibits "D" and "E" respectively. The owner or owners of each condominium unit shall automatically become Members of said Corporation upon his, their or its acquisition of an ownership interest in title to any condominium unit and its appurtenant undivided interest in common property, and the membership of such owners or owner shall terminate automatically upon such owner or owners being divested of such ownership interest in the title to such condominium unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or

other encumbrance upon any condominium unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said Corporation or to any of the rights or privileges of such membership. In the administration of the operation and management of the Condominium, Viking Court Condominium Association, Inc., shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium or Unit Ownership, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the condominium units and common property as the Board of Directors of said Corporation may deem to be in the best interests of the Corporation. Viking Court Condominium Association, Inc., is hereinafter referred to as "Corporation" and/or the "Association".

Section 11. Use of Common Property Subject to Rules of Corporation. The use of common property, including the limited common areas and facilities, by the owner or owners of all condominium units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be hereafter prescribed and established by the Corporation.

Section 12. Right of Entry into Condominium Units in Emergencies. In case of any emergency originating in or threatening any condominium unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Corporation, or any other person authorized by it, or the Managing Agent, shall have the right to enter such condominium unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

Section 13. Limitation Upon Right of Owners to Alter and

Modify Condominium Units; No Right to Alter Common Property. No owner shall cause any improvements or changes to be made on or to the exterior of the condominium (including painting or other decoration) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association's Board being first obtained or as otherwise provided herein. No unit owner shall cause any object to be fixed to the common property (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Property without the written consent of the Association's Board being first obtained.

Notwithstanding the foregoing provisions of this Section 13, a unit owner may divide the ground level storage room, if one exists, with an interior wall to create an owner's storage room. A door may be constructed in the exterior wall of the owner's storage room for access. The Board of Directors shall approve the color of the door if the color is different from the other exterior doors of the unit.

Section 14. Right of Corporation to Alter and Improve Common Property and Assessment Therefor. The Corporation shall have the right to make or cause to be made such alterations or improvements to the common property which do not prejudice the rights of the owner of any condominium unit in the use and enjoyment of his condominium unit, provided the making of such alterations and improvements are approved by the unanimous vote of all the condominium unit owners, and the cost of such alterations or improvements shall be common expenses to be assessed and collected from all of the owners of condominium units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of certain condominium unit or units requesting the same, then the cost of such alterations or improvements shall be



assessed against and collected solely from the owner or owners of the condominium unit or units exclusively or substantially benefited, the assessment to be levied between or among such benefitted condominium units in the proportion of each unit's appurtenant undivided interest as set forth on Exhibit "C".

In the event a condominium unit is damaged or destroyed and can not, due to governmental regulations, be rebuilt in the same location as shown on Exhibit "B", then such condominium unit may be relocated and rebuilt upon the common area of the condominium in accordance with the covenants, obligations and restrictions of this Declaration and any requirements adopted by the Board applicable to said specific condominium units relocation and reconstruction. Any relocation outside the perimeter boundaries of the existing condominium unit as shown on Exhibit "B" shall require unanimous written approval of all unit owners and all costs, fees, and expenses associated therewith or resulting from or caused by such relocation and reconstruction shall be borne by the condominium unit owner whose unit is being relocated.

Section 15. Maintenance and Repair by Owners of Condominium Units. Every owner shall perform promptly all maintenance and repair work to the exterior of his condominium unit which, if omitted, would affect the condominium, either in its entirety or in a part belonging to other owners, every owner being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each condominium unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment and compressors, septic tank and septic drainfield, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his condominium unit. Such owner shall further be responsible and liable for the maintenance, repair and

replacement of the exterior surfaces of the roof and all walls as provided herein, and the interior surfaces of any and all walls, ceilings, and floors within his unit including painting, decorating and furnishings, and all other accessories which such owner may desire to place or maintain in his condominium unit. Whenever the maintenance, repair and replacement of any item for which the owner of a condominium unit is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Corporation, the proceeds of the insurance received by the Corporation shall be used for the purpose of making such maintenance, repair or replacement except that the owner of such condominium unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The owner of a condominium unit who has exclusive use of any limited common area shall maintain such at his own expense. All glass doors, window frames, panes and screens are a part of the respective condominium units and shall be maintained by the respective unit owners.

Section 16. Maintenance and Repair of Common Property by the Corporation. The Corporation, at its expense, shall be responsible for the maintenance, repair and replacement of all of the common property and all conduits, ducts, pipes and plumbing, identification signs, wiring and other facilities located in the common property for the furnishing of utility and other services to the condominium units and said common property, (except a units septic-wastewater system), and should any incidental damage be caused to any condominium unit by virtue of any work which may be done or caused to be done by the Corporation in the maintenance, repair or replacement of any common property, the

Corporation shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any item for which the Corporation is obligated to maintain, replace or repair at its expense is occasioned by any act of a condominium unit owner, his immediate family, guests, or invitees, and such loss or damage may be covered by any insurance maintained in force by the Corporation, the proceeds of the insurance received by the Corporation shall be used for the purpose of making such maintenance, repair or replacement, except that the unit owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If any such loss or damage is not covered by insurance in force and before the Corporation repairs or replaces an item for which the Corporation is obligated to repair or replace at its expense due to damage caused by an act of a condominium unit owner, his immediate family, guest, or invitees, the Corporation shall give the unit owner written notice of the damage or loss and 20 days thereafter in which to effect necessary repair and/or replacement in accordance with the procedures, methods, be caused to any condominium unit by virtue of any work which may be done by the Corporation in this maintenance, repair or replacement of any common property, the Corporation shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any item for which the Corporation is obligated to maintain, replace or repair at its expense is occasioned by any act of a condominium unit owner, his immediate family, guests, or invitees, and such loss or damage may be covered by any insurance maintained in force by the Corporation, the proceeds of the

insurance received by the Corporation shall be used for the purpose of making such maintenance, repair or replacement, except that the unit owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If any such loss or damage is not covered by insurance in force and before the Corporation repairs or replaces an item for which the Corporation is obligated to repair or replace at its expense due to damage caused by an act of a condominium unit owner, his immediate family, guest, or invitees, the Corporation shall give the unit owner written notice of the damage or loss and 20 days thereafter in which to effect necessary repair and/or replacement in accordance with the procedures, methods, and standards approved by the corporation for the same. If such repair and/or replacement has not been effected by the unit owner within said 20 day period or an arrangement therefore made with which the board of directors is satisfied, then the corporation shall proceed with obtaining the necessary repair to or replacement of said item in accordance with this section and assess such costs against the unit of the responsible unit owner.

Section 17. Insurance, Authority to Purchase. Insurance policies upon the Common and Limited Common Property (other than title insurance) may be purchased by the Corporation in the name of the managing agent or board of directors of the Corporation, as Trustees for the Condominium Unit Owners and their respective mortgagees as their interests may appear, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against condominium unit owners, the Corporation and their

respective servants, agents and guests. Each condominium unit owner may obtain insurance, at his own expense, affording coverage upon his condominium unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

Section 18. Insurance Coverage to Be Maintained: Use and Distribution of Insurance Proceeds.

A. The following insurance coverage shall be maintained in full force and effect by the Corporation covering the operation and management of the Condominium, to wit:

(1) Casualty insurance covering the buildings (and any other improvements upon the common area and designated to be insured by the board of directors) and all personal property included within the property described in Exhibit "A" (except such personal property as may be owned by the condominium unit owners and the Owner's Condominium Unit) shall be procured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation, foundations, walkways, streets, driveways, and parking facilities) as determined annually by the insurance company affording such coverage or other method approved by the board; and provided that such policies may be written on a co-insurance basis of not less than ninety percent(90%). Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief, (c) and coverage against risk as the board of directors deems necessary.

(2) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Corporation, including but not limiting the same to legal

liability, hired automobile, non-owned automobile and off-premises employee coverages.

(3) Flood insurance on insurable improvements and property described in sub-paragraph (1) above in an amount determined annually by the board of directors of the Corporation.

(4) All liability insurance shall contain cross-liability endorsements to cover liabilities of the condominium unit owners as a group and to a condominium unit owner.

B. Premiums upon insurance policies purchased by the Corporation shall be paid by the Corporation as common expenses to be assessed and collected from all of the owners of condominium units.

