

FILED

NORTH CAROLINA

OSPREY, SECTION 24 14

DARE COUNTY

DECLARATION OF RESTRICTIVE COVENANTS
AND RESTRICTIONS
DARE COUNTY, N.C.

WHEPEAS, Nor Banks, Inc. (hereinafter referred to as "Nor Banks"), is the fee simple owner of those certain lots or parcels of land located near the Village of Duck, Atlantic Township, Dare County, North Carolina, and shown as Lots 1 through 35, inclusive, on map or plat entitled "Subdivision Plat of 'Osprey, Section 2'", by C. P. Lewis, Registered Surveyor, dated December 7, 1984, and recorded in Plat Cabinet B, Slides 283-286, in the office of the Register of Deeds of Dare County, North Carolina;

WHEREAS, Nor Banks intends to develop the property shown on the aforesaid plat according to a common scheme with the objective that the restrictions herein imposed shall inure to the benefit of each and all of the purchasers of lots of land shown on said plat; and it is the purpose of this declaration to declare and make known the covenants and restrictions which shall apply to the land shown on the aforesaid map;

NOW, THEREFORE, Nor Banks does by this instrument declare and make known that the following covenants and restrictions are to run with the land shown on the map hereinbefore designated and shall be binding upon its successors in interest:

1. All the lots in this subdivision shall be used for single-family residential purposes only.
2. No signs or posters of any nature shall be placed on the said lots without the written permission of Nor Banks, its successors and assigns. No animals, livestock or poultry of any kind, other than household pets, shall be kept on any lots.
3. In order to preserve a desirable uniformity of beauty and to protect purchasers of lots within the subdivision from having undesirable types of architecture placed on adjoining lots, no building, fence or other structure shall be erected, placed, moved onto, maintained or in any way altered on any lot in the subdivision until such time as the proposed building plans, specifications, exterior color or finish, plot plan (showing

the proposed location and elevation of such building or structure, drives and parking areas) and construction schedule shall have been approved in writing by Nor Banks or its successor(s) in interest as developer(s) of the subdivision. All exterior antennae shall be approved in writing by Nor Banks prior to erection. Any earthmoving or earth-disturbing activity shall be approved in writing by Nor Banks prior to the commencement of such activity. Nor Banks may refuse approval of plans, location or specifications upon any ground, including purely esthetic considerations, which in the sole discretion of Nor Banks shall be deemed sufficient. No alterations in the exterior appearance of any building or other structure shall be made without similar approval being obtained from Nor Banks. One (1) copy of all plans and related data shall be furnished Nor Banks which shall be retained by it for its use.

4. The exterior of all residences and other permanent structures in the subdivision shall be completed within one (1) year after the commencement of construction. No structure shall be used at any time, either temporarily or permanently, as a residence until the exterior of such structure is complete.

5. No trailer or temporary structures, such as tents, shacks, garages, barns or other outbuildings shall be used on any lot in this subdivision at any time as a permanent or temporary residence.

6. No lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such lot to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property. All buildings, structures and their appurtenances shall be maintained in a suitable state of repair; and in the event of destruction by fire or other casualty, the premises are to be cleared and debris removed within ninety (90) days of such casualty.

7. Easements are reserved along and within five (5) feet of all side lot lines and within ten (10) feet of all front and rear lot lines for the construction and perpetual maintenance of conduits, wires and fixtures for electricity, telephone service, cablevision, water mains, sanitary and storm sewers, road drains, and other public and quasi public utilities, and to remove any obstacle which may at any time interfere or threaten to interfere with the maintenance of such lines, with right of ingress and egress from and across said premises to duly authorized maintenance personnel. This easement shall also extend along any owner's side and rear property lines where fractional lots are owned. It shall not be considered a violation of the terms of this easement if wires or cables pass under some portion of lots not within the five (5) foot wide strip, provided such lines do not hinder the construction and maintenance of buildings situated on any such lot.

An easement or right is hereby given, granted and conveyed to each purchaser of a lot as shown on the said plat of Osprey, Section 2, recorded in Plat

Cabinet B, Slides 283-286, Dare County Registry, for pedestrian access only to Currituck Sound from SR 1200. Said easement for pedestrian access only shall be five (5) feet in width running from the West right of way margin of SR 1200 to Currituck Sound along and contiguous with the North boundary line of that certain tract or parcel of land shown on boundary plat entitled "Surveyed for Joseph C. Britt and wife, Barbara N. Britt - 21.97+ Acre Parcel, North of the Village of Duck, Atlantic Twsp., Dare County, N.C.", dated December 7, 1984, by C. P. Lewis, Jr., RLS, and recorded in Plat Cabinet B, Slide 294, Dare County Registry. The aforesaid easement or right for pedestrian access only is hereby granted for the common use of and is appurtenant to and shall run with the title to the lots in Osprey, Section 2 as shown on the aforesaid subdivision plat recorded in Plat Cabinet B, Slides 283-286, Dare County Registry. However, Nor Banks reserves the absolute right in its sole discretion to relocate the said pedestrian access easement at some other location within the North and South boundaries of the tract of land shown on the aforesaid plat recorded in Plat Cabinet B, Slide 294, Dare County Registry.

8. The streets within the subdivision are private and their use shall be limited to lot owners in the subdivision and their guests.

9. For the express purpose of owning and maintaining the roads, streets and other common properties in the subdivision as shown on the aforesaid plat recorded in Plat Cabinet B, Slides 283-286, Dare County Registry (including inter alia, Spindrift Court, Puffer Court, Windsurfer Court, Snipe Court, Sunfish Court, Sailfish Court and Nor Banks Drive, and specifically including the easement for pedestrian access only to Currituck Sound granted in paragraph 7 hereof) for the benefit of the said lot owners, Nor Banks has caused to be incorporated a property owners association known as the Osprey Property Owners Association, Inc. of which each lot owner in Osprey, Section 2 shall be a member. Nor Banks reserves the right to assign its rights pursuant to these covenants and specifically paragraph 3 hereof to said Association at such time as Nor Banks, in its sole discretion, determines that such Association is prepared to assume said obligations imposed by these covenants.

10. Each and every owner of a lot shown on the aforesaid plat of Section 2 of Osprey Subdivision recorded in Plat Cabinet B, Slides 283-286, Dare County Registry, or any addition thereto, agrees to pay to the Osprey Property Owners Association Inc. (hereinafter the "Association") on July 1 of each year for the maintenance of the streