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MEMORANDUM OF AGREEMENT (MOA)

BETWEEN THE

PORT TRINITIE ASSOCIATION (PTA)

AND THE

PORT TRINITIE HOMEOWNERS ASSOCIATION (PTHOA)

1. Purpose. This MOA defines the methodology for separating and allocating costs for the Port Trinitie Subdivision, hereafter referred to as Port Trinitie (PT), between limited common areas and community facilities when costs cannot be separated. This MOA was agreed upon during the Fall 2007 PTA Board meeting and becomes effective with the FY2008 budget. Assessments agreed to at this meeting shall become effective beginning in January 2008.

2. Definitions.

a. Community Facilities - Community Facilities are those areas upon which the community pools, tennis courts, sound side gazebo, roadways (including Trinitie Drive, Quarterdeck Drive, the North and South unnamed sound side roadways leading from Duck Road to and into the Sound), PTA owned South ocean side strip from Quarterdeck Drive to the Ocean, the PTA owned Ocean Beach from the top of the dune to the oceanside property line, and PT community easements regardless of which of the associations were granted the easement (South easement at the end of Quarterdeck Drive, North easement from the intersection of Trinitie Drive and Quarterdeck Drive between lot 22 and condominium Phase 1A, the easement between lots 17 and 18 from Quarterdeck Drive to the Oceanside Pool, the easement between lots 11 and 12 from Trinitie Drive to the Oceanside Pool, and easements on either side of the Trinitie Drive entrance at Duck Road).

b. Limited Common Areas. Limited common areas are those areas owned by the PTA and upon which the PTA Condominiums are built excluding the area taken up by the footprint of the condominiums dwellings. For the purposes of this document the area from the top of the dune to the Atlantic Ocean is excluded and will be considered as part of the community facilities as specified above.

c. Manager. The agent of the PTA as defined by Declaration of Unit Ownership of Port Trinitie

3. Underlying Principles Found in Documents Establishing the Port Trinitie Subdivision. There are two major underlying principles that will be adhered to whenever possible. These may deviated from only by mutual agreement of the PTA and the PTHOA.

a. The costs of operating and maintaining the community facilities will be divided equally among condominiums (totaling 25) and lot owners (totaling 32) or condominiums 43.86% and lot owners 56.14%.

b. The assessments for community facilities will be the same for each condominium and each lot.

4. Assumptions. The following assumptions are made with regard to the costs of operating and maintaining the PT limited common areas and community facilities.

a. All costs shall be separated prior to expenditures wherever practically and/or economically feasible.

b. Both the PTA and PTHOA shall agree in those cases where costs are not separated that separating them is either not practical or economical.

c. The method(s) agreed upon shall remain in effect until a new MOA is negotiated and put into place .

d. New expenditures, not clearly specified in this document and for which there is any question of being community facility related, must be presented to the PTA Board. At that time, both the PTA and the PTHOA 1) must agree that the costs are indeed community facility related and 2) must agree on the proper method for allocating the costs. The methods used in the document shall be used in allocating costs except for those cases where it can be clearly and reasonably shown that there is a fairer and more rational method as mutually agreed upon.

5. Agreed Methodology and Cost Allocations.

a. The Dare County maps found on the Dare County NC GIS On-Line - Property Inquiry Website were be used in determining land areas.

b. The Condominium owners are fully responsible for all costs to operate and maintain the Limited Common Areas.

c. Based on the definitions of Community Facilities and Limited Common Areas, the Community Facilities comprise 7.37 acres and the Limited Common Areas comprise 4.56 acres. Community Facilities comprise 61.81% and the Limited Common Areas comprise 38.19% of the 11.93 acre total.

d. It is agreed that the following budget items are both condominium and community facilities components.

- (1) Property Labor,
- (2) Property Materials,
- (3) Community Services,
- (4) Mowing,
- (5) Management Fees,
- (6) Office Expenses, and
- (7) Manager's Cell Phone.

e. It was agreed that the following items apply to the condominium owners only.

- (1) Condo Roof Repairs,
- (2) Pressure Clean Condos, and
- (3) Condo Insurance.

f. It was agreed that the following items apply only to community facilities.

- (1) Re tile Oceanside Pool,
- (2) Resurface Tennis Courts,
- (3) Sound side Pool Cover,
- (4) North Beach Access,
- (5) Pool Labor & Materials,
- (6) Meeting & Board Expenses,
- (7) Directors' Insurance,
- (8) Association Insurance,
- (9) Dishonesty Bond,

- (10) Sound side Office Insurance,
- (11) Professional Fees (As explained. These fees could and have in the past applied to the condominiums only, in which case, they would apply only to the Condo owners)
- (12) Pool Phones,
- (13) Utilities, and
- (14) Miscellaneous Costs.

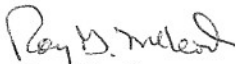
g. Items from 5d(1) - 5d(4) and 5d(6) above are allocated using the acreage method. First 38.19% was allocated to the condo owners and the remainder was allocated to the condo owners and lot owners equally (25/57 or 43.86% to condo owners and 32/57 or 56.14% to lot owners).

h. It was estimated and agreed that 20% of the manager's time was spent on condominium only items and that the remainder was spent on community facilities. Therefore items 5d(5) and 5d(7) were calculated by allocating 20% of the cost to the condo's only and the remainder was allocated to the condo owners and lot owners equally (25/57 or 43.86% to condo owners and 32/57 or 56.14% to lot owners).

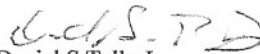
g. It was agreed that the reserves for Community Facilities should be lowered to \$25,000.

6. Duration Of Agreement. This agreement will be in effect beginning calendar year 2008 and shall be effective for the remainder of the fiscal year. The agreement will be reviewed annually and may be modified, amended or terminated if and when mutually agreed upon by both parties. The agreement shall be effectively amended to reflect any changes in allocations when, if for any reason, costs in 5d above are separated as would be the case if separate contracts are adopted or contractor charges separately for community facilities and/or limited common areas. If, for any reason, there is no review or discussion of this agreement, it shall remain in effect as written and/or previously amended.

Agreed to on this date March 8, 2008 by



Roy McLeod
President
Port Trinitie Association (PTA)



Daniel S Tully Jr
President
Port Trinitie Homeowners Association (PTHOA)