C. All insurance policies purchased by the Corporation shall be for the benefit of the Corporation and the condominium unit owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Corporation. The Corporation shall hold such proceeds in trust for the benefit of the Corporation, the condominium unit owners and their respective mortgagees in undivided shares for each condominium unit owner and his mortgagee, if any, which shares as to each condominium unit are shown on Exhibit "C" attached hereto.

D. In the event a mortgagee endorsement has been issued as to a condominium unit, the share of the condominium unit owner shall be held for the mortgagee and the condominium unit owner as their interests may appear, but nothing herein contained shall be construed so as to give any mortgagee the right to determine or participate in the determination of reconstruction or repair.

E. Proceeds of insurance policies received by the Corporation shall be distributed to or for the benefit of the beneficial condominium unit owners in the following manner:

(1) if the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray

the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial condominium unit owners or paid as provided under the terms of the policy. This is a covenant for the benefit of any mortgagee of a condominium unit and may be enforced by him.

(2) if it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial condominium unit owners, remittances to condominium unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a condominium unit and may be enforced by him.

Section 19. Obligation of Owner of Condominium Unit to Maintain Insurance Coverage and Owner's Duty to Rebuild or Repair or Restore Damaged Condominium Units. Upon taking title to a condominium unit in the condominium, the owner shall have in effect fully paid fire and extended coverage and flood insurance and the owner shall furnish evidence of insurance as well as payment of the premium to the corporation within ten (10) days of the title transfer date. Thereafter, each owner of a condominium unit shall obtain and maintain in force such insurance coverage on his condominium unit as the board of directors of the corporation may determine or require in sufficient amounts to replace his condominium unit. Each owner of a condominium unit shall furnish to the board of directors of the corporation such evidence of insurance coverage as the board may from time to time require. In the event an owner fails to maintain such coverage or furnish evidence thereof, the corporation may obtain policies providing such coverage and pay the premium therefore, which premium shall be chargeable against the owner of the condominium unit failing to maintain such coverage or failing to furnish evidence thereof as aforesaid, which premium shall constitute and continue as a lien on the condominium unit of any such owner and

shall also be a personal obligation of any such owner and be in force as provided in Section 22 hereof.

In the event any condominium unit is or condominium units are partially destroyed, the owner covenants and agrees to rebuild, repair or restore the units to essentially the same condition and appearance (including using the same or similar materials) as existed prior to the partial destruction thereof subject only to current building code requirements and specifications. The Association shall retain and safely keep a set of plans and specifications for each building within the condominium for the use by an owner who is rebuilding, repairing or restoring a partially or wholly destroyed unit.

In the event the condominium unit is wholly destroyed, the owner shall remove all debris and material from the condominium site within 30 days after receiving notification and demand therefore from the corporation. If the owner rebuilds the condominium unit the owner covenants and agrees to rebuild the unit to essentially the same condition and appearance (including using the same or similar materials) as existed prior to the total destruction thereof.

Section 20. Reconstruction or Repair of Casualty Damage; Damage to Common Property; Damage to Condominium Units.

A. If any part of the Common Property shall be damaged by casualty, the Common Property shall be reconstructed or repaired unless otherwise determined by the unanimous vote of all the condominium unit owners at a meeting of the members of the Corporation called and held prior to commencement of such reconstruction or repair.

Any such reconstruction or repair or any reconstruction permitted or allowed by this Declaration shall be substantially in accordance with the plans and specifications contained herein and on file with the Dare County Register of Deeds or, if constructed subsequent to the effective date of this Declaration,



on file with the corporation; however, in the event any plan or specification conflicts with the applicable building code then in effect, such current building code standard or specification shall control.

B. If the damage is only to those parts of one or more condominium units for which the responsibility for maintenance and repair is that of the condominium unit owner, then the condominium unit owner shall be responsible for reconstruction and repair after casualty. In all other instances and unless otherwise provided herein, the responsibility of reconstruction and repair after casualty shall be that of the Corporation. Immediately after the casualty causing damage to property for which the Corporation has the responsibility for maintenance and repair, the Corporation shall obtain reliable and detailed estimates of the cost to replace the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the board of directors deems necessary or appropriate.

C. Each condominium unit owner shall be deemed to have delegated to the board of directors of the Corporation his right to adjust with insurance companies all losses under policies purchased by the Corporation.

Section 21. Corporation to Maintain Register of Owners and Mortgagees. The Corporation shall at all times maintain a Register setting forth the names of the owners of all of the condominium units. In the event of the sale or transfer of any condominium unit to a third party, the purchaser or transferee shall notify the Corporation in writing of his interest in such condominium unit, together with such recording information as shall be pertinent to identify the instrument by which such purchases or transferee has acquired his interest in any condominium unit.

Section 22. Assessments: Liability, Lien and Enforcement.

The Corporation is given the authority to administer the operation and management of the condominium, and employ a managing agent for that purpose, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all condominium units. To properly administer the operation and management of the condominium, the Corporation will incur for the mutual benefit of all of the owners of condominium units, costs and expenses which are sometimes herein referred to as "common expenses." To provide the funds necessary for such proper operation, management and for capital improvements, as well as for the repair maintenance and/or alteration of the amenities or common areas, the Corporation has heretofore been granted the right to make, levy and collect assessments against the unit owners and their condominium units. In furtherance of this grant of authority to the Corporation to make, levy and collect assessments to pay the costs and expenses for the operation, and management of and capital improvements to the condominium, and the repair, maintenance and/or alteration of the amenities and common areas and to pay for the costs of common utilities, including water, the following provisions shall be operative and binding upon the owners of all condominium units. The owner of each condominium unit, by acceptance of a deed or other conveyance for such unit, shall be deemed obligated to pay to the Corporation such annual or special assessments or charges or common expenses to be fixed, established and collected on a condominium unit basis as hereinafter provided.

A. All assessments levied against the unit owners and their condominium units shall be uniform and, unless specifically otherwise provided for in this Declaration of Condominium, all assessments made by the Corporation shall be in such an amount that any assessment levied against a unit owner and his condominium unit shall bear the ratio to the total assessment made against all unit owners and their condominium units as the

undivided interest as set forth on Exhibit "C" in Common Property appurtenant to each condominium unit bears to the total undivided interest in Common Property appurtenant to all condominium units. Should the Corporation be the owner of a condominium unit or units, the assessment which would otherwise be due and payable to the Corporation by the owner of such unit or units, reduced by the amount of income which may be derived from the leasing of such unit or units by the Corporation, shall be apportioned and assessment therefore levied ratably among the owners of all units which are not owned by the corporation, based upon their proportionate interests in Common Property exclusive of the interest therein appurtenant to any unit or units owned by the Corporation.

The funds arising from the annual assessment or charge as well as any additional or special assessments may be used for any or all of the following purposes: operating and managing the Corporation on behalf of the condominium, repairing, maintaining, altering, improving, replacing the swimming pool and swimming pool area, if built, as well as the access ways and driveways within the project, the septic systems and drainfields and all utility systems as well as such other common improvements as the board of directors may authorize and subsequently approve; employing a manager for the condominium; employing or obtaining legal and accounting services or other professional services necessary in the furtherance of the condominium affairs; enforcing these restrictions and the rules and regulations of the condominium; paying taxes, if any, indebtedness of the Corporation, insurance premiums, common utility expenses of the condominium, including but not limited to, charges for water and electric services (the cost of water used by condominium units shall be considered a common expense), governmental charges of all kinds and descriptions and, in addition, doing any other things necessary or desirable in the opinion of the Corporation

**JOHN G. GAW, JR.**

Attorney at Law  
Telephone (919) 261-1688  
Facsimile (919) 261-1322

John G. Gaw, Jr.

Kris J. Feithousen

5121 N. Croatan Highway  
Post Office Box 1890  
Kitty Hawk, NC 27949

January 31, 1994

Mr. and Mrs. Anders E. Erickson  
463 Sea Oats Drive  
Sanibel, Florida 33957

Dear Mr. and Mrs. Erickson:

Enclosed please find the original First Amendment to Declaration of Unit Ownership of Viking Court Condominium instrument which was filed and recorded on December 21, 1993 in the office of the Register of Deeds in Dare County, North Carolina in Book 905, Page 0387. We will retain a copy of same in your file.

It was a pleasure to assist you. Please do not hesitate to contact our office if we may be of further assistance.

