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by & return to
Mickey Sharp
Attorney at Law
by Hand, NC

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OF THIS INSTRUMENT
TO BE FILED IN THE
OFFICE OF THE REGISTER OF DEEDS
IN THE OFFICE OF THE CLERK OF SUPERIOR COURT
IN THE OFFICE OF THE CLERK OF DISTRICT COURT

NORTH CAROLINA
DARE COUNTY

DECLARATION OF
RESTRICTIVE COVENANTS

WHEREAS, FROHMAN BROTHERS, INC., is the fee simple owner of that certain tract or parcel of land located near the Village of Duck, Atlantic Township, Dare County, North Carolina, as shown on a map entitled "Caffey's Inlet Hamlet" prepared by Triangle Engineering Architecture Planning, Inc., dated September 1977, and recorded in Plat Cabinet A, Slide 71, in the Office of the Register of Deeds, Dare County, North Carolina, with the exception of various lots which have been conveyed with reference to said plat since the date of recording thereof.

AND WHEREAS, Frohman Brothers, Inc., has previously filed a certain Declaration of Restrictive Covenants, which Declaration is duly of record in Book 261 at Page 153 of the Dare County Public Registry, and said covenants and restrictions having been placed upon the land for the benefit of the owners of the lots within the subdivision with the intention, among other things, of insuring a mutual beneficial plan of development for the best interest of the property owners in said subdivision;

AND WHEREAS, Frohman Brothers, Inc., now desires to place certain additional covenants and restrictions against the lands described on the plat referred to above, which covenants and restrictions shall be applicable to the subdivision known as Caffey's Inlet Hamlet in the same manner and fashion as are those covenants previously recorded and referred to hereinabove;

AND WHEREAS, Frohman Brothers, Inc., acting as developer of the property known as Caffey's Inlet Hamlet and as declarant in the Declaration of Restrictive Covenants referred to hereinabove reserved unto itself the right to file certain supplemental declarations of restrictive covenants for the purpose, among other things, of making such additions as may be appropriate to such covenant in the discretion of Frohman Brothers, Inc., and the said Frohman Brothers, Inc., does now desire to make such additions as are set forth within this instrument and intends to act upon the authority reserved in that previous Declaration as referred to hereinabove.

NOW THEREFOR, Frohman Brothers, Inc., does by this instrument declare and make known the following covenants and restrictions which shall run with the land shown on the map hereinabove referred to and shall be binding upon Frohman Brothers, Inc., and upon the purchasers of the lots within the subdivision and shall be binding upon the successors and interests of the said persons referred to herein and shall enure to the benefit of each and all purchasers of the lots shown on said plat:

1. Each of the covenants and restrictions set forth in the previous Declaration duly recorded in Book 261 at Page 153 of the Dare County Public Registry are ratified and affirmed and incorporated herein as if set forth word for word.

2. For the purpose of providing maintenance and control of all of the common elements and other common community services of the kind and nature required or authorized by the charter of the Property Owners Association referred to herein for the benefit of all of its members, each and every lot owner, by accepting a deed of conveyance or contract for the purchase of any lot within the areas to which this Declaration is applicable or by joinder and consent to this Declaration, agrees to and shall be a member of and be subject to the obligations and duly enacted bylaws and rules of the Caffey's Inlet Hamlet Owners Association, Inc., a non-profit corporation.

A. Dues and assessments. Each member of the Association shall pay a reasonable assessment charge for the services provided by and supported by the Association, and that assessment charge shall be established in accordance with the provisions of the bylaws of the Association through the majority vote of the Board of Directors. No assessment shall be made upon the lot of any owner during the Association fiscal year in which he purchases his lot. It is understood that the initial annual assessment charge for the Association year beginning in January of 1983 shall be \$40.00 per lot.

Each lot shall be subject to a continuing lien to secure the payment of each assessment when the same is made. Upon demand, the Association will furnish a lot owner or mortgagee thereof with a certificate showing the charges or assessments due on any given date.

Notwithstanding the foregoing, Frohman Brothers, Inc., as developer shall not be subject to a per lot assessment until such time as at least seventy-five percent of the lots in the area to which this declaration has been made applicable have been sold. For the purposes of this paragraph, sold refers to the transfer of title to the particular lot owners, notwithstanding any mortgage or other lien which may be placed against such lot. However, Frohman Brothers, Inc., shall pay a lump sum fee to the Association on an annual basis in the amount of \$500.00 which shall represent the assessment due from Frohman Brothers, Inc., until such time as seventy-five percent of the lots as referred to above have been sold.

B. Succession to powers. On sale of all the lots covered by the terms of this declaration, the powers reserved unto Frohman Brothers, Inc., shall automatically passed to and be vested in the Association. Frohman Brothers, Inc., may elect to convey all or part of these powers to the Association by assignment or other transfer at some earlier time in the sole discretion of Frohman Brothers, Inc.

C. Validity. All liens authorized and created hereby shall become effective only upon recording by the lien holder in the Office of the Dare County Clerk of Court of an instrument which sets forth the identity of the lien holder and the debtor and the lot to which the lien is attached and the amount of the underlying obligation which the lien secures and the date when the indebtedness becomes due. No lien, whether recorded or not, shall be valid for more than ten years from the date on which the underlying indebtedness is secured becomes due and payable.

If an unpaid assessment or other charge constituting a lien on the property through the terms of this Declaration shall remain unpaid for thirty days after the date upon which it first becomes due and payable, interest shall begin to accrue at the rate of 8% per annum and such interest shall be secured by the lien.

D. Enforcement. The amount of any unpaid assessment or charge constituting a lien on the property, together with accrued interest and the cost of collection, including reasonable attorney's fees assessed in excess of the amount of the lien, shall remain the personal obligation of the owner of the property at which time the assessment and charges were made and continue to be a lien on the property until paid. The lien holder may bring an action at law to collect the same or an action to foreclose the lien against the property in the manner provided by law.

E. Subordination of liens. The lien of the assessments and charges provided for herein shall be subordinate to the lien of any mortgage or mortgages or any deed of trust now or hereafter placed on the property subject to the assessment; provided, however, that such subordination shall apply only to the assessments or charges which have become due and payable prior to a sale or transfer such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments or charges thereafter becoming due, nor from the lien of any such subsequent assessment or charge.

F. Purpose. It is understood and agreed that, notwithstanding the general purposes set forth hereinabove, and not by way of limitation, that one of the intentions of the Association described herein and referred to within this Declaration and the paragraph contained herein shall be the maintenance of various common properties within the property subject to this Declaration and including, but not limited to, streets and roads, walkways and other areas of a similar nature. The fact that such responsibilities for maintenance of the roads and common areas have been previously carried or assumed by Frohman Brothers, Inc., shall not diminish the authority or intentions of this Declaration. It is further understood that Frohman Brothers, Inc., shall continue to pay the annual fee set forth above or the amount that would be due from Frohman Brothers, Inc., as a per lot assessment, whichever of the two sums is the lesser sum, on an annual basis, and that such an amount will serve as the annual amount due from Frohman Brothers, Inc., and will constitute a discharge of its responsibilities for maintenance.

G. Duration. These restrictions shall be binding upon the land and all parties owning the same or in possession thereof for a period of time consistent with the time period set forth in paragraph number 12 of the original Declaration of Protective Covenants referred to hereinabove, and such duration shall continue, consistent with that time period, as if this supplemental declaration had been made on the same date as the Declaration referred to above. Continuation and renewal of these provisions shall be presumed to be effective upon the same terms as those set forth in paragraph 12 of the preceding Declaration.

IN WITNESS WHEREOF, Frohman Brothers, Inc., has caused this Declaration of Restrictive Covenants to be executed in its corporate name by its President, and attested by its Secretary, and its corporate seal to be hereto affixed, all by the order of its Board of Directors first duly given, this day of , 198 .

FROHMAN BROTHERS, INC.

By:

President

CORPORATE SEAL

ATTEST:

Secretary

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IN WITNESS WHEREOF, Frohman Brothers, Inc., has caused this Declaration of Restrictive Covenants to be executed in its corporate name by its President, and attested by its Secretary, and its corporate seal to be here-to affixed, all by the order of its Board of Directors first duly given, this 15th day of March, 1983.

FROHMAN BROTHERS, INC.

By:

David J. Frohman
President

CORPORATE SEAL
ATTEST:

Margaret C. Brown
Secretary