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BY: Claudia Harrington
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**Amended and Restated
Declaration of Protective Covenants
for Seawatch Subdivision
of the Village at Nags Head**

THE AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS FOR THE SEAWATCH SUBDIVISION OF THE VILLAGE AT NAGS HEAD (this "Declaration" or this "Amended Declaration"), approved as of November 12, 2016, by SEAWATCH PROPERTY OWNERS' ASSOCIATION, INC., a North Carolina nonprofit corporation, whose mailing address is P.O. Box 1807, Nags Head, North Carolina 27959 ("Association").

RECITALS

WHEREAS, on 20 January, 1995 the Declarant, Seawatch Partnership, the owner of certain real property located in the Village at Nags Head, Town of Nags Head, Dare County, North Carolina and more particularly described in Article I herein and said property being hereinafter referred to as "SEAWATCH" and "the Subdivision" herein filed a document captioned "Declaration of Protective Covenants Seawatch The Village at Nags Head", and recorded in Book 972 at page 296 in the office of the Registrar of Deeds of Dare County, North Carolina (the "1995 Declaration"), which established the Association; and

WHEREAS, the Association is the successor in interest to Declarant's rights, powers and duties set forth and established under the 1995 Declaration; and

WHEREAS, at a meeting of the membership of the Association held on November 12 2016, and pursuant to Section 7.05 of the 1995 Declaration, the Owners of at least ten (10) Lots in the Subdivision approved certain amendments to the 1995 Declaration, which approved amendments are incorporated into this Amended Declaration; and

WHEREAS, the Association desires to provide for the preservation of the values of SEAWATCH and, to this end, desires to subject the real property described in Article I to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each Owner thereof; and

WHEREAS, the Association has deemed it desirable for the efficient operation and maintenance of the garbage dumpster, including a pad and screen, and for any common areas within the Subdivision, and to enforce generally these protective covenants, the Association will administer and enforce the covenants, conditions and restrictions, and collection and disbursement of any assessments and charges that are hereinafter created; and

WHEREAS, the Association wishes to ensure that any Improvements to the property be in conformance with those standards of Architectural Guidelines adopted and administered by the Village at Nags Head Property Owners' Association for the purpose of protecting the value and desirability of SEAWATCH as more particularly set forth in Article V herein.

NOW, THEREFORE, the Association hereby declares all that property described in Section 1.01 of this Declaration to be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to this Declaration of Protective Covenants, easements, liens and charges, all of which are declared and agreed to be in furtherance of enhancing and protecting the value, desirability, and attractiveness of SEAWATCH and any part thereof, and all of which shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described SEAWATCH or any part thereof.

ARTICLE I STATEMENT OF SUBMISSION

Section 1.01 - Submission of Property

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is shown on the following plats: (a) that Amended Plat entitled "SEAWATCH Parcel E-1 of the Village at Nags Head, Town of Nags Head, Nags Head Township, Dare County, North Carolina" dated 1-12-95, Revised 1-19-95, and Revised 3-20-1996 prepared by Quible & Associates, and recorded in Plat Cabinet C, Slide 200C, in the Office of the Register of Deeds of Dare County, North Carolina, said recorded plat being hereinafter referred to in this Declaration the "1996 Revised Plat," and (b) that plat entitled, in part, "Recombination Plat of Lots 1 & 2, Seawatch, Plat Cab C, Slide 200C, for Keith Early & Cheryl Early," by William S. Jones, Jr., P.L.S., December 18, 2001 and recorded in Plat Cabinet E, Slide 557, Dare County Registry (the "Lot 1A Plat"). The 1996 Revised Plat and the Lot 1A Plat may be collectively referred to herein as the "Subdivision Plat."

The Subdivision Plat is subject to this Declaration for the purpose of protecting Lot Owners from uses in SEAWATCH which would depreciate the value of their property.

Section 1.02 - Statement of Purpose

This Declaration and Restatement:

- Reaffirms architectural guidelines in accordance with the Declaration of Development Standards for the Village at Nags Head;

- Brings this Declaration into conformance with the 1996 Revised Plat, specifically clarifying Notes 20 & 22;
- Brings this Declaration into conformance with current Town of Nags Head code without making any existing Lot nonconforming; and
- Recognizes the previous recombination (not shown on 1996 Revised Plat) of Lots 1 & 2 into Lot 1A, as shown on the Lot 1A Plat.

ARTICLE II DEFINITIONS

Section 2.01 - Definitions

When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

- (a) "Association" shall mean and refer to the Seawatch Property Owners' Association, Inc., a North Carolina nonprofit corporation, whose Members are the Lot Owners of SEAWATCH.
- (b) "Member and/or Owner" shall mean and refer to the record Owner, whether one or more Persons or entities, of the fee simple title to any Lot which is subject to this Declaration, but notwithstanding any applicable theory of any lien or mortgage law, shall not mean or refer to any mortgagee or trust beneficiary unless and until such mortgagee or trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (c) "Architectural Control Committee" (the "Committee") shall mean and refer to the committee appointed by the Village at Nags Head Property Owners' Association required by the Town of Nags Head as a condition of the approval of the "Special Planned Development - Community District" for the Village at Nags Head under the zoning ordinance of the Town of Nags Head.
- (d) "SEAWATCH" shall refer to that Subdivision developed by Declarant consisting of 13 Lots as more particularly shown and described on the Subdivision Plat.
- (e) "Declaration" shall mean and refer to this Declaration of Protective Covenants and all amendments thereof filed for record in the office of the Register of Deeds of Dare County, North Carolina.
- (f) "Dwelling" shall mean and refer to any improved property for a single family residential occupancy use located within the Subdivision.
- (g) "Improvements" shall mean and refer to any additions to a Lot including a Dwelling, garage, carports, porches, terraces, balconies, decks, patios, courtyards and any other construction which has been approved by the Architectural Control Committee of SEAWATCH.
- (h) "Living Area" shall mean and refer to enclosed heated covered areas within a Dwelling, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics and basements.

- (i) "Lot" shall mean and refer to those parcels of land enumerated, after the recombination of Lots 1 & 2, as Lots 1A through 14 as shown on the recorded Subdivision Plat.
- (j) "Mobile Home" shall mean and refer to any type of manufactured home or modular unit, including double wide and triple wide units, built on a chassis, designed to be used as a Dwelling, with or without a permanent foundation.
- (k) "Officers" shall mean and refer to those Persons elected by the property Owners of the Subdivision, pursuant to Section 6.05.
- (m) "Person" shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.
- (n) "Subdivision" shall refer to the Lots of SEAWATCH in that plat referred to in Section 1.01 herein.

ARTICLE III PROPERTY RIGHTS

Section 3.01 - General

Each Lot shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred and encumbered the same as any other real property.

Section 3.02 - Easements for Utilities and Drainage

The Association reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric, gas, water, sewer, drainage facilities, telephone systems, cable television service, and conduits for the purpose of bringing public services to the Subdivision, on, in or over those made on the Subdivision Plat and further described in Notes 14, 15, 20 and 22 on the 1996 Revised Plat. The Association reserves unto itself, its successors and assigns, perpetual, alienable and releasable easements within the Subdivision and the right on, over and under the ground to cut drainways for surface water and make any grading of the soil whenever and wherever such action may appear to the Association to be necessary to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

Section 3.03 - Underground Street Utilities and Street Lighting

The Association reserves the right to subject the real property described here in above to a contract with any public utility supplying electricity to the Subdivision for the installation of underground electric cables and the installation of street lighting, either or both of which may require a continuous monthly charge to the Owner of each building Lot.

ARTICLE IV MAINTENANCE

Section 4.01 - Yard Maintenance

Each Lot Owner shall be responsible for the property landscaping of the grounds adjacent to their Dwelling and shall maintain said grounds in a neat, attractive and orderly condition without accumulation of litter or debris. The Association delegates to the Village at Nags Head Property Owners' Association the authority to enforce this provision and make a determination as to when a violation exists. The Village at Nags Head Property Owners' Association shall have the authority, if it determines a violation exists and Owner fails to remedy the violation after receiving notice to correct the same, and to take action to bring the yard maintenance into compliance with minimum standards. The required work will be at Owner's expense and if not promptly paid shall become a lien on Owner's property as provided in the Declaration and Bylaws of the Village at Nags Head Property Owners' Association. The Village at Nags Head Property Owners' Association or its designee shall have easement rights to complete the maintenance work required under this section without committing a legal trespass.

Section 4.02 - Garbage Dumpster, Pad and Screen and Common Areas

An area in the Subdivision has been set aside to be used for a garbage dumpster, which includes a pad and screen, the maintenance, upkeep and replacement of which shall be the responsibility of the Association. Maintenance and upkeep (including landscaping) of all common areas shall also be the responsibility of the Association. The cost of same shall be equally borne by the Lot Owners and if not promptly paid by the individual Lot Owners, shall become a lien on the Owner's Lot, and shall be collected as provided herein by the Association.

Section 4.03 - Common Access Easement

A common driveway serves as a common access for Lots 5, 6, and 7. The common access easement for same is depicted on the Subdivision Plat and includes the 18' concrete driveway lying within it. The responsibility for maintenance and repair and the cost of the common driveway shall be borne equally by the Owners of Lots 5, 6, and 7. Should the Owners of said Lots not maintain this common driveway and easement, the Association shall have the power to undertake necessary maintenance and assess and collect the cost in equal shares for same from among the Owners of Lots 5, 6, and 7.

ARTICLE V ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

Section 5.01 - Purpose

In order to protect the natural beauty of SEAWATCH and to protect Owners within SEAWATCH from depreciation of values that could be caused by poor design and failure of materials, inharmonious

color schemes, or haphazard location of Improvements, Lots within SEAWATCH and all Improvements located thereon shall be subject to the restrictions set forth in this Article V and the Declaration of Development Standards for the Village at Nags Head. Every grantee of every Lot or other interest in SEAWATCH by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article V and the Declaration of Development Standards for the Village at Nags Head.

Section 5.02 - Architectural Control Committee

- (a) The Architectural Control Committee (hereinafter "Committee") shall be that committee appointed by the Village at Nags Head Property Owners' Association as set forth in that Declaration followed by the Village at Nags Head Property Owners' Association and filed in the office of the Register of Deeds of Dare County, North Carolina.
- (b) Approval by the Committee is required prior to commencement of any construction as set out in Section 5.03.

Section 5.03 - Submission and Approval of Plans

- (a) Submission and Review:
 - 1. No building, wall, driveway, swimming pool, tennis court, or other structure, site work or clearing preparatory to construction shall be begun, altered, added to, maintained or reconstructed on any Lot until the plans and specifications for such work have been reviewed and approved by the Committee in accordance with the procedures of the Declaration of Development Standards for the Village at Nags Head.
 - 2. All plans shall be reviewed and approved by the Officers and agents of the Association.
- (b) Guidelines for Building and Development:
 - 1. All homes built in SEAWATCH shall follow the Building and Development Guidelines in the Declaration of Development Standards for the Village at Nags Head, as amended from time to time.
 - 2. All Dwellings shall have a minimum of 1,400 square feet of Living Area. All buildings, including porches, eaves, steps and similar fixtures shall be located on any Lot in accord with the minimum setbacks as set forth on the Subdivision Plat.
 - 3. Maximum Lot coverage shall be the same as that allowed by the Town of Nags Head, which shall include structures and/or paved surfaces, including walkways or patios of brick, stone, slate or similar materials. This covenant is intended to insure continued compliance with stormwater runoff rules adopted by the State of North Carolina and therefore benefits may be enforced by the State of North Carolina. When an Owner acquires two or more Lots then, and in that event, the adjoining one or more Lots may be used as one (1) building site and the side Lot lines and easements referred to therein shall apply to the outside perimeter line of the combined Lots.

- (c) Variance: A property Owner may file an appeal with the Committee under the guidelines of the Declaration of the Development Standards for the Village at Nags Head. The Committee may ask the Officers of the Association or its agents for a recommendation prior to approval or rejection.
- (d) Procedures: At least thirty (30) days prior to the proposed commencement of any construction, the plans shall be submitted to the Committee. The plans shall be reviewed and approved by the Association before submission to the Committee.

Section 5.04 - Approval Not a Guarantee

No approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed Improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither the Association nor the Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved pursuant to the terms of this Article V, nor any defects in construction undertaken pursuant to such plans and specifications.

Section 5.05 - Use of Lots and Dwellings

No part of the Subdivision shall be used for business, manufacturing, commercial or professional purposes. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No business activity or trade of any kind whatsoever shall be carried on upon any Lot. No trade materials or inventories may be stored or regularly parked on the premises. No sign of any style or design shall be placed or maintained on any Lot without the prior approval of the Committee.

Section 5.06 - Exterior Appearance

No fence, wall, hedge or mass planting shall be permitted except upon approval by the Committee as to location, style, design and materials. No foil or other reflective material shall be used on any windows for sunscreens, blinds, shades or other purposes.

All exterior painting including, but not limited to, trim, handrail, fencing, stair risers, stair treads, decking, columns, and body (siding) schemes and colors, must be approved by the Association and the Committee prior to painting or repainting, even repainting using the exact same color(s).

The Committee shall determine the standards and issue guidelines for the implementation thereof for the location, material, color and design of all mail and newspaper boxes and the manner which they shall be identified.

Section 5.07 - Animals and Pets

Animals, livestock or poultry of any kind shall not be raised, bred or kept on any Lot except dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that they are under the control of their Owner at all times.

Section 5.08 - Prohibited Structures

No structure of a temporary character, house trailer of any kind, tent, shack, garage, Mobile Home, barn or other outbuilding shall be used, placed or allowed on any Lot or building site of land at any time either temporarily or permanently, except such temporary structures as may be necessary for the storage of materials by or for the convenience of workmen and contractors during the erection of residences upon said Lots. No temporary structure of any kind, including those herein above set out shall be used on any Lot or site at any time as a residence either temporary or permanently. "Modular Home" or similar types of Dwellings shall not be constructed or placed upon any Lot or building site.

Section 5.09 - Motor Vehicles, Trailers, Etc

Each Owner shall provide for parking of automobiles off the streets and roads within the Subdivision prior to occupancy of any Dwellings owned by such Owner. There shall be no outside storage or parking upon any Lot, or within any portion of the Common Areas of any: Mobile Home, trailer, motor home, tractor, truck (other than pickup trucks), commercial vehicles of any type, camper, motorized camper or trailer, motorized bicycle, motorized go-cart, or any other related forms of transportation devices.

Section 5.10 - Exterior Lights

All light bulbs or other lights installed in any fixture located on the exterior of any Dwelling, building or other structure located on any Lot shall be clear, white, or nonfrost lights or bulbs.

Section 5.11 - Decks

No detached, built up or roof top decks shall be permitted on any Lot unless approved by the Committee.

ARTICLE VI **SEAWATCH PROPERTY OWNERS' ASSOCIATION**

Section 6.01 - Membership

Every Person or entity who is a record Owner of a fee simple interest in any Lot as described in Article I, is subject by this Declaration to assessment by the Association and shall be a Member of the Association; provided, however, that any such Person or entity to hold such interest merely as a security for the performance of an obligation shall not be a Member. The requirement of membership shall not apply to any mortgagee or trustee beneficiary acquiring title by foreclosure or otherwise pursuant to the mortgage or deed of trust instrument.

Section 6.02 - Voting Rights

The Association shall have one class of voting membership and Members shall be entitled to one vote for each Lot in which they hold an interest required for membership under this Declaration. When

more than one (1) Person or entity holds such an interest in any Lot, all such Persons shall be Members and the vote for such Lot shall be exercised as they among themselves determine and such Persons shall designate one (1) Person to vote for their Lot, but in no event shall more than one vote be cast with respect to any such Lot.

Section 6.03 - Meetings

Regular Meetings shall be convened annually by the president of the Association. Called meetings may be convened by the president of the Association or by any three (3) Members of the Association by giving thirty (30) days written notice to all the Association Members.

Section 6.04 - Quorum

A quorum for a regular or called meeting of the Association shall consist of a majority of the Members of the Association.

Section 6.05 - Officers

Officers of the Association charged with the day to day operation of the Association and who shall be authorized to carry out the Association's business and execute documents on behalf of the Association, shall consist of a president, vice president, secretary and treasurer, each elected by a majority vote of the property Owners of the Subdivision. Secretarial and financial duties may be performed by a management agency.

Section 6.06 - Responsibilities and Authority

The Members of the Association, by and through its elected Officers, shall be responsible for making the decisions as to if, when and how, the garbage dumpster, pad and screen are to be maintained, when and how the common areas are to be kept and maintained, including the curb and guttering around the interior of the cul-de-sac, to assess and collect for the cost of same, and in general, to carry out the other responsibilities and duties of the Association including those set forth in Section 4.03 herein.

ARTICLE VII **GENERAL PROVISIONS**

Section 7.01 - Duration.

All covenants, restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and Persons claiming under them to specifically include, but not be limited to, the successors and assigns, in perpetuity.

Section 7.02 - Notices

Any notice required to be sent to any Member or Owner, under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, certified mail/return receipt requested, to the last known address of the Person who appears as Member or Owner on the records of the

Association at the time of such mailing. Notice to any one of the Owners, if title to a Lot is held by more than one, shall constitute notice to all Owners of a Lot.

Section 7.03 - Enforcement

In the event of any violation or breach of any of the restrictions contained herein by any property Owner or agent of such Owner, the Association, its successors or assigns, or the Owners of Lots within the Subdivision or any of them, jointly or severally, shall have the right to proceed in law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach of any of the restrictions set out above, but before litigation may be instituted ten (10) days written notice of such violation shall be given to the Owner or his agent. The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restriction contained in this Declaration shall in no way affect any of the other restrictions, but they and each of them shall remain in full force and affect. In addition, the State of North Carolina as a beneficiary of the obligations set forth in the Lot coverage provisions of Section 5.05 shall have a right to enforce any violation of said Section. The Association is authorized to collect reasonable attorney's fees incurred in any action to enforce these covenants, conditions, restrictions, easements and reservations contained in this Declaration or any amendment thereto.

Section 7.04 - Interpretation

In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Association or the Committee will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive.

Section 7.05 - Amendments.

This Declaration may be amended by the Lot Owners representing at least 67% of the votes in the Association. No amendment to this Declaration shall be effective until recorded in the office of the Register of Deeds of Dare County, North Carolina. Written notice of the proposed amendment shall be sent to every Owner at least ninety (90) days in advance of the meeting at which the amendment will be considered, or ninety (90) days before ballots or other means of voting permitted by the Bylaws or under North Carolina law would be counted or tallied.

Section 7.06 - Severability

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

ARTICLE VIII

COVENANT FOR PAYMENT OF ASSESSMENTS

Section 8.01 - Creation of Lien and Personal Obligation for Assessments.

Each Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed of other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made.

Upon filing with the Office of the Dare County Clerk of Superior Court, each such lien shall be prior to all other liens except the following: (1) assessments, liens and charges for real estate taxes due and unpaid on the Lot; and (2) all sums unpaid on deeds of trust, mortgages and other encumbrances duly of record against the Lot prior to the docketing of the aforesaid lien. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the Person who is the Owner of such Lot at the time when the assessment fell due.

Section 8.02 - Purpose of Assessments.

The assessments levied by the Association shall be exclusively for the purpose of promoting the health, enjoyment, safety or welfare of the residents in the properties and in particular for the maintenance and operation of the garbage dumpster, pad and screen, and for keeping, maintaining and landscaping of common areas, including the open space within the cul-de-sac, and the curb and guttering surrounding the interior of the cul-de-sac, and for yard maintenance.

Section 8.03 - Annual Assessments.

The annual assessment shall be established by a majority vote of the Members of the Association.

Section 8.04 - Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by Section 7.03 hereof, the Association may levy in any assessment year, a special assessment, applicable to that year only, for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repairs or replacement of the garbage dumpster, pad and screen and the common areas, including the curb and guttering around the interior of the cul-de-sac, provided that such assessment shall have the consent of 67% of the votes of all the Members at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 8.05 - Change in Basis and Maximum Amount of Annual Assessments.

The annual assessments provided for in Section 3 of this Article shall be due and payable effective as of January 1 of each year and shall be deemed delinquent if not paid on or before that date.

Section 8.06 - Certification of Assignments.

The Association shall, upon demand, furnish at any time to any Owner liable for said assessment, prospective purchaser, or lending institution, a certificate in writing, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8.07 - Effect of Non-Payment of Assessment: The Personal Obligation of the Owner: The Lien: Remedies of the Association.

If the assessments are not paid on the date due then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot, or Lots, which shall bind such Lot or Lots, in the hands of the then-Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then-Owner to pay such assessment, however, shall not pass to his successor in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of interest set by the Board, not to exceed the maximum rate permitted by law and the Association may bring appropriate civil action against the Owner personally obligated to pay the same or to foreclose the lien against any such Lot, or Lots, and there shall be added to the amount of such assessment to be collected upon foreclosure, the costs of such action and reasonable attorney's fees to other cost incurred by the Association. In the event a judgment is obtained against any Owner for such assessment, such judgment shall include interest on the assessment as above provided and reasonable attorney's fees to be fixed by the Court, together with the costs of the action. The provisions of Section 47F-3-116 of the North Carolina General Statutes shall be followed with respect to the notice of the lien, filing of the lien, and foreclosure of any such lien.

(continued on the following page)

IN WITNESS WHEREOF, the Association has duly executed this instrument, this the day and year first above written.

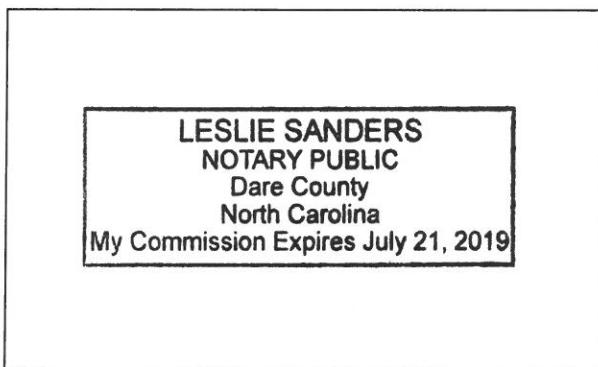
SEAWATCH PROPERTY OWNERS' ASSOCIATION, INC., a North Carolina nonprofit corporation

BY: Annette Ratzenberger
President

STATE OF NORTH CAROLINA, (COUNTY) (CITY) OF DARE

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Annette Ratzenberger (name), the President of SEAWATCH PROPERTY OWNERS' ASSOCIATION, INC., a North Carolina nonprofit corporation.

Witness my hand and seal this 20th day of DECEMBER, 2016.



Leslie Sanders
Signature of Notary Public
LESLIE SANDERS
Typed or printed name of Notary Public
My commission expires: July 21, 2019

Affix Notary Seal Inside This Box