With kindest regards, I am

Sincerely yours,



Diane Mahoney  
Secretary to John G. Gaw, Jr.

dm  
enclosure

BK 905 PG 0387

FILED

'98 DEC 21 PM 12 29

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

FIRST AMENDMENT TO  
DECLARATION OF UNIT OWNERSHIP  
OF  
VIKING COURT CONDOMINIUM

Prepared by and Return to:  
John G. Gaw, Jr.  
P.O. Box 1890  
Kitty Hawk, NC 27949

NORTH CAROLINA  
DARE COUNTY

FIRST AMENDMENT TO  
DECLARATION OF UNIT OWNERSHIP  
OF VIKING COURT CONDOMINIUM

THIS FIRST AMENDMENT to the Declaration of Unit Ownership of Viking Court Condominium made this the 1st day of December, 1993, by and between ANDERS E. ERICKSON and wife, BARBARA J. ERICKSON, (herein called the Developer), for themselves, their heirs, grantees, and assigns, do hereby make, declare, establish and publish this First Amendment of the Declaration of Unit Ownership (hereinafter First Amendment) as and for the Plan of Dwelling Ownership of Viking Court Condominium, being the property and improvements hereinafter described.

W I T N E S S E T H:

THAT WHEREAS, Developer is the owner of the fee simple title to all of the condominium units (Units No. 1 through 6 inclusive) of the Viking Court Condominium established pursuant to the Declaration of Unit Ownership dated April 10, 1986, and recorded in Deed Book 450, Page 571 of the Dare County Registry, said condominium also being referred to herein as "the Condominium"; and

WHEREAS, Section 25 of the Declaration of Unit Ownership permits the amendment of and to the Declaration of Condominium by affirmative vote of all the owners of units in the condominium; and

WHEREAS, Developer is the owner of all of the units in the condominium and, for the purpose of this amendment, waives notice of any meeting for the consideration of said amendment and consents on behalf of the unit owners association, the owners, the condominium association of unit owners, a non-profit corporation, and the Developer to this First Amendment to the Declaration.

NOW, THEREFORE, the Developer, for themselves, their heirs, grantees, and assigns, do hereby make, declare, publish, and establish this First Amendment to the Declaration of Unit

Ownership of Viking Court Condominium, which amendment shall apply only to the sections or include the additions as hereinafter set forth, and except as hereinafter amended, said original Declaration of Unit Ownership of Viking Court Condominium shall continue in full force and effect.

Section 2. "Survey and Description of Improvements" and Exhibits "B" and "F" are hereby amended to add the additional specifications and further description of the units affected by this amendment.

(A) All condominium units have vinyl exterior siding, vinyl double insulated windows, and central heat and air-conditioning units installed.


(B) In Condominium Unit #1, the ground level is enclosed and contains a garage, storage area, two bedrooms, family room and one bathroom.

(C) In Condominium Unit #3, 5 & 6, the ground floor of each unit has been enclosed with insulated walls and the ground floor contains two bedrooms, a family room, and one bathroom.

(D) In Condominium Unit #4, the ground floor has been enclosed with insulated walls and said ground floor contains a family room, one bathroom, and a screened-in Florida room.

Except as herein amended and supplemented, the Declaration on Unit Ownership of Viking Court Condominium as more fully set forth in Deed Book 450, Page 568 of the Dare County Public Registry is hereby ratified and confirmed.

IN WITNESS WHEREOF, the undersigned have caused this First Amendment to the Declaration of Unit Ownership of Viking Court Condominium executed the day and year first above written to be signed by them and the undersigned has adopted as their seal the word "SEAL" appearing at the end of their respective signature lines.

  
ANDERS E. ERICKSON (SEAL)

  
BARBARA J. ERICKSON (SEAL)

NORTH CAROLINA  
DARE COUNTY

I, the undersigned notary public, do hereby certify that  
ANDERS E. ERICKSON and BARBARA J. ERICKSON personally appeared  
before me this day and acknowledged the execution of the  
foregoing instrument for the purposes therein expressed.

WITNESS my hand and stamp or seal, this 1st day of December,  
1993.

My Commission Expires:  
6-27-98

Laura J. Cabon  
Notary Public



NORTH CAROLINA  
DARE COUNTY

The foregoing certificate(s) of Laura J. Cabon,  
Notary Public of the County, N.C.

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

A. Jones C. Fry  
Register of Deeds

By: \_\_\_\_\_  
Deputy/Assistant  
Register of Deeds