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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made by the members of Palmer's Island Club Property Owners Association, Inc., a North Carolina non-profit corporation ("Association"), and replaces the Declaration of Covenants, Conditions and Restrictions ("Declaration") made as of May 22, 1987 by SANDERLING PARTNERS, a North Carolina general partnership, with its office and principal place of business in Winston-Salem, Forsyth County, North Carolina ("Declarant").

R E C I T A L S:

R-1. The Declarant was the owner of the real property described in Article One of this Declaration and created thereon a residential community ("Community") together with streets, roads, footways, open spaces, entrances, drainage facilities, access easements, site lighting and signage, and any recreation area(s) and any other common facilities shown on any recorded plat of such real property or a portion thereof (collectively, the "facilities") for the benefit of the Community.

R-2. The Declarant caused the Association to be incorporated on February 4, 1987, to which the Declarant delegated and assigned the powers of maintaining and administering the community properties and facilities, administering and enforcing the Declaration, and collecting and disbursing the assessments and charges provided for in the Declaration.

R-3. The Declarant provided for the preservation of the values and amenities in the Community and for the maintenance of the facilities and, to this end, subjected the real property described in Article One (Phase I, Lots 1-5 and common area east of the Lots to the Atlantic Ocean) to the provisions set forth in the Declaration of Covenants, Conditions and Restrictions dated May 22, 1987 and recorded on May 27, 1987 in the Office of the Register of Deeds of Dare County, North Carolina in Book 511 at Page 175.

R-4. The Declarant recorded: (1) the First Supplement to Declaration of Covenants, Conditions and Restrictions dated April 26, 1988 on May 24, 1988 in Book 568 at Page 463, subjecting Tract 1 (Lots 6 & 7), Tract 2 (Lots 8 & 9) and common area east of the Lots to the Atlantic Ocean to the Declaration, (2) the Second Supplement to Declaration of Covenants,

Conditions and Restrictions dated September 26, 1988 on October 10, 1988 in Book 592 at Page 25, subjecting Phase II, Lots 10-15 and common area to the Declaration and (3) the Third Supplement to Declaration of Covenants, Conditions and Restrictions dated December 26, 1989 on December 29, 1989 in Book 660 at Page 553, subjecting common area west of Baum Trail to the Declaration.

R-5. The Association recorded the First Amendment to Declaration of Covenants, Conditions and Restrictions dated September 5, 1995 on December 7, 1995 in Book 022 at Page 737 authorizing the Architectural Control Committee to approve certain satellite dishes.

R-6. The Declarant and the Association recorded the Fourth Supplement to Declaration of Covenants, Conditions and Restrictions dated July 26, 2016 on August 24, 2016 in Book 2115 at Page 536, wherein the Declarant subjected North Baum Trail to the Declaration and the Association confirmed that the entire development was now subject to the Declaration.

R-7. The Declarant has sold and conveyed all the property subject to the Declaration and no longer has any interest in the Community.

R-8. The current owners wish to amend and restate the original Declaration in accordance with Article Nine of the Declaration and consolidate the description of the real property subject to the Declaration.

NOW, THEREFORE, the Declaration as originally recorded is hereby deleted in its entirety and shall be of no further force and effect, and this Amended and Restated Declaration is substituted in lieu thereof and shall govern the Property as if in effect from the date the Declaration was originally recorded. Thus, the Declaration is amended and restated as follows.

ARTICLE ONE

ADDITIONAL PROPERTY; MERGER

Section 1. Additional Property. Upon approval in writing of the Association, pursuant to authorization of at least sixty-seven percent of the votes of all of its Members, voting as provided in Article Five of Section 2 hereof, the owner of any property who desires to subject such property to the Declaration and the jurisdiction of the Association may file of record a Supplemental Declaration.

Section 2. Mergers, Combinations or Consolidations. Upon merger, combination or consolidation of the Association with another association, the properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the property of the Association as a surviving corporation pursuant to a merger, combination or consolidation. The surviving or consolidated association may administer the Covenants, Conditions and Restrictions established by this Declaration within the Existing Property, together with the covenants and restrictions established upon any other properties as one scheme. No such merger, combination or consolidation, however, shall

effect any revocation or change of, or addition to the Covenants, Conditions and Restrictions established by this Declaration within the Existing Property, except as herein provided.

ARTICLE TWO

DEFINITIONS

Section 1. The following words when used in this Declaration or any amended or supplemental Declaration (unless the context shall require otherwise) shall have the following meanings:

(a) "Assessments" or "assessments" or "Common Charges" means the assessments and charges levied against the Owners of Lots or Dwelling Units on the Property, as hereinafter defined, pursuant to Article Seven of the Declaration and Article X of the Bylaws; and the words assessments or Assessment have the same meaning as Common Charges, unless the context requires otherwise.

(b) "Association" means the Palmer's Island Club Property Owners Association, Inc.; and "Bylaws" means the Bylaws of the Association.

(c) "Board" means the Board of Directors of the Association.

(d) "Common Expenses" means:

(i) Expense of administration, maintenance, repair or replacement of the Common Properties.

(ii) Expense declared Common Expense by the provisions of this Declaration or the Bylaws.

(iii) Expense agreed upon as Common Expense by the Association and lawfully assessed against Owners of Lots or Dwelling Units in accordance with the Bylaws or this Declaration.

(iv) Any valid charge against the Association or against the Common Properties as a whole.

(e) "Common Properties" means those areas of land shown on any recorded subdivision plat of the Property (or any other real property described or referred to in any declaration of covenants, conditions and restrictions to which the Property are submitted or subjected) labeled as "Common Properties" or shown as streets or roads, (together with all improvements located thereon), and as such intended to be devoted to the common use and enjoyment of the Owners of the Lots and Dwelling Units, subject to special rights, if any, granted Owners of particular Lots or Dwelling Units, which are a part of the Property.

(f) The "Declarant" means Sanderling Partners, the North Carolina general partnership that developed the Property.

(g) "Dwelling Unit" means any improved property intended for use and occupancy as one (1) single family dwelling, irrespective of the numbers of Owners thereof (or the form of ownership) including any single family detached dwelling located within the Property.

(h) "Living Area" means those heated and/or air-conditioned areas within a Dwelling Unit which shall not include garages, carports, porches, patios, storage areas, breezeways, or terraces.

(i) "Lot" means any unimproved parcel of land within the Property which is intended for use as a site for a single family detached dwelling, as shown upon any recorded subdivision map of any part of the Property, with the exception of Common Properties. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved property, i.e., a Dwelling Unit.

