

NORTH CAROLINA,
DARE COUNTY

BOOK 461 PAGE 274

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MASTER DEED
SUBDIVISION DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SEA POINTE, NAGS HEAD

BORRIS A. FRY

THIS DECLARATION, made this 1st day of May, 1986, by SEAWATCH, LTD., a North Carolina General Partnership, hereinafter referred to as the "Declarant"; PIONEER SAVINGS BANK, successor to Home Savings & Loan Association, hereinafter referred to as "Holder"; SPRULLCO, LTD., as Trustee; and HSL INVESTORS, INC.;

W I T N E S S E T H :

THAT WHEREAS, the Declarant is the owner of real property described in Section 1 of Article II of this Declaration and desires to create thereon an exclusive residential community to be named Sea Pointe; with permanent open spaces, walkways, streets, gazebos, driveways and other facilities for the benefit of said community through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all residents of Sea Pointe; and

WHEREAS, Declarant desires to insure the attractiveness of the individual lots and community facilities within Sea Pointe and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the said property and to provide for the maintenance of the said open spaces, walkways, streets, gazebos, driveways and other community facilities; and, to this end, desires to subject the real property described in Section 1 of Article II together with such additions as may be hereinafter made thereto (as provided in Article II) to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in Sea Pointe and to insure the residents enjoyment of the specific rights, privileges and easements in the community properties and facilities, to create an organization to which should be delegated and assigned the powers of owning common properties, maintaining and administering and enforcing the covenants and restrictions relating thereto and to the units sold and for collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under the laws of the State of North Carolina, as a non-profit corporation, Sea Pointe Association, Inc., for the purpose of exercising the functions aforesaid within Sea Pointe.

NOW, THEREFORE, the Declarant declares that the real property described in Section 1 of Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied, subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the real property (except as provided in Article V, Section 9 hereafter) and be binding on all parties thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

The following words when used in this Declaration or any supplement hereto (unless the context shall prohibit) shall have the following meanings:

Section 1. "Association" shall mean and refer to Sea Pointe Association, Inc., its successors and assigns.

Section 2. "Unit Owner" shall mean and refer to the record co-owner of a lot and a building A or B, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Prepared by
and return to:
MCCOWN & MCCOWN
ATTORNEYS AT LAW
WANTEO, N.C. 27984

Section 3. "Properties" shall mean and refer to that certain real property hereinafter described and any additions thereto, as are or shall become subject to this Declaration and any Supplementary Declaration under the provisions of Article II hereto.

Section 4. "Common Area" shall mean all the real property described by this document and Exhibits. Said common areas also include all the property shown on the revised map referred to as "Sea Pointe", except the individually numbered lots, the location and size of which are more fully set out on the plat of Sea Pointe, recorded in Plat Cabinet C, Slide 7-A, in the Dare County Public Registry. The common area includes streets, until accepted for maintenance by a municipal or state government, and walkways as described in attached Exhibit "B". The common area is intended to be devoted to the common use and enjoyment of the owners and is not designated for use by the general public. The term "Common Area" shall also include any personal property acquired by the Association if said property is designated common property.

Section 5. "Lot" and "Duplex" shall mean Lots 1 through 10, A and B, inclusive with delineated boundary lines and shown on the plat of Sea Pointe and generally referred to herein as a Unit Owner.

Section 6. "Declarant" shall mean and refer to Seawatch, Ltd., a North Carolina partnership, and any successor to all or substantially all of its business of developing Sea Pointe.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "By-Laws" shall mean the by-laws of the Sea Pointe Association.

Section 9. "Party Wall" shall refer to the Party Wall Agreement relating to the common support pilings, walls and roofs thereover on the dividing line between each unit A and B on the lots within Sea Pointe and there is a separate agreement executed by the Declarant and each individual purchaser within the subdivision.

Section 10. "Nags Head Village Service Company, Inc., or its successor" shall mean the company operating the waste water treatment facility which provides sewer service to the lots and duplexes in Sea Pointe and a monthly fee is payable to said company by each individual owner based upon its water consumption. This fee is subject to change based on an annual budget of said company.

