

Section 3. Owner's Maintenance Responsibility. All buildings, structures and their appurtenances in the Community shall be maintained by the Owners thereof in suitable state of repair; and in event of destruction by fire or other casualty, the premises shall be cleared and debris shall be removed within ninety (90) days from the date of such casualty. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept conditions of the buildings and other structures or grounds on his lot which shall tend substantially to decrease the beauty of the specific neighborhood and the community as a whole. Upon the failure of an owner to comply with this requirement, the Association reserves the right, at its option, within two (2) weeks after written notice has been mailed to such owner's last known address, to clean such property up or remove same if such property has been destroyed by fire, etc. The Association's expenses in so doing shall constitute a lien upon such Owner's Lot and improvements thereof, enforceable in the same manner as a mortgage or deed of trust.

The Board of Directors may adopt and enforce additional rules and regulations related to required maintenance upon the Lots.

Section 4. Maintenance by Association Prior to Construction of Residence. In order to maintain the scenic beauty of the Community and implement effective insect and pest control, the Association reserves for itself the right, but not the obligation, to enter upon any residential lot in the Community on which a residence has not been constructed and upon which no landscaping plan has been implemented, for the purpose of mowing, removing, clearing, cutting and pruning underbrush, weeds or other unsightly growth and trash, which in the opinion of the Association detracts from the overall beauty, setting and safety of the Community. Such entry may be made by personnel with tractors, trucks, or other suitable devices and shall not be deemed a trespass. Unless an emergency situation exists, the Board shall give the Lot Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including, without limitation, reasonable attorney's fees actually incurred, shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments. The provisions of this paragraph shall not be construed as an obligation on part of the Association to mow, clear, cut or prune any lot or to provide garbage or trash removal services.

ARTICLE VI INSURANCE

Section 1. Association Coverage. To the extent reasonably available, the Association shall maintain property insurance on the Common Area insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. In addition, to the extent reasonably available, the Association shall maintain liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. If the foregoing insurance is not reasonably available, the

Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Lot Owners or electronically posted on the Association website.

The above policies shall provide that: (1) each lot owner is an insured person under the policy to the extent of the lot owner's insurable interest; (2) the insurer waives its right to subrogation under the policy against any lot owner or member of the lot owner's household; (3) no act or omission by any lot owner, unless acting within the scope of the owner's authority on behalf of the association, will preclude recovery under the policy; (4) if, at the time of a loss under the policy, there is other insurance in the name of a lot owner covering the same risk covered by the policy, the association's policy provides primary insurance; and (5) the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner, and each Mortgagee to whom certificates or memoranda of insurance have been issued at their respective last known addresses.

The Board may also obtain such other insurance coverage as it shall determine from time to time to be desirable and necessary, including, but not limited to, officer and director's liability coverage.

Section 2. Proceeds. The proceeds of all policies of physical damage insurance shall be payable to the Association, and the damage shall be repaired or replaced promptly using the proceeds of insurance unless (i) the planned community is terminated, (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (iii) the Lot Owners decide not to rebuild by an eighty percent (80%) vote. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If any portion of the planned community is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the planned community and (ii) the remainder of the proceeds shall be distributed to all the Lot Owners or lienholders, as their interests may appear, in proportion to the common expense liabilities of all the Lots.

Section 3. Repair/Reconstruction. In the event of damage to an Owner's Lot, the Owner shall repair/rebuild such damaged portions of the Lot to a standard consistent with the state of the Lot prior to the event causing such damage consistent with all relevant government ordinances, statutes and rules and regulations, including any Town of Nags Head requirements.

Section 4. Ownership/Proceeds. All contracts of insurance purchased by the Association shall be for the benefit of the Association, the Owners, and their respective Mortgagees, if any, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive any proceeds as are paid and to hold them in trust for the purposes stated in this Declaration. The proceeds received by the insurance trustee shall be distributed to or for the benefit of the appropriate beneficiary(ies) as required by the Governing Documents.

Section 5. Premiums. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and shall be included in Common Expenses.

Section 6. Prohibited Acts. No Owner shall do or keep anything on the Property which shall cause an increase in the premiums for, or the cancellation of any insurance maintained by the Association.

ARTICLE VII EASEMENTS

Easements as shown on the Plats are reserved for rights of way for the installation, use and maintenance of utilities and drainage or for the purposes designated on the recorded plat. The Association reserves a perpetual, alienable and releasable easement and right on, over and under the ground for the purposes set forth on any and all recorded plats.

ARTICLE VIII BUILDING AND USE RESTRICTIONS

Section 1. Residential Use. All Lot in the tract, except those otherwise designated on the recorded plat, shall be used for residential purposes only. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single-family dwelling.

Section 2. Use to Be Solely Residential. Each lot in the community shall be used exclusively for residential purposes. If one owner acquires two or more adjoining lots, the adjoining one or more lots may be used together as the site for a single building, in which event the sideline easements, shall apply to the outside perimeter property line of such adjoining lots. No lot shall be subdivided, nor shall its boundary lines be changed, except with the written consent of the Association and approval from the Town of Nags Head.

Section 3. Commercial Use Prohibited. No lot in the Community shall at any time be used or occupied for the manufacture or sale of any articles or for any commercial purposes of any kind or character whatsoever, or for the carrying on of any businesses, or a hotel, motel, rooming house or boarding house, except as provided herein.

Section 4. Use of Lot as Access Prohibited. No lot in the Community may be used as a street, lane, right-of-way or easement over which access might be obtained to adjacent properties (whether within or without the Community) without the specific written consent of the Association.

Section 5. Sewer Disposal. Prior to occupancy of a residence of any lot in the community, proper and suitable provision shall be made for the disposal of sewage by means of a septic tank or tanks constructed on such lot. All sewage shall be emptied or discharged into such tanks. No sewer shall be emptied or discharged upon any lot; nor may any sewage disposal system be used unless such system is designed, located, constructed, and maintained in accordance with the requirements, standards and recommendations of the appropriate public health authority.

Section 6. Signs. All signs shall comply with all applicable Town of Nags Head ordinances and requirements.

Section 7. Building Restrictions. The 1200 square foot requirement herein does not apply to homes or dwellings constructed prior to December 1997. Replacement as a result of fire, storm, or other disaster must meet the then current Town of Nags Head's building requirements, including those portions pertaining to setbacks, structural, electrical or mechanical requirements. The dwelling may be reconstructed to square footage previously contained prior to peril.

Section 8. Use of Lots and Dwellings. Each lot and dwelling shall be used for residential purposes. Dwellings may not be temporarily or permanently occupied until an occupancy permit has been issued or unless authorized by the Town of Nags Head.

Section 9. Boats and Water Craft. No person shall be entitled to live or reside on any Water craft docked, moored or otherwise located in the canals adjacent to Old Nags Head Cove Subdivision property.

Section 10. Pets. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by an Owner upon any portion of Old Nags Head Cove Subdivision, provided that a reasonable number of generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance.

Section 11. Foundations. Foundation areas used for storage must be fully enclosed or partially enclosed with lattice, louvers siding or a combination of these.

Section 12. House Trailers, Trailers, Campers, etc. on Unimproved Lots. There shall be no outside storage or parking upon any lot of any mobile home, motor home, camper, motorized camper or trailer, or other related form of transportation devices of a similar nature on unimproved lots. It is specifically noted that boats, properly secured, or boat trailers, may be stored upon an unimproved lot.

Section 13. House Trailers, Trailers, Campers, etc. on Improved Lots. There shall be no active use or habitation of any mobile home, trailer, motor home, camper, motorized camper or trailer, or other related form of transportation devices of a similar nature on improved lots. It is specifically noted that boats, properly secured, or boat trailers, may be stored upon an improved lot.

Section 14. Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of Old Nags Head Cove Subdivision, nor shall any nuisance or odors be permitted to exist or operate upon or arise from Nags Head Cove Subdivision, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of Old Nags Head Cove Subdivision. Noxious or offensive activities shall not be carried on in any Lot. Lot owners will be notified in writing of any violation of this paragraph by Certified Mail to their last known address and given thirty (30) days to correct the cited violation. Failure to correct any violation or receive a justified extension of time from the Old Nags Head Cove Association Board of Directors will result in the Old Nags Head Cove Association taking action to correct

the violation at the expense of the lot owner(s). Whenever the Old Nags Head Cove Association, or their respective Successors, assigns, agents or employees are required under this paragraph to enter the property of owner, the entering thereon and the taking of such action shall not be deemed to be trespass.

Section 15. Fencing of Yards. All fences shall comply with all applicable Town of Nags Head ordinances and requirements.

Section 16. Temporary Structures. Any temporary structures shall comply with any and all applicable local Town of Nags Head ordinances.

ARTICLE IX ARCHITECTURAL REVIEW

Section 1. Purpose. In order to preserve the natural setting and beauty of Old Nags Head Cove Subdivision and to establish and preserve harmonious and aesthetically pleasing design for Old Nags Head Cove Subdivision, and to protect and promote the value of Old Nags Head Cove Subdivision and all improvements located therein and all lots shall be subject to the restrictions set forth in this Article IX. Every Grantee of any interest in Old Nags Head Cove Subdivision, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

Section 2. Approval of Design and Location of Structures. Approval of Design and Location of Structures. In order to preserve a uniformity of beauty within the community, the Architectural Review Committee may refuse approval of plans, location or specifications upon any ground, including purely aesthetic considerations, which in the sole discretion of the Architectural Review Committee shall seem sufficient as set forth in Section 4 of this Article. No alterations in the exterior appearance of any building or other structure shall be made without like approval of Architectural Review Committee for its records.

Section 3. Members. The Architectural Review Committee shall consist of three (3) or more individuals appointed by the Board on an annual basis, and such appointed members of the Architectural Review Committee may be members of the Board. The Board may remove members of the Architectural Review Committee appointed by the Board at any time with or without cause. In the event of the death, resignation, or removal by the Board of any member of the Architectural Review Committee, the Board shall have full right and authority to designate and appoint a successor to complete the unexpired term of such deceased, resigned or removed member. Members of the Architectural Review Committee shall not be entitled to any compensation for services performed pursuant to this Article.

Section 4. Requirements. All Owners shall comply with Nags Head application and permitting processes for any construction project. Owners shall file with the Architectural Review Committee of ONHCA the application and plans at the same time filed with the Town of Nags Head for new dwellings and projects that expand the footprint or increase the square footage of an existing structure by a cost of 25% or more of the assessed property tax value by Dare County for the structure. The Architectural Review committee shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole discretion, for safety, appearance, aesthetic or any other reasons, provided such approval is not unreasonably withheld. In approving or disapproving such

plans and applications, The Architectural Review Committee shall consider the suitability of the proposed building, improvement, structure or landscaping and materials in relation to the surrounding area and the effect on adjacent or neighboring property. In the event the Architectural Review committee shall fail to specifically approve or disapprove the plans and specifications submitted in final and complete form, within forty-five (45) days after written request for final approval or disapproval, such plans and specifications shall be deemed approved, except that no plans or specifications that are in violation of the terms of this Declaration shall be deemed to be approved.

Section 5. Location of Buildings. To assure that location of residences in the community will be staggered where practical and appropriate, so that the maximum amount of view and breeze will be available to each resident in the community and that all permanent structures will be located with regard to topography of each individual Lot, the Association reserves upon itself the right to decide the precise site, elevation and location of any residence or other structure upon all lots in the community. Such location shall be determined only after reasonable opportunity is afforded Lot Owner to recommend a specific site. Setback requirements of the Town of Nags consistent with the above requirements shall be followed.

Section 6. Construction of Improvements. All buildings, structures, or other improvements shall comply with the building restrictions and zoning requirements as currently adopted by the Town of Nags Head. Changes in Town requirements will be accomplished as outlined in paragraph I (2). All exterior improvements must be completed in accordance with the Town of Nags Head requirements.

Section 7. Enforcement. The Board is empowered to enforce the provisions of this declaration by any legal or equitable remedy.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement of Restrictions. In the event of violations or breach of any of the Protective Restrictions set forth in this Declaration by any owner of property in the Community or agent of such owner, the Association, the owners of Lots in the immediate neighborhood or elsewhere in the Community or any right of them similarly, jointly, or severally shall have the right to proceed at law or in equity to compel compliance with the terms and conditions hereof and to prevent the violation or breach of such Protective Restrictions. In addition to the foregoing, the Association shall have the right, whenever there shall have been built on any Lot in the Community any structure which is violation of any of the terms of this Declaration, to enter upon the property where such violation exists and summarily remove any such structure at the expense of the owner thereof, if after thirty (30) days written notice of such violation it shall not have been corrected by such owner. Such entry and abatement or removal shall not be deemed a trespass. The failure of Declarant or of any such party so entitled to enforce any restriction 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, which shall remain in full force and effect.