(j) "Member" means each of the Owners who are members of the Association as provided in Article Five, Section 1 of this Declaration.

(k) "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Dwelling Unit situated upon the Property, 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.

(l) "Property" means all the real estate made subject to this Declaration from time to time.

ARTICLE THREE

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of, and be enforceable by, the Association or any Owner, its and their respective legal representatives, heirs, successors, and assigns forever unless amended or terminated by the Owners in accordance with Article IX.

Section 2. 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 sent by (1) hand-delivery or recognized overnight courier service, (2) prepaid United States mail or (3) electronic means, including by electronic mail over the Internet, 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

notice (which may be the address of the Dwelling Unit) or to an electronic mailing address designated in writing by the Member or Owner. Notice to any one of the Owners, if title to a Lot or Dwelling Unit is held by more than one, shall constitute notice to all Owners of a Lot or Dwelling Unit. All mailed notices from or to the Association shall be deemed to have been given three days after mailing, except notice of change of address, which shall be deemed to have been given when received.

Section 3. Enforcement. Enforcement of this Declaration shall be by an appropriate civil proceeding against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or both, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter:

Section 4. Severability. Invalidation of any one of these covenants and restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

ARTICLE FOUR

ARCHITECTURAL CONTROL, RESTRICTIONS ON USE AND RIGHTS OF THE ASSOCIATION AND OWNERS

Section 1. Architectural Control.

(a) Purposes. In order to provide for the preservation of the values in the Property with respect to any Dwelling Unit to be constructed on any Lot constituting a portion of the Property, the Association has established an Architectural Control Committee ("Committee") to develop and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography.

(b) Architectural Control. Unless expressly authorized in writing by the Committee, no Dwelling Unit, fence, wall, driveway or other structure nor any exterior addition or alteration to any existing Dwelling Unit, nor any clearing or site work shall be commenced, erected or maintained upon the Property, until plans and specifications therefor showing the shape, dimensions, materials, basic exterior finishes and colors, location on site, driveway, parking, well, septic tank and drain field, floor plan and elevations therefor (together, the "Plans"), have been submitted to and approved in writing, as to harmony of external design and location in relation to any surrounding structures and topography, by the Committee. The Committee shall have the absolute and exclusive right to refuse to approve any such plans and specifications which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons which in the sole and uncontrolled discretion of the committee shall be deemed sufficient.

(c) Existing Non-conforming Features. Existing non-conforming features (which would violate then-current architectural standards and guidelines) that comply with the applicable local building code shall be treated in three groups:

(i) Esthetics. Paint color, exterior materials such as roofing and any other regularly-maintained appearance item may remain in place until the Dwelling Unit is sold and the next Owner repaints or replaces the item, at which time the color or item shall conform to established standards and guidelines.

(ii) Structural Items and Additions. Replaced windows, building additions, deck additions, swimming pools and similar construction may remain in place for so long as the Dwelling Unit is standing and they are properly maintained.

(iii) Expansion of Non-conforming Features. An Owner wishing to expand a non-conforming Dwelling Unit or feature shall apply to the Committee to maintain a consistent architectural appearance by constructing additional non-conforming features consistent with the existing non-conforming features and the Committee may approve such additional non-conforming features for that Dwelling Unit.

(d) Architectural Control Committee.

(i) Membership. The committee shall be composed of three (3) persons, who need not be Members of the Association, appointed by the Board. A majority of the Committee may designate a representative to act for it. In the event of death, resignation or removal by the Board of any member of the Committee, the Board shall have full authority to designate a successor. Unless otherwise approved by the Association, neither the members of the Committee nor its designated representative shall be entitled to any compensation for service on the Committee. The Association shall keep, or cause to be kept, a list of the names and addresses of the persons who form the Committee and a list of the names and addresses of any designated representatives of the Committee, and such a list shall be available to any Owner.

(ii) Procedure. At least thirty (30) days prior to the commencement of any construction or alteration to the exterior of a Dwelling Unit, the Plans shall be submitted to the Committee. The Committee's approval, disapproval or waiver shall be in writing, and the decision of a majority of the Committee, in case of any disagreement among the Committee members, as to the approval, disapproval or waiver by the Committee, shall be controlling. If the Committee, or its designated representative, fails to approve or disapprove within sixty (60) days after Plans have been received by it, whether before or after construction has

commenced, approval by the Committee will not be required and the related covenants and conditions of this Declaration shall be deemed to have been fully complied with; furthermore, if any construction is commenced on any Lot without submission to the Committee of the Plans with respect thereto and no action or suit is instituted against the Owner of such Lot by the Association or any Owner of any other Lot constituting a portion of the Property within ninety (90) days after the foundation of any Dwelling Unit being constructed on any such Lot is completed, then and in any such event approval by the Committee will not be required and the related covenants and conditions of this Declaration shall be deemed to have been fully complied with.

(iii) Decisions. Decisions of the Committee may be appealed by submission to the Members. Such appeal shall be transmitted in writing to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon either call a Special Meeting of the Members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days after receipt of the appeal or send the appeal to every Member for their written vote. The appeal must be approved by an affirmative vote or written approval of at least sixty-six and two-thirds percent (66⅔ %) of the Members.

Section 2. Restriction on Use and Rights of the Association and Owners.

(a) Permissible Uses. No Lot shall be used except for residential purposes and no building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than a Dwelling Unit, which shall comply with any applicable zoning regulations. When construction of any Dwelling Unit, structure, improvement, or addition thereto has once begun, work thereon shall be prosecuted diligently and continuously until the full completion thereof.

(b) Division of Lots. No Lot shall be further divided, except that any two Owners may divide a lot between them if such Lot is adjacent to the Lots owned by each Owner and provided further that only one Dwelling Unit may be constructed on the Lot as subdivided and combined.

(c) Utilities and Easement. All utility lines of every type, including but not limited to water, electricity, telephone, sewage and television cables, running from the main trunk line or service location to any Dwelling Unit must be underground. The Association reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right of way, over and under the ground to erect, maintain and use electric and telephone systems, wires, cables, and conduits for the purpose of bringing public services to the Property, on, in or over (i) streets or roads shown on any recorded plat of the Property, (ii) ten feet of each Lot line fronting on a street and ten (10) feet along the side lines of each Lot, and (iii) fifteen (15) feet along the rear line of each Lot, and such other areas as are shown on any recorded plats of the Property; provided

further, that the Association may cut, at its own expense, drain ways for surface water wherever and whenever such action is required by applicable health or sanitation authorities in order to maintain reasonable standards of health, safety and appearance.

(d) Minimum Square Feet in Dwelling Unit. Each Dwelling Unit shall contain a minimum of 3,000 square feet of Living Area. Measurements shall be made to exterior walls.

(e) Temporary Structures. No structure of a temporary character shall be placed upon any portion of the Property at any time; provided, however, that this prohibition shall not apply to shelters or huts used by contractors during the construction of a Dwelling Unit, or improvements or additions thereto, on any Lot. Temporary shelters, tents, recreational vehicles, trailers (whether attached or unattached to the realty) may not, at any time, be used as a temporary or permanent residence or permitted to remain on any portion of the Property.

(f) Committee Approval of Plans and Other Prohibitions.

(i) As provided in Article IV, Section 1, no Dwelling Unit, structure, building, appurtenance, attachment, improvement or addition shall be built, constructed or maintained unless the Plans therefor have been approved in writing by the Committee and such construction is completed in strict accordance with the Plans. In addition, any such Dwelling Unit shall comply with all applicable building, plumbing, electrical and other codes.

(ii) No vent or other pipes or appendages may extend from the front of any Dwelling Unit, unless screened from public view by a screening material or shrubbery approved by the Committee.

(iii) Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.

(iv) Down spouts and gutters must be so constructed as to not promote the erosion of the soil of any Lot.

(v) Exterior spotlighting shall be directed so as not to cast light directly on another Dwelling Unit.

(g) Garbage and Storage Receptacles. Except as required by any appropriate governmental authority, each Owner shall provide receptacles for garbage, and all garbage receptacles, tools and equipment for use on the Lot of any Owner or otherwise shall be placed in a fenced area in accordance with reasonable standards established by the Committee to shield same from general visibility from roads abutting the Lot. No fuel tanks or similar storage receptacles, other than solar panels and related storage

facilities, may be exposed to view and such fuel tanks or similar storage receptacles may be installed only within the Dwelling Unit, or an accessory building, or buried under-ground.

(h) Debris. No leaves, trash, garbage or other similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of the Property, except as is temporary and incidental to the bona fide improvement of any portion of the Property.

(i) Antennas. No exterior antenna, satellite dish or similar exterior improvement shall be maintained upon any Lot or Common Properties without the prior written approval of the Committee; provided, however, that the Association shall not prevent access to telecommunications services in violation of applicable law. Exterior antennas, satellite dishes greater than one meter (39 inches) in diameter, or amateur radio equipment generally will not be allowed upon the Property; provided, however, that: (i) an Owner may install an antenna permitted by the Association's antenna rules upon prior written notice to the Committee; (ii) the Committee may approve other antennas in the appropriate circumstances; and (iii) the Committee may establish additional or different guidelines for antennas as technology changes. Notwithstanding the foregoing, the Board of Directors may install and maintain antennas, satellite dishes and similar equipment on the Common Properties to serve the Property.

(j) Sewage Disposal. Prior to the occupancy of any Dwelling Unit located in the Property, proper and suitable provisions shall be made by the Owner for the disposal of sewage by means of a septic tank or tanks constructed on the Lot. No sewage disposal system shall be used unless such system is designed, located, constructed and maintained in accordance with the requirements, standards and recommendations of the appropriate public health or environmental authorities. Each septic tank and the nitrification (drain) field relating thereto shall be maintained in good condition so that its use and existence shall not constitute a nuisance to any other Owner. If at any time a public or community sewage system is constructed so as to provide service to the Property, each Owner shall be required to bear a pro rata share of the cost of such system and shall be required to hook up to this public or community sewage system and bear any expense incidental thereto.

(k) Trees and Foliage. Except for damaged trees or trees which must be removed because of an emergency, trees measuring three (3) inches or more in diameter, at a point two (2) feet above ground level, and any flowering trees or shrubs above five (5) feet in height may not be removed from the Property without the written approval of the Committee, unless located within ten (10) feet of a Dwelling Unit or site for such Dwelling Unit, or driveways and walkways located or to be located on any Lot.

(l) Unsightly Conditions. Each Owner shall prevent any unclean, unsightly, or unkempt condition of the Dwelling Unit or grounds on a Lot which shall tend to materially decrease the beauty of the Lot specifically or the Property as a whole.

(m) No Offensive Activity or Fires. No noxious or offensive activity or excessive noise shall be carried on upon any portion of the Property, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Owner, tenant or guest thereof, in any portion of the Property. Fires on any Lot or on any portion of the Common Properties are prohibited unless procedures adopted by the Board are strictly complied with.

(n) Animals and Pets; Quiet Enjoyment. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Properties, except that a reasonable number of orderly, traditional domestic pets (e.g., two (2) dogs, cats or caged birds), guide animals and aquarium fish (and other limited species of animals which do not normally leave the Lot and which do not make noise) is permitted subject to the Rules and Regulations; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten (10) days written notice from the Board of Directors. Pets are not permitted upon the Common Properties unless accompanied by someone who can control the pet and unless carried or leashed. The person walking the pet shall clean up pet droppings. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. All pets which regularly leave the Dwelling Unit shall be registered and inoculated as required by law. Except as otherwise permitted herein, no plant, device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other Lots or Dwelling Units by any Owner, tenants and guests thereof, may be maintained on the Property.

(o) Discharge of Firearms. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within the Property is prohibited unless required for public safety.

(p) Docks, etc. No Owner of any Lot or Dwelling Unit shall erect or maintain a private dock, dam or similar structure on any portion of the Common Properties, such as any lakes, ponds, or waterways.

(q) Boats. No boat, canoe or water craft shall be operated upon any lake, pond or other waterway within the Property if such boat, canoe or other water craft shall be propelled by an internal combustion engine or by any other form of motorized operation which may discharge liquids or gases into the water. No boat, canoe or other

water craft shall be beached or stored overnight on the shore of any lake, pond or other waterway except within areas, if any, designated by the Committee.

(r) Motorized Vehicles. All motorized vehicles operating within the Property must be properly muffled so as to eliminate noise which might be offensive to others. All vehicles and bicycles (motorized or otherwise) are prohibited from being used or operated on or within the Common Properties or the frontal dune system; and all vehicles and bicycles shall remain on roads within the Common Properties.

(s) Signage. No sign of any kind shall be displayed to the public view on any Lot or Dwelling Unit except one (1) sign with dimensions of not more than two (2) feet by three (3) feet advertising any Lot or Dwelling Unit for sale or rent. All other signs on any Lots must be approved in writing by the Committee.

(t) Maintenance of Joint Driveway. Any joint driveways shown on any recorded subdivision map of the Property shall be maintained by the Owners of the Lots on which such joint driveways are indicated.