The company has an easement for its collection line running North/South through the common properties and each service line, that is the line connecting the collection line to the units A and B, shall be the joint responsibility of each unit co-owner of a lot as to the maintenance of said line from the structure to the company's collection line. The company has the responsibility for the maintenance and servicing of said collection line extending through the common properties.

Section 11. "Nags Head Village Owners Association, Inc." shall mean the Owners Association originally established for all properties within Nags Head Village which includes Sea Pointe. This Association shall have, as one of its members by virtue of ownership of the land within Nags Head Village, the Sea Pointe Association, which shall represent the owners in Sea Pointe in matters governed by the Association relating to the open areas within Nags Head Village which are for the benefit of all property owners within Nags Head Village. It is anticipated that at some point in time a fee will be payable by the Association at Sea Pointe for the benefit of its owners to the Nags Head Village Owners Association and at such time, that fee would be a part of the Sea Pointe Owners Association's fees and expenses.

Each of these entities has the right of lien for non-payment of assessments or dues which have been properly levied.

Section 12. "Town of Nags Head" is a municipal corporation within which the land is situated and which municipality supplies water and trash pick up, fire and police protection to property within the Town of Nags Head. Owners in Sea Pointe will pay taxes to the Town of Nags Head and will pay water fees or such other service fees as may be, from time to time, levied against all property owners within the Town of Nags Head.

Section 13. "Limited Common Areas" shall mean those areas which do not serve all owners in Sea Pointe, but serve co-owners and adjoining owners with respect to entrances to each duplex and parking areas; also there may be

designated limited common areas with respect to the walkways and gazebos situated East of each duplex building which provide ingress and egress from the buildings to the Atlantic Ocean. The exact description of these limited common areas shall be designated and set forth in each conveyance of a lot and duplex made after the recordation of the Master Deed and shown on the plat of each unit owner as the same relates to his/her property.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

As described in Exhibit "A" and attached hereto and made a part hereof. Property may be added to this Declaration under the provisions contained on page 1, provided that nothing in such addition shall reduce the common rights of enjoyment provided for the residents of Sea Pointe nor increase their obligation to the Association.

ARTICLE III

MEMBERSHIP VOTING RIGHTS

Section 1. Every owner of a lot and duplex, A and B, that is a unit owner, is subject to assessment and shall be a member of the Association. Membership shall be apportioned to and may not be separated from ownership of any lot and duplex which is subject to assessment. Membership shall be subject to the by-laws of the Association.

Section 2. There is but one class of membership of the owners of the lots and duplexes with the members being entitled to one vote for each unit owner. Each vote shall be expressed by the owner, in person or by proxy, who would cast the vote for each respective lot and duplex. Where any lot and duplex is owned as a tenancy in common or as a tenancy by the entirety or another form of multiple ownership, said tenants or owners shall determine between or among themselves how the vote to which they are entitled shall be cast. However, there shall not be any division of a vote that said owners would otherwise be entitled to cast if the tenants do not unanimously agree among or between themselves as how the vote should be cast. In no event shall more than one vote be cast with respect to any lot and duplex.

Section 3. Until the Declarant has sold all of the lots and duplexes in the Development, neither the Association nor any of the individual lot owners shall interfere with the completion of contemplated improvements and the sale of other lots. The Declarant may make use of the unsold lots and houses and common areas as may facilitate completion of the construction thereof and sale, including, but not limited to the maintenance of sales office, model unit, the showing of the property and the displaying of advertising signs. Any action or vote of the Association which attempts to restrict or inhibit the rights of the Declarant as stated herein shall be void.

Section 4. The majority vote of the membership of Sea Pointe Association shall be binding upon each owner therein on matters relating to the Associations where Sea Pointe Association represents owners of Sea Pointe with respect to the Nags Head Village Service Company, Inc. or its successor or the Nags Head Village Owners Association.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas as shown on any plat of Sea Pointe in the Dare County Public Registry, which shall be appurtenant to and shall pass with the title of every lot, subject to the following provisions:

- (a) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said properties and the rights of such mortgagee and said property shall be subordinate to the rights of the Owners hereunder, provided, however, that no such borrowing or mortgaging shall be made unless approved by a vote of two-thirds (2/3) of the membership present at a meeting duly called for such purpose. (In accordance with the provisions of Section 5 of Article V);
- (b) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure;
- (c) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any member in the recreation facilities for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (d) The right of the Association to charge reasonable admission fees, guest fees or other fees for special uses that might be made of certain parts of the Common Areas by members of the Association or persons outside the community;
- (e) The right of the Association to limit the number of guests of Owners using the Common Areas and recreational facilities;
- (f) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer or determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication, transfer, purpose or conditions, and unless written notice of the action is sent to every member at least sixty (60) days in advance of any action taken; and
- (g) The right of the Declarant prior to the conveyance of the Common Areas to the Association, and of the Association, to grant and reserve easements and right of ways through, over and across the Common Areas, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, communications, security devices and other utilities.
- (h) The right of the Declarant to retain title to the Common Areas as set forth in Section 2 of Article IV herein.

Section 2. Title to Common Areas. The Declarant may retain the legal title to the Common Areas until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Association shall be able to maintain the same, but notwithstanding any provisions herein, the Declarant hereby covenants for itself, its successors and assigns, that it shall convey the Common Areas to the Association, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, when Declarant has sold and conveyed ten lots shown on the plat of Sea Pointe duly recorded in the Dare County Public Registry.

Section 3. Delegation of Use. Any Owner may delegate his rights of enjoyment to the Common Areas and facilities to the members of his family, tenants, guests or contract purchasers (and members of the family of any tenant or contract purchaser) who reside on the property or to such other persons as may be permitted by the Association.

ARTICLE IV-A

PROPERTY RIGHTS IN THE LOTS

Section 1. The Declarant reserves the right to grant easements and right of ways over and across portions of the lots for the installation, maintenance inspection of lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, communications, security devices or other utilities or similar services.

Section 2. Each lot owner and duplex owner is owner as a tenant in common with the other duplex situated on said lot. Each co-owner shall have the right of ingress and egress from the roadway to his/her duplex and the right of ingress and egress to and from the Atlantic Ocean lying eastward of his/her duplex and the right to utilize and maintain said area of land encompassed on his/her side of the party wall and the party wall line extended in an easterly direction from the roadway to the Atlantic Ocean together with the right in common with other owners of lots and duplexes to utilize the common properties and such gazebos, walkways, etc. as may be constructed thereon.

Section 3. Each owner of a lot and a building, A or B, shall be governed by the terms of a party wall agreement relating to the division line between said buildings, a copy of which is attached hereto and shall be applicable with a description attached to each conveyance made after the recordation of this Master Deed.

Section 4. Each owner of a building, A or B, and co-owner of a lot shall be absolutely responsible for the restoration of said building in the event of destruction and shall have the absolute right to insure against such casualty in accordance with the terms and conditions of said party wall agreement.

Section 5. The Declarant reserves the fee title to the Common Areas described in the description marked Exhibit "B" and reserves the right at its option to construct thereon a pool, tennis court and related community facilities; and to transfer such facilities to the Association for the use and benefit of the owners.

Section 6. Each owner, however, acquires by his deed an easement of ingress and egress over and across portions of the common properties necessary for ingress and egress to each building on each lot. Each owner also acquires, upon transfer to the Association of common properties, an easement and right of use in the facilities provided by the Association for his/her benefit and subject to such rules and regulations as to use as may be established by said Association.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment. Each owner of any lot within the properties, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for the capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such property at the time when the assessment fell due.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote recreation and maintain streets and facilities and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Areas, including, but not limited to, the cost of labor, equipment, materials, management and supervision thereof, and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto.

Section 4. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for each lot and duplex. The annual assessments shall be collected on a monthly basis; one-twelfth (1/12) of said assessment to be collected on the first day of each month, special assessments shall be paid when assessed.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days and no more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Date of Commencement of Annual Assessment; Due Date; Certificate of Payment. The annual assessments provided for herein shall commence as to each lot on the first day of the month following the conveyance of such lot from the Declarant to an owner and shall be due and payable thereafter on the first day of each calendar month thereafter. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days before April 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each lot and at least fifteen (15) days before April 1 of each year, shall send written notice of each assessment to every owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid, beginning as provided for in Section 10.

Section 7. Effect on Non-payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum or such other rate as may be established by the Association. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of

such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his lot.

Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinated to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any lot shall not affect any assessment lien. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot owner from liability for any assessments thereafter becoming due from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

Section 9. Exempt Property. All property, other than duplexes and lots, dedicated to and accepted by a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina and all unoccupied properties owned by the Declarant (properties used as a sales office or model unit shall be considered unoccupied) shall be exempt from the assessments created herein. Until lots and duplexes are sold, no assessments for Common Areas and expenses will be levied on the owners, but will be borne by the Developer. After the lots and duplexes are sold, the Developer and Declarant shall pay its share of said assessments as set forth herein.

Section 10. Date of Assessment Levy. No assessments are anticipated to be levied against an owner and duplex until sixteen (16) of the duplexes have been sold, or upon the completion and turnover of the common facilities and structures to the Association, whichever event occurs first.

ARTICLE VI ARCHITECTURAL CONTROL

No building, fence, wall or other structure, other than the original lot and duplex structure, shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural control committee composed of three (3) or more representatives appointed by the Board. If such committee or representative fails to approve or disapprove such design and location within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Association shall have the right to charge a reasonable fee for receiving each application in an amount not to exceed \$25.00 or such other amount as may be designated by the Association. It is provided, however, that nothing herein contained shall be construed to permit interference with the development of the properties by the Declarant in accordance with its general plan of development.

ARTICLE VII EXTERIOR MAINTENANCE

In the event an Owner of any lot and duplex in the properties fails to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the lot and exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject, notwithstanding the provisions of Section 5, Article V, of this Declaration.

ARTICLE VIII MAINTENANCE OF PROPERTY

Each owner of a lot and duplex shall keep the lot and duplex owned by him and all improvements thereon in a clean and sanitary condition and in good order.

ENCROACHMENT AND EASEMENTS DURING CONSTRUCTION

Any duplex, structure, or improvement when erected upon any lot which encroaches upon a Common Area or Limited Common Area shall be allowed to remain and valid easements for such encroachments and the maintenance thereof shall exist so long as the duplex, structure or improvement shall stand; provided, however, that the plans for said duplex, structure or improvement have been approved by the Board or Architectural Committee as required in Article VI herein or were originally constructed by the Declarant.

During construction or repair of any duplexes, structure or improvement upon a lot, the plans for which having been approved by the Board or Architectural Committee as required in Article VI herein, there shall be permitted an easement upon the Limited Common Area adjacent and appurtenant to said lot for all construction workers, equipment and materials subject to said Limited Common Area being restored to a clean and sanitary condition within a reasonable time.

ARTICLE X

USE RESTRICTIONS

Section 1. Land Use and Building Type. Except for the Common Areas no lot and duplex shall be used except for residential purposes and for housing a single family only; provided however, so long as the Declarant shall own any lot, the Declarant shall have the right to use any lot owned and any structure thereon for the purposes of a sales office or model unit. No building shall be erected, altered, placed or permitted to remain on any lot greater than a duplex-family dwelling not to exceed three stories in height.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any lot nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling for commercial purposes. Household pets may be maintained on the premises providing that same is controlled by the owner as to noise and safety of other property owners and/or guests. Pet owners are required to comply with this control requirement as set forth by the Board of Directors. Pets are permitted by property owners when in residence only.

Section 4. Antennas, Fences. No masts, towers, poles or antennas, including, but not limited to antennas used for amateur radios, television, FM radio or AM radio, shall be erected or maintained upon the properties except such antennas as are initially installed during the construction of the buildings and approved by the Board or Architectural Committee or as are thereafter approved by the Board or Architectural Committee. Further excepted are such community and antenna systems which are built and installed by the Developer. No fences, hedges or walls shall be erected or maintained on the properties other than as are initially installed during the construction of the buildings unless approved by the Architectural Committee.

Section 5. Signs. No signs of any kind shall be displayed to the public view on any lot except signs used by the Declarant or its agent to advertise the property during the construction and sales period.

Section 6. Painting and Repair. There shall be no exterior painting of units or yard walls, no repair or replacing of original roofs or utility laterals and no major landscaping on any of the lots and duplexes by or on behalf of the owners thereof or any person holding thereunder, which does not conform with the original structure and landscaping. Any variation therefrom must be approved by the Board of Directors of the Association or the Architectural Committee pursuant to other Articles hereof.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Duration and amendment. The covenants and restrictions of this Declaration run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the owners holding not less than two-thirds (2/3) of the votes of the membership has been recorded, agreeing to terminate or change said covenants and restrictions in whole or in part; provided, however, that no such agreement to terminate or change shall be effective unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken. Unless specifically prohibited herein, this Declaration may be amended by an instrument signed by owners holding not less than two-thirds (2/3) of the votes of the membership at any time. Any amendment must be properly recorded to be effective.

Section 4. Additional remedy. Violation or breach of any restriction contained in this Declaration shall give the Declarant or the Architectural Committee, their respective legal representatives, heirs, successors and assigns, in addition to all other remedies, the right upon fifteen (15) days notice to enter upon the land upon or to which such violation or breach exists and summarily, to abate and remove, at the expense of the owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass or be liable for any damages for such entry, abatement or removal. Nothing herein contained shall be deemed to affect or limit the rights of any owner to enforce the Restrictions by appropriate judicial proceedings.

Section 5. Notices. Any notice required to be sent to any member or owner under the provisions of this instrument shall be deemed to have been properly sent when mailed, postpaid to the last known address of the person who appears as a member or owner on the records of the Association at the time of such mailing.

Section 6. Assignability. The Declarant, its successors and assigns shall at all times have the right to fully transfer and assign any or all of its rights and powers under this Declaration, subject to Declarant's obligation hereunder.

Section 7. Construction and Interpretation. The Declarant and the Association, to the extent specifically provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approval, rules or regulations, the Declarant and the Association shall take into consideration the best interests of the owners to the end that the properties shall be preserved and maintained as a high quality community.

Trustee and Holders join in this Declaration for the sole purpose of consenting to the submission of all the property herein described to this Declaration of Covenants, Conditions and Restrictions and agreeing that said property shall be subject thereto, said property being described in the following deeds of trust recorded in the Dare County Registry, provided, however, that in no way shall this joinder affect the validity of the liens of the aforesaid deeds of trust, the same being expressly retained on all property therein described. The deeds of trust are as follows:

Deed of Trust for Seawatch, Ltd., to Spruillco, Ltd., Trustee for Pioneer Savings Bank, successor to Home Savings & Loan Association, dated the 20th day of May, 1986 and recorded in Book 455, Page 865, Public Registry of Dare County, North Carolina.

Deed of Trust for Seawatch, Ltd., to Spruillco, Ltd., Trustee for Home Savings & Loan Association, dated the 29th day of August, 1985, and recorded in Book 427, Page 396, Dare County Registry.

HSL Investors, Inc. joins in the execution of this instrument inasmuch as it remains the title holder of portions of the lots shown on the subdivision plat of Sea Pointe.

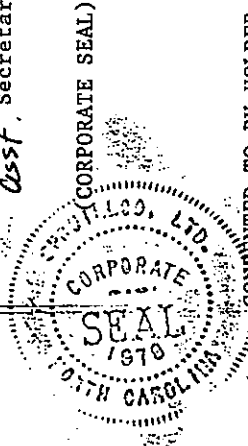
IN WITNESS WHEREOF, Seawatch, Ltd., a North Carolina partnership has caused this instrument to be executed by its partners and their appropriate officers and to affix their individual or corporate seals hereto.

SPRUILLCO, LTD., TRUSTEE

By: James G. Williamson
President

ATTEST:

Sam S. Patterson
Asst. Secretary



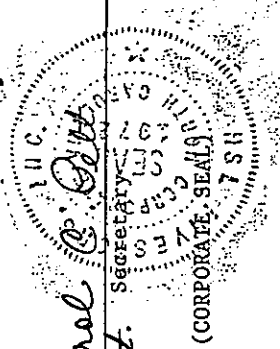
SEAWATCH, LTD., a NC Partnership

By: HSL INVESTORS, INC., Partner

By: Steve H. P. Siga
President

ATTEST:

Carol C. Best
Asst. Secretary



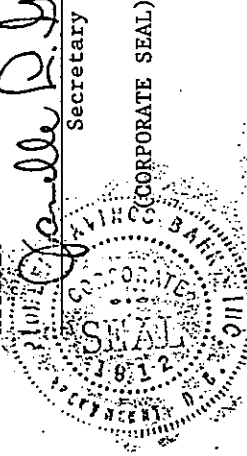
CONSENTED TO BY HOLDER:

PIONEER SAVINGS BANK, successor to
Home Savings & Loan Association

By: Steve H. P. Siga
President

ATTEST:

Vanille D. Greene
Secretary

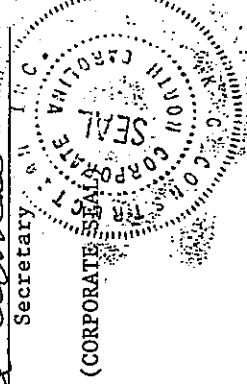


By: K G CONSTRUCTION, INC., Partner

By: Edward C. Cliburn
President

ATTEST:

Steve H. P. Siga
Secretary



HSL INVESTORS, INC.

By: Steve H. P. Siga
President

ATTEST:

Carol C. Best
Asst. Secretary

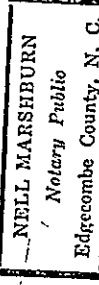
(CORPORATE SEAL)

NORTH CAROLINA, Edgecombe COUNTY

I, a Notary Public of the County and State aforesaid, certify that Sam Patterson personally came before me this day and acknowledged that she is Asst. Secretary of SPRUILLCO, LTD., Trustee, a North Carolina corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her as its Asst. Secretary. Witness my hand and official stamp or seal, this 29th day of June, 1986.

(NOTARIAL SEAL)

Nell Marshburn
Notary Public
My commission expires: 1-24-90



NORTH CAROLINA, Nash COUNTY

I, a Notary Public of the County and State aforesaid, certify that Carol C. Peelt personally came before me this day and acknowledged that she is Carol C. Peelt Secretary of PIONEER SAVINGS BANK, successor to Home Savings & Loan Association, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Carol C. Peelt President, sealed with its corporate seal and attested by Carol C. Peelt as its Carol C. Peelt Secretary. Witness my hand and official stamp or seal, this 26th day of June, 1986.

(NOTARIAL SEAL)

KATHY S. DOUGHERTY
NOTARY PUBLIC
NASH COUNTY, N.C.

Kathy S. Dougherty
Notary Public

My commission expires: 1-12-88NORTH CAROLINA, Nash COUNTY

I, a Notary Public of the County and State aforesaid, certify that Carol C. Peelt personally came before me this day and acknowledged that she is Carol C. Peelt Secretary of HSL INVESTORS, INC., individually and as Partner in Seawatch, Ltd., a North Carolina partnership, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Carol C. Peelt President, sealed with its corporate seal and attested by Carol C. Peelt as its Carol C. Peelt Secretary. Witness my hand and official stamp or seal, this 26th day of June, 1986.

(NOTARIAL SEAL)

KATHY S. DOUGHERTY
NOTARY PUBLIC
NASH COUNTY, N.C.

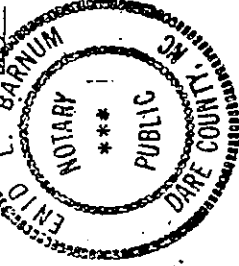
Kathy S. Dougherty
Notary Public

My commission expires: 1-12-88

NORTH CAROLINA, DARE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Helen B. Cliborne personally came before me this day and acknowledged that she is Secretary of K G CONSTRUCTION, INC., Partner in Seawatch, Ltd., a North Carolina partnership, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary. Witness my hand and official stamp or seal, this 23rd day of June, 1986.

(NOTARIAL SEAL)



Enid L. Barnum
Notary Public

My commission expires: My Commission Expires 11-17-87NORTH CAROLINA
DARE COUNTY

The foregoing certificates of Nell Marshburn, a Notary Public of Edgecombe County; Kathy S. Dougherty, a Notary Public of Nash County and Enid L. Barnum, a Notary Public of Dare County, North Carolina

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.

Doris A. Day REGISTER OF DEEDS FOR DARE COUNTY
By Nana Jan Wade Deputy/Assistant Register of Deeds

RECORDED JUL 9 1986

EXHIBIT A

DESCRIPTION

Lots 1 through 10 as shown on a map or plat of Sea Pointe Subdivision duly recorded in Slide Cabinet B, Slide No. 354, Public Registry of Dare County, North Carolina.