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. Old Nags Head Cove Association. Every party or person, his heirs, legal representatives, successors or assigns, who shall become the owner of any lot in the Community shall be afforded the privileges of voting membership in the Old Nags Head Cove Association, a non-profit organization, the membership of which shall consist exclusively of owners of property in the Community.

Section 3. Amendment and Duration. These covenants and restrictions shall run with, burden, and bind the land for a term of ten (10) years from the date this Amended and Restated Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by the affirmative vote or written agreement of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated in accordance with N.C.G.S. §47F-2-117. If any amendment to these covenants, conditions and restrictions is executed, the Board shall attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. No amendment shall be effective until it is recorded in the Registry.

Section 4. Notices. Any notice required to be sent to an Owner, under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as 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 5. Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that reasonable interpretation or construction which, in the opinion of the Board of Directors 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 that are less restrictive. In the event of any conflict between any provisions provided herein and any other prior recorded provisions, these provisions shall be controlling.

Section 6. 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 a 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 provision or application, and to this end the to provisions of this Declaration are declared to be severable.

Section 7. Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, or otherwise disposes of any Lot or Dwelling, the Owner or Owner's attorney must promptly furnish to the Association in writing the name and address of such purchaser, lessee, or transferee.

**CERTIFICATION OF VALIDITY OF AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR OLD NAGS
HEAD COVE**

By authority of its Board of Directors, the undersigned officers of the Old Nags Head Cove Association, Inc., hereby certify that the foregoing instrument has been duly adopted and approved by the requisite percentage of Owners of Lots in Old Nags Head Cove and is, therefore, a valid amendment to the existing 2000 Declaration Amendment.

OLD NAGS HEAD COVE ASSOCIATION, INC.

By:


President

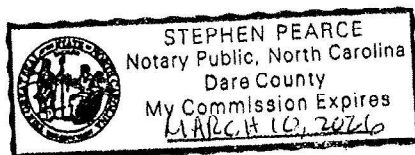
STATE OF NORTH CAROLINA
COUNTY OF DARE

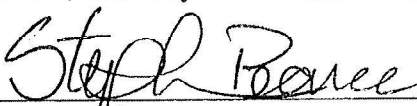
ACKNOWLEDGMENT

I, STEPHEN PEARCE, a Notary Public of the County and State aforesaid, certify that David Masters, Jr. personally came before me this day and acknowledged that he/she is President of Old Nags Head Cove Association, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President.

Witness my hand and official stamp or seal, this ^{20th} day of DECEMBER, 2023.

(Stamp or Seal)




Notary Public

Printed Name: STEPHEN PEARCE

My commission expires: MARCH 10, 2026

EXHIBIT A
LEGAL DESCRIPTION

The Property subject to the Declaration includes all that property subject to the and described in the Original Declaration, the 2000 Declaration Amendment, the Addendums and the Supplemental Declaration and any amendments thereto, including without limitation, the following property:

SECTION A Section "A" described in Map Book 4, Page 3 of the Dare County Register of Deeds.

SECTION B "Section "B" described in Map Book 4, Page 78 of the Dare County Register of Deeds.

SECTION C "Section "C" described in Map Book 4, Page 93 of the Dare County Register of Deeds.

SECTION D "Section "D" described in Map Book 5, Page 7 of the Dare County Register of Deeds.

SECTION E "Section "E" described in Map Book 4, Page 92 of the Dare County Register of Deeds.

SECTION F "Section "F" described in Map Book 4, Page 91 of the Dare County Register of Deeds and Map Book 5, Page 28 of the Dare County Register of Deeds

SECTION G "Section "G" described in Map Book 6, Page 26 of the Dare County Register of Deeds.

All Sections of Old Nags Head Cove Subdivision as shown on map or plats recorded in Map Book 4, Page 3, Map Book 4, Page 78, Map Book 4, Page 93, Map Book 5, Page 7, Map Book 4, Page 92, Map Book 4, Page 91, Map Book 5, Page 28, Map Book 6, Page 26.

All property described in that Supplemental Declaration of Covenants of Old Nags Head Cove Subdivision recorded at Book 454, Page 864 of the Dare County Register of Deeds.

All Common Area described in Deeds recorded at book 231, page 485 of the Dare County Register of Deeds; book 231, page 491 of the Dare County Register of Deeds; book 231, page 488 of the Dare County Register of Deeds; Quit Claim Deed at book 231, page 497 of the Dare County Register of Deeds; book 307, page 470 of the Dare County Register of Deeds.