ARTICLE FIVE

MEMBERSHIP AND VOTING RIGHTS TN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee simple interest in any Lot or Dwelling Unit 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 holding such interest merely as a security for the performance of an obligation shall not be a Member.

Section 2. Voting Rights. The Association shall have one (1) class of voting membership consisting of all Owners of Lots or Dwelling Units. Any Member shall be entitled to one (1) vote for each Lot or Dwelling Unit owned, but a Lot with a Dwelling Unit shall together have only one (1) vote.

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

ARTICLE SIX

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the

Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Dwelling Unit.

Section 2. Title to Common Properties. The Association has title to the Common Properties and the expense of maintenance shall be borne by the Association.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created herein shall be subject to the following:

(a) The right of the Association, as provided in its Articles or Bylaws, to suspend the enjoyment rights of any Owner for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of any published rules and regulations adopted by the Board.

(b) The right of the Association to dedicate or transfer all or any part of the Common Properties (which includes streets and roads) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided, however, that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless at least sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the votes of Members entitled to vote at a Special Meeting of the Members called in accordance with the Bylaws (any consents in writing presented to the Secretary or other officer of the Association at or prior to such meeting shall constitute votes of Members), consent to and approve of such dedication, transfer, purpose or condition. If so agreed to and approved by the Members, such dedication and transfer, specifying the purpose(s) and condition(s) thereof, shall be executed by the President and Secretary of the Association with the same formalities of a deed and recorded in the Dare County Public Registry.

(c) The rights of Members of the Association shall in no wise be altered or restricted because of the location of the Common Properties.

ARTICLE SEVEN

COVENANT FOR PAYMENT OF ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot or Dwelling Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be subject to and comply with all the covenants and restrictions of this Declaration and shall pay to the Association: (1) annual assessments or charges as herein or in the Bylaws provided, (2) special assessments for capital improvements (such annual and special assessments to be fixed, established and collected from time to time as herein or in the Bylaws provided), and (3) any liquidated damages or summary charges imposed under authority contained in the Bylaws, together with costs, fees and expenses (including reasonable attorney's fees) incurred by the Association incidental to the enforcement of any Rules and Regulations, collection of assessments (both annual and special) or collection of damages or charges arising under the Bylaws. The annual and special assessments and any

liquidated damages or summary charges as herein or in the Bylaws provided, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the Lot or Dwelling Unit against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the joint and several personal obligation of the persons owning such Lot or Dwelling Unit at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, security, safety and welfare of the residents of the Property and in particular for:

- (a) the improvement, maintenance and replacement of the Common Properties;
- (b) maintenance of exteriors of Dwelling Units and related improvements on Lots (subject to reimbursement by the Owner(s) of such Lot or Dwelling Unit) pursuant to Article VIII, Sections 1 and 2 of this Declaration;
- (c) establishment of capital replacement reserves; and
- (d) for the acquisition of services and facilities devoted to the foregoing purposes or for the use and enjoyment of the Common Properties, including but not limited to, the cost of repairs, replacements, additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Properties, the procurement and maintenance of insurance related to the Common Properties, its facilities and use in accordance with the Bylaws, the employment of attorneys to represent the Association if necessary, and such other requirements as be necessary to perform all of the aforesaid functions and purposes.

Section 3. Assessment of Uniform Rates within Different Categories or Forms of Ownership. Both annual and special assessments shall be fixed at uniform rates for every Lot or Dwelling Unit within the category or form of ownership applicable to such Lot or Dwelling Unit. There will be no difference between assessments as to Lots or between assessments as to Dwelling Units. If two or more Lots or Dwelling Units are under the same ownership, each Lot or Dwelling Unit shall be assessed individually; provided, however, that the method of assessment of multiple Lots or Dwelling Units currently owned by a single owner shall not change until any such Lot or Dwelling Unit changes ownership.

Section 4. Regular Annual Assessment. The Board of the Association, by majority vote, shall determine the regular annual assessment in the amount necessary to pay for the important and essential functions of the Association.

Section 5. Special Assessments as to Common Properties. In addition to the regular annual assessments, the Board of Directors may levy additional assessments for the maintenance, improvement and replacement of the Common Properties.

Section 6. Special Assessments for Capital Maintenance. The Board of Directors may levy a special assessment in any assessment year, applicable to that year only, for the purpose of replenishing or increasing the Association's equity accounts.

Section 7. Special Assessments for Capital Improvements. In addition to the regular annual assessments, the Board of Directors may levy a special assessment in any assessment year, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repairs or replacement of any capital improvement (including without limitation any lake, waterway or pond) located upon the Common Properties, including the necessary fixtures and personal property related thereto.

Section 8. Due Dates of Assessments. The assessments for any year shall become due and payable by the date specified in the resolution authorizing such assessment but not less than fifteen (15) days after notice from the Board as to the amount of such assessment.

Section 9. Duties of the Board of Directors. The Board of Directors shall fix the due date and the amount of the assessment against each Lot and Dwelling Unit for each assessment period at least fifteen (15) days in advance of such date or period.

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

Section 10. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date due (being the dates specified pursuant to Section 9 of this Article), 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 Dwelling Unit which shall bind such Lot or Dwelling Unit the Owner, and such Owner's heirs, devisees, personal representatives, successors and assigns. The personal obligation of the Owner to pay such assessment, however, shall remain a personal obligation for the statutory period and shall not pass to successors in title unless expressly assumed by them.

If an assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of interest set by the Board, not to exceed the maximum rate permitted by law, and the Board acting on behalf of the Association, may authorize its officers to bring appropriate civil action against the Owner personally obligated to pay the same or to foreclose the lien against any such Lot or Dwelling Unit, and there shall be added to the amount of such assessment the costs of such action and reasonable attorney's fee or other costs incurred by the officers of the Association pursuant to authority of the Board. If 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, together with the cost of the action.

Section 11. Subordination of the Lien to Mortgages or Deeds of Trust. The lien of the assessments provided for herein shall be absolutely subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon any Lot or Dwelling Unit subject to assessment. The subordination shall not relieve any Lot or Dwelling Unit from liability for any assessments now or hereafter due and payable, but the lien thereby created shall be secondary and subordinate to any first mortgage or deed of trust as if the lien were a second mortgage, irrespective of when such first mortgage or deed of trust was executed and recorded.

Section 12. Exempt Property. The Common Properties subject to this Declaration shall be exempt from the assessments, charges and liens created herein.

ARTICLE EIGHT

EXTERIOR MAINTENANCE AND INSURANCE

Section 1. Exterior Maintenance. The Owner of each Lot and Dwelling Unit shall maintain the Lot or Dwelling Unit. The Architectural Control Committee shall determine if the maintenance of a Lot or a Dwelling Unit is in violation of the then-current architectural standards and guidelines. The Architectural Control Committee will notify the Board of Directors of any such violation. The Board shall issue a written notice of the violation to the Owner of the Lot or Dwelling Unit specifying a period of time for the Owner to correct the violation. If the Owner fails to comply with the written notice within the specified period, the Association shall have the right but not the obligation to perform such maintenance and remedy the violation. Such maintenance includes (but is not limited to) painting, repairing, replacing and care of roofs, gutters, downspouts and other exterior improvements on any Dwelling Unit, removal of signs in violation of this Declaration, mowing grass and weeds, trimming shrubs and removal of trash and litter.

Section 2. Assessment of Cost on Exterior Maintenance. The cost of any such maintenance shall be assessed against the Lot or Dwelling Unit upon which such maintenance is done, shall be a lien against any such Lot or Dwelling Unit and a personal obligation of the Owner and shall become due and payable as provided by the Board of Directors.

Section 3. Insurance on Dwelling Units. Each Owner of any Dwelling Unit within the Property, by acceptance of a deed therefor, whether or not it shall be expressed in the deed or by exercise of any act of ownership, shall:

(a) keep each Dwelling Unit insured against loss by fire or other casualty, with extended coverage insurance, in an amount equal to at least ninety percent (90%) of the replacement cost of such Dwelling Unit;

(b) name the Association as an insured "as its interest may appear", so that the Association shall be entitled to receive notice of cancellation of such insurance policy;

(c) build or restore such Dwelling Unit in the event of damage thereof and apply the full amount, to the extent necessary, of any insurance proceeds to the restoration or repair of such Dwelling Unit; and

(d) keep the Dwelling Unit in good repair as required by this Declaration or by the Bylaws.

In the event of non-payment of any premium for insurance required under this Article VIII, the Association is authorized, but not obligated or required, to pay such premium and the sum so paid shall become a lien upon the Dwelling Unit enforceable in the same manner and to the same extent as provided for enforcement of liens for assessments hereunder.

ARTICLE NINE

AMENDMENT TO DECLARATION

An amendment to this Declaration may be proposed by the Board of Directors acting upon a vote of a majority of the Directors, or by the Members of the Association owning a majority of the Lots and Dwelling Units, whether meeting as Members or by an instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or Members, such proposed Amendment shall be transmitted in writing to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon either call a Special Meeting of the Members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days after receipt of the proposed Amendment or send the proposed Amendment to every Member for written approval. The proposed Amendment must be approved by an affirmative vote or written approval of at least sixty-six and two-thirds percent (66⅔%) of the votes of Members. No Amendment affecting the priority of the liens of the holders of mortgages or deeds of trust against any Lot or Dwelling Unit in the Property shall be effective without the written consent of fifty-one percent (51%) of the then existing (as of the date of approval by the requisite percentage of the Members) holders of First Lien Mortgages or Deeds of Trust encumbering the Lots and Dwelling Units. If such consent is so obtained, the Amendment shall be binding on all the holders of mortgages or deeds of trust encumbering Lots and Dwelling Units in the Property. If so approved, such Amendment shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted by the requisite percentages of Members and lenders. The original or an executed copy of such Amendment so certified and executed by the officers with the same formalities as a deed, shall be recorded in the Dare County Public Registry, and no such Amendment to this Declaration shall be effective until so recorded. If any Amendment to the Declaration creates an inconsistency with the Bylaws, to the extent such inconsistency exists, the Declaration shall control.

ARTICLE TEN

CAPTIONS, INTRODUCTIONS, GENDER AND COUNTERPARTS

The captions and introductory material herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter genders, and the use of the singular shall be deemed to refer to the plural, and the use of the plural shall be deemed to include the singular, whenever the context so requires. This Declaration may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument, and in pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

ARTICLE ELEVEN

USE OF NEW TECHNOLOGY

Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by law now or in the future: (1) any notice required to be sent or received; (2) any signature, vote, consent or approval required to be obtained; or (3) any payment required to be made, under the Declaration may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice. This section shall govern the use of technology in implementing the provisions of the Declaration and the Bylaws dealing with notices, payments, signatures, votes, consents or approvals.

Section 1. Electronic Means. To the extent permitted by law, the Association and its Members and Owners may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability. Acceptable technological means shall include without limitation electronic communication over the internet, the community or other network, whether by direct connection, intranet, telecopier or e-mail.

Section 2. Signature Requirements. A digital signature meeting the requirements of applicable law shall satisfy any requirement for a signature under the Declaration and Bylaws.

Section 3. Electronic Funds Transfer. Payment of all sums to and from the Association and the Members and Owners may be made by electronic transfer of funds creating a record evidencing the transaction for the period such record would be required to be available in non-electronic form.

Section 4. Voting Rights. Voting and approval of any matter under the Declaration and Bylaws may be accomplished by electronic means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in non-electronic form.

Section 5. Non-technology Alternatives. If any Member or Owner does not have the capability or desire to conduct business using electronic or other technological means, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in similar communities in the area.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the President and Secretary have signed this Amended and Restated Declaration of Covenants, Conditions and Restrictions on the date set forth next to their respective signatures.

PALMER'S ISLAND CLUB PROPERTY OWNERS ASSOCIATION, INC.

Date: February 21, 2017

By: [Signature]
Name: William H. Chapman III
Title: President

Commonwealth OF Virginia)
County OF Southampton) ss:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that William H. Chapman III, as President of Palmer's Island Club Property Owners Association, Inc., personally well known to me or proven to be the person whose name is signed to the foregoing Amendment, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on February 21, 2017.

[Signature] [SEAL]
Notary Public

My commission expires: 03-31-2020



Date: February 21, 2017

By: [Signature]
Name: Charlotte Kettler
Title: Secretary

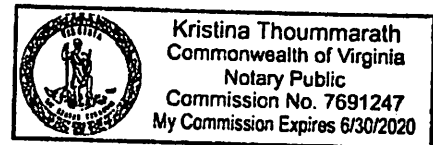
Commonwealth OF Virginia)
County OF Fairfax) ss:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Charlotte Kettler, as Secretary of Palmer's Island Club Property Owners Association, Inc., personally well known to me or proven to be the person whose name is signed to the foregoing Amendment, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on February 21, 20 17.