There is hereby reserved to the Declarant the fee title to that area of land situated Westward from the line hereinafter described and extending to the Eastern edge of the right of way of U. S. 158 Business, also known as South Virginia Dare Trail. The fee title to said area of each lot shall automatically pass upon the filing of the transfer documents to the Sea Pointe Owners Association by the Developer when certain improvements are completed within the Common Area and utility area property. At the time of that conveyance, the Owner/Developer and each unit owner shall thereafter have an easement in common with the Association for ingress and egress to and from the lots in Sea Pointe and the Common Areas established for the benefit of the Association and the fee title shall be in each co-owner of a lot.

The responsibility of the owners of each unit within a lot in Sea Pointe shall be defined as Limited Common Areas in each deed to a unit owner in Sea Pointe and a part of his/her conveyance.

That area of land generally referred to herein as access, utility and common area is described as follows:

BEGINNING at an iron pipe situated on the Eastern margin of U. S. 158 Business, also known as South Virginia Dare Trail, said point of beginning being located in and marking the Southeast corner of Lot No. 1 of the Sea Pointe Subdivision as hereinabove referred to; and running thence North 56°38'35" East a distance of 72.52 feet to a point; and thence turning and running North 26°30'15" West a distance of 91.34 feet to a point; and thence turning and running North 18°29'45" East a distance of 28.28 feet to a point; and thence turning and running North 26°30'15" West a distance of 55 feet to a point; and thence continuing North 23°27'05" West a distance of 75.11 feet to a point; and thence continuing North 20°24'56" West a distance of 75.43 feet to a point; and thence continuing North 17°02'31" West a distance of 76.03 feet to a point; and thence continuing North 27°16'05" West a distance of 75.01 feet to a point; and thence continuing North 39°38'17" West a distance of 77.01 feet to a point; and thence continuing North 26°30'15" West a distance of 225 feet to a point in the North line of Lot No. 10 as shown on Sea Pointe Subdivision plat hereinabove referred to; and thence South 63°29'45" West a distance of 98 feet to the Eastern margin of the aforesaid highway right of way; and thence running along the Eastern margin of the aforesaid highway right of way South 26°30'15" East a distance of 775 feet to the point or place of beginning.

Said line being shown on a revised plat of Sea Pointe, dated the 26th day of June, 1986 and duly filed for record in Plat Cabinet C, Slide No. 7-A, Public Registry of Dare County, North Carolina.

DESCRIPTION OF LIMITED COMMON AREAS

Limited Common Area 1 - The owners of Units A and B of Lot No. 1 (each lot) shall have a common and joint responsibility for the maintenance of those areas extending Eastwardly from the structure to the CAMA line as shown on the plat of each lot in Sea Pointe. Those areas Eastward of the CAMA line and the responsibility for the maintenance for such areas and such walkways or other structure placed thereon shall be a responsibility of the Sea Pointe Owners Association and the cost of maintenance of such areas or structures shall be a part of the such Association dues and assessments.

Limited Common Area 2 - Those areas of each lot in Sea Pointe utilized by unit owners A or B on each lot which lie West of the line established in the Master Deed as the line for Common Areas, utility and access easements and shown on the plat by W. M. Meekins, Jr. & Associates, recorded in Plat Cabinet C, Slide No. 7-B, shall be a part of the Association for the purposes of the maintenance of the roadways or other common facilities constructed thereon. Each individual unit owner of a parcel A or B on each individual lot in Sea Pointe shall be jointly responsible for those areas utilized by such co-owners for each individual lot, which such area is for the parking convenience of the unit owners. Each unit owner of A and B upon a lot in Sea Pointe are co-owners of that area of land extending from the Eastern edge of said Common Area line and are jointly and severally responsible, without the right of partition, for the maintenance and use of such areas.

All lands situated West of said Common Area line, after transfer to the Association, shall be areas in which each owner has the right of ingress and egress and the maintenance responsibility of such area shall be a responsibility of the Association, which shall include, but not be limited to the maintenance of said roadways, portions of driveways, swimming pools, tennis courts and other structures placed thereon for the common benefit and use of owners in the Sea Pointe Subdivision.