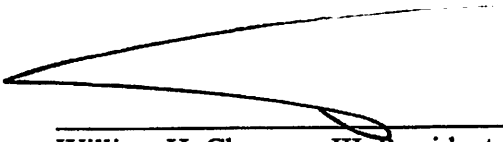
[Signature] [SEAL]
Notary Public

My commission expires: 6/30/2020



CERTIFICATION OF ASSOCIATION PRESIDENT AND SECRETARY
TO AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR PALMER'S ISLAND CLUB PROPERTY OWNERS ASSOCIATION, INC.

I, William H. Chapman III, as President of Palmer's Island Club Property Owners Association, Inc. hereby certify that the Association has complied with the procedures set forth in Article Nine of the Declaration of Covenants, Conditions and Restrictions and § 47F-2-117 of the North Carolina Planned Community Act, and that either an affirmative vote or written approval of Owners of Lots and Dwelling Units to which at least sixty-seven percent of the votes in the Association appertain was obtained together with the approval of the required Mortgagees, as evidenced by the signatures above.

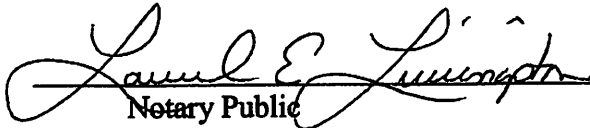


William H. Chapman III, President

Commonwealth OF Virginia)
) ss:
County OF Southampton)

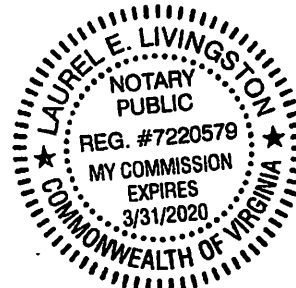
I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that William H. Chapman III, as President of Palmer's Island Club Property Owners Association, Inc., personally well known to me or proven to be the person whose name is signed to the foregoing Amendment, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the Association.

GIVEN under my hand and seal on February 21, 2017.

 [SEAL]

Notary Public

My commission expires: 03-31-2020



I, Charlotte Kettler, as Secretary of Palmer's Island Club Property Owners Association, Inc. hereby certify that the Association has complied with the procedures set forth in Article Nine of the Declaration of Covenants, Conditions and Restrictions and § 47F-2-117 of the North Carolina Planned Community Act, and that either an affirmative vote or written approval of Owners of Lots and Dwelling Units to which at least sixty-seven percent of the votes in the Association appertain was obtained together with the approval of the required Mortgagees, as evidenced by the signatures above.


Charlotte Kettler, Secretary

Commonwealth OF Virginia)
County OF Fairfax) ss:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Charlotte Kettler, as Secretary of Palmer's Island Club Property Owners Association, Inc., personally well known to me or proven to be the person whose name is signed to the foregoing Amendment, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the Association.

GIVEN under my hand and seal on February 21, 2017.



Notary Public

[SEAL]

My commission expires: 6/30/2020

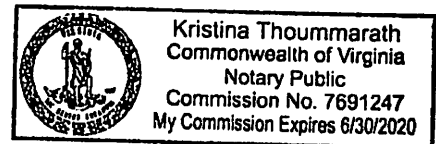


EXHIBIT A

DESCRIPTION OF SUBMITTED LAND

"Phase One – Lots 1-7; Palmer's Island Club At Sanderling" (Plat Cabinet C, Slide 11E)

All of that tract described as Phase One, Lots 1-7, Palmer's Island Club At Sanderling as shown on plat recorded in the Dare County Register of Deeds in Plat Cabinet C, Slide 11E, and more particularly described as follows:

BEGINNING at a point located on the eastern margin or right of way of NC Hwy. 12 at the northwest corner of The Salt Houses At Sanderling (Plat Cabinet A, Slide 183), and being the southwest corner of the parcel labeled RDC, Inc. on Plat Cabinet C, Slide 11E, and running thence in an easterly direction along the northern boundary of The Salt Houses At Sanderling the following courses and distances: North 67° 29' 32" East, 52.29 feet to a point; thence South 67° 30' 28" East, 106.07 feet to a point; thence South 22° 30' 28" East, 20.00 feet to a point; thence South 67° 30' 28" East, 28.00 feet to a point; thence South 22° 30' 28" East, 43.11 feet to a point; thence South 67° 30' 28" East, 125.34 feet to a point; thence North 67° 29' 32" East, 164.20 feet to a point, said point being the southeastern corner of Lot 1, Phase One, Palmer's Island Club, and the southwest corner of the Parcel labeled "Common Properties (Open Space)", said point being located South 22° 12' 28" East, 840.00 feet from the northeast corner of Lot 7, Phase One, Palmer's Island Club; thence continuing in an easterly direction along the southern boundary of the Common Properties North 67° 29' 32" East, 160.00 feet +/-, to the mean high water line of the Atlantic Ocean; thence turning and running in a northerly direction and following the mean high water line of the Atlantic Ocean to the northeast corner of the Common Properties (Open Space), said point being located North 67° 29' 32" East, 160.00 feet, more or less, from the northeast corner of Lot 7, Phase One, Palmer's Island Club; thence turning and running South 67° 29' 32" West 160.0 feet +/- to the northeast corner of Lot 7, Phase One, Palmer's Island Club; thence South 67° 29' 32" West, 300.49 feet to a point on the eastern R/W of Baum Trail, said point being the northwest corner of Lot 7, Phase One, Palmer's Island Club; thence along the eastern R/W of Baum Trail a curve to the left with arc length of 31.48 feet and radius of 758.22 feet to a point; thence continuing along the eastern R/W of Baum Trail along a curve to the left, an arc length of 114.86 feet and a radius of 97.50 feet to a point; thence continuing along the northern R/W of Baum Trail South 80° 44' 34" West, 25.48 feet to a point; thence continuing along the northern R/W of Baum Trail along a curve to the right with a arc length of 38.32 feet and a radius of 25.00 feet to a point on the eastern R/W of N.C. 12; thence turning and running a southerly direction along the eastern R/W of N.C. 12, and across the R/W of Baum Trail, a calculated tie line of South 9° 32' 34" East, 94.04 feet to a point; thence continuing in a southerly direction along the eastern R/W of NC 12 the following calls: South 9° 15' 26" East, 34.84 feet to a point; thence along a curve to the left with an arc length of 347.80 feet and a radius of 708.296 feet to a point; thence South 37° 23' 31" East, 101.13 feet to a point; thence along a curve to the right with a arc length of 106.68' and a radius of 447.505 feet to a point; thence South 23° 44' 00" East, 65.67 feet to a point, being the POINT OF BEGINNING.

TOGETHER WITH:

**“Phase Two – Lots 8-15 – Palmer’s Island Club at Sanderling”
(Plat Cabinet C, Slide 54C)**

All of that tract described as Phase Two, Lots 8-15, Palmer’s Island Club at Sanderling as shown on plat recorded in the Dare County Register of Deeds in Plat Cabinet C, Slide 54C, and more particularly described as follows:

BEGINNING at the Southwest corner Lot 8, Phase Two, Palmer’s Island Club (Plat Cabinet C, Slide 54C), said point also being the northwest corner Lot 7 , Phase One, Palmer’s Island Club (Plat Cabinet C, Slide 11E); running thence in an easterly direction along the eastern line of Lot 8, Phase Two, Palmer’s Island Club North 67° 29’ 32” East, 300.49 feet to a point, said point being the southwest corner of the “Common Properties (Open Space)” as shown on plat of Palmer’s Island, Phase Two; thence continuing North 67° 29’ 32” East, 160.00 feet, more or less, to the mean high water line of the Atlantic Ocean; thence turning and running in a northerly direction along the mean high water line of the Atlantic Ocean to a point lying in the southern boundary line of property now or formerly owned by the National Audubon Society, at the northeast corner of the “Common Properties (Open Space), said point also being in the dividing line between Currituck County and Dare County; thence turning and running a westerly direction along said County line and property of the Audubon Society North 85° 44’ 39” West, 187.54 feet, more or less, to the northwest corner of said “Common Properties”; thence continuing along the National Audubon Society line North 85° 44’ 39” West, 451.09’ to a point at the eastern R/W of N.C. 12; thence turning and running in a southerly direction along the eastern R/W of N.C. 12 the following courses and distances: South 20° 34’ 32” West, 21.59 feet to a point; thence along a curve to the left with a radius of 226.56’ and an arc length of 168.40’ to a point; thence South 22° 00’ 53” East, 95.34 feet to a point; thence along a curve to the left with a radius of 1018.23 feet and an arc length of 126.12 feet to a point; thence South 29° 06’ 41” East, 458.00 feet to a point; thence along a curve to the right with a radius of 629.948 feet and an arc length of 194.24 feet to a point; thence along a curve to the left with a radius of 25.00 feet and an arc length of 38.32 feet to a point; thence North 80° 44’ 34” East, 25.48 feet to a point; thence along a curve to the right with a radius of 97.50 feet and an arc length of 114.66 feet to a point; thence along a curve to the right with a radius of 758.22 feet with an arc length of 31.48 feet to the Southwest corner of Lot 8, Phase Two, Palmer’s Island Club (Plat Cabinet C, Slide 54C), being the POINT OF BEGINNING.

TOGETHER WITH:

**Palmer’s Island Club Property Owners Association, Inc.
(Plat Cabinet I, Slide 116)**

All of that tract described in Deed Book 780, Page 638 and shown on plat recorded at Plat Cabinet I, Slide 116, and more particularly described as follows:

BEGINNING at the shoreline of the Currituck Sound at the northern boundary of the Sanderling Property Owners Association parcel (Deed Book 618, Page 796, Tract Two and Deed Book 782, Page 180), said point being the southern line of Palmer’s Island Club Property Owners Assoc.,

Inc. (Deed Book 780, Page 638), said point also being located South 89° 25' 09" West, 77.89 feet, more or less from a concrete marker located on said property line, said concrete marker being located South 30° 08' 17" East, 1968.90 feet along a tie line from a concrete monument located on the northern boundary line of the tract described herein; thence from the POINT OF BEGINNING North 89° 25' 09" East, 77.89 feet, more or less, to a concrete marker; thence continuing North 89° 25' 09" East, 87.12 feet to a concrete marker located on the western R/W of N.C. 12; thence turning a northerly direction along the western R/W of N.C. 12 the following calls: North 23° 44' 19" West, 65.68 feet to a point; thence along a curve to the left with a radius of 387.50 feet with an arc length of 92.38 feet; thence North 37° 23' 52" East, 101.13 feet to a point; thence along a curve to the right with a radius 768.30 feet and an arc length of 377.27 feet to a point; thence North 9° 15' 47" West, 104.84 feet to a point; thence along a curve to the left with a radius of 569.95 feet with an arc length of 197.50 feet to a point; thence North 29° 07' 02" West, 458.00 feet to a point; thence along a curve to the right with a radius of 1078.23 feet with an arc length of 133.55' to a point; thence North 22° 01' 14" West, 95.34 feet to a point; thence along a curve to the right with a radius of 286.55 feet with an arc length of 213.00' to a point; thence North 20° 34' 11" East, 4.03 feet to a concrete marker, said point being the northeast corner of the property described herein, being at the western R/W of NC 12, and being the dividing line between Currituck County and Dare County; thence turning and running a westerly direction along the southern boundary of Currituck County North 85° 45' 00" West, 88.36 feet to a ½" rebar; thence continuing North 85° 45' 00" West, 306.85 feet to a concrete marker, said concrete marker being located North 30° 08' 17" West, 1968.90 feet along a tie line from a concrete monument located on the southern boundary line of the tract described herein; thence running North 85° 45' 00" West, 32.49 feet, more or less, to the shoreline of Currituck Sound; thence turning and running in a southerly direction along the various meanderings of the shoreline of Currituck Sound to the southern boundary line of said property described herein, being the POINT OF BEGINNING.

AND FORMERLY DESCRIBED AS FOLLOWS:

Lying and being in Dare County, North Carolina, and beginning at an iron stake located in the east right of way line of North Carolina State Road 1200, the northwest corner of the property known as Salthouses at Sanderling; running thence with said right of way line of State Road 1200 the seven (7) following courses and distances: (1) North 23° 44' West 65.67 feet to a point, (2) on a curve to the left in a northerly direction, said curve having a radius of 447.505 feet and an arch length of 106.68 feet, to a point, (3) North 37° 23' 31" West 101.13 feet to a point, (4) on a curve to the right in a northerly direction, said curve having a radius of 708.296 feet and an arch length of 347.8 feet, to a point, (5) North 9° 15' 26" West 34.84 feet to a point, (6) North 9° 15' 26" West 70 feet to a point, and (7) on a curve to the left in a northerly direction, said curve having a radius of 629.948 feet and an arch length of 24.05 feet, to a point; running thence on a curve to the left in an easterly direction, said curve having a radius of 25 feet and an arch length of 38.32 feet, to a point; running thence North 80° 44' 34" East .25.48' feet to a point; running thence on a curve to the right in a southeasterly direction, said curve having a radius of 97.5 feet and an arch length of 114.66 feet, to a point; running thence on a curve to the right in a southerly direction, said curve having a radius of 758.22 feet and an arch length of 272.66 feet, to a point; running thence North 67° 29' 32" East 308.13 feet to a point in a vegetation line

which lies approximately 160 feet west of the mean high water line of the western edge of the Atlantic Ocean; running thence South 22° 12' 28" East 600 feet to a point in the north line of the property of Salthouses at Sanderling; running thence on seven (7) courses and distances with said property lines of Salthouses at Sanderling as follows: (1) South 67° 29' 32" West 164.2 feet to a point, (2) North 67° 30' 28" West 125.34 feet to a point, (3) North 22° 30' 28" West 43.11 feet to a point, (4) North 67° 30' 28" West 28 feet to a point, (5) North 22° 30' 28" West 20 feet to a point, (6) North 67° 30' 28" West 106.07 feet to a point, and (7) South 67° 29' 32" West 52.29 feet to the point and place of beginning, and containing 8.05 acres, more or less. The foregoing description was taken from a plat of survey prepared by Quible and Associates, P.C., dated May 9, 1986 (File SS 1585).

TOGETHER WITH: (from First Supplement to Declaration of Covenants, Conditions and Restrictions dated as of April 26, 1988 and recorded on May 24, 1988)

TRACT 1:

Being known and designated as Lots 6 and 7 as shown on the plat of Phase One of Palmer's Island Club, recorded in Plat Cabinet C at Slides 11D and 11E in the Office of the Register of Deeds) of Dare County, North Carolina, to which plat reference is hereby made for a more particular description.

TRACT 2:

Beginning at an iron located in the northernmost corner of Lot 7 as shown on the plat of Phase One of Palmer's Island Club, recorded in Plat Cabinet C at Slides 11D and 11E in the Office of the Register of Deeds of Dare County, North Carolina; from said beginning point and running with the northwestern line of Lot 7 South 67° 29' 32" West 300.49 feet to an iron located in the northeastern right of way line of Baum Trail (private); thence running with said right of way line of Baum Trail on a curve to the left, said curve having an arc distance of 31.48 feet and a radius of 758.22 feet to an iron; continuing with said right of way of Baum Trail on a curve to the left, said curve having an arc distance of 50.59 feet and a radius of 97.50 feet to an iron; thence continuing with said right of way of Baum Trail as it leads into the eastern right of way line of North Baum Trail on a curve to the right, said curve having an arc distance of 29.32 feet and a radius of 25.0 feet to an iron; thence continuing with said right of way of North Baum Trail North 5° 34' 45" East 15.08 feet to an iron; thence continuing along said right of way line of North Baum Trail on a curve to the left, said curve having an arc distance of 128.25 feet and a radius of 303.32 feet to a point; thence leaving said right of way line of North Baum Trail and running North 67° 29' 32" East 287.28 feet to a point; thence running South 22° 12' 28" East 240.0 feet to a point, the point and place of beginning, and containing 1.69 acres, more or less. The foregoing description was taken from a plat of survey prepared by Quible & Associates dated February 1, 1988.

Together with all right, title and interest of the Developer in and to the property lying between the east property line of Lots 1 through 9 (inclusive) of Palmer's Island Club Phase One and Phase Two and the western edge of the mean high water line of the Atlantic Ocean.

TOGETHER WITH: (from Second Supplement to Declaration of Covenants, Conditions and Restrictions dated September 26, 1988 and recorded on October 10, 1988)

Being known and designated as Lots 10, 11, 12, 13, 14 and 15 as shown on the plat of Phase Two of Palmer's Island Club, recorded in Plat Cabinet C at Slides 54B and 54C in the Office of the Register of Deeds of Dare County, North Carolina, to which plat reference is hereby made for a more particular description.

Together with all right, title and interest of the Developer in and to the property lying east of the east property line of Lots 10 through 15 (inclusive) of Palmer's Island Club Phase Two and the western edge of the mean high water line of the Atlantic Ocean.

TOGETHER WITH: (from Third Supplement to Declaration of Covenants, Conditions and Restrictions dated December 26, 1989 and recorded on December 29, 1989)

Beginning at a point in the southwest corner of property owned by National Audubon Society, Pine Island Sanctuary, said point also located on the Currituck County and Dare County line, as shown on a survey of Palmer's Island Club at Sanderling, Phase II, Lots 8 through 15, dated June 1, 1988, made by Quible and Associates, P.C.; running thence South 20° 34' 32" West 21.59 feet to a point; running thence along a curve to the left with a radius of 226.55 feet and an arc distance of 168.40 feet to a point; thence running South 22° 00' 53" East 95.34 feet to a point; running thence along a curve to the left with a radius of 1018.23 feet and an arc distance of 126.12 feet to a point; thence running South 29° 6' 41" East 458.00 feet to a point; thence running along a curve to the right with a radius of 629.948 feet and an arc distance of 194.24 feet to a point; running thence along a curve to the left having a radius of 25.00 feet and an arc distance of 38.32 feet to a point; thence from said point North 80° 44' 34" East 8.79 feet to a point; thence running along a curve to the left with a radius of 25 feet and an arc distance of 32.80 feet to a point; thence running North 5° 34' 45" East 13.85 feet to a point; thence running along a curve to the left with a radius of 258.32 feet and an arc distance of 188.81 feet to a point; thence running along a curve to the right in the western margin of North Baum Trail (private) with a radius of 3570.18 feet and an arc distance of 352.72 feet to a point; thence continuing on a curve to the right with a radius of 993.24 feet and an arc distance of 63.91 feet to a point; thence running on a curve to the left with a radius of 25 feet and an arc distance of 21.40 feet to a point; thence running along a curve to the right having a radius of 50 feet and an arc distance of 52.36 feet to a point-in the southernmost corner of Lot 15 of Palmer's Island Club at Sanderling, Phase II; thence running North 16° 0' 19" West 390.05 feet to the point and place of beginning, containing 1.32 acres, more or less, all according to a survey by Quible and Associates, Inc., P.C., dated June 1, 1988, and entitled "Palmer's Island Club at Sanderling, Phase II, Lots 8 - 15". Said tract being located in Duck, North Carolina, Atlantic Township, Dare County.

TOGETHER WITH: (from Fourth Supplement to Declaration of Covenants, Conditions and Restrictions dated July 26, 2016 and recorded on August 24, 2016)

Being all of that certain road located within Palmer's Island Club at Sanderling and known as "North Baum Trail" as the same is shown on the Plat of Phase Two – Lots 8 - 15 Palmer's Island Club at Sanderling recorded in Plat Cabinet C, Slide 54C, in the Office of the Register of Deeds

of Dare County, North Carolina reference to which is hereby made for a more particular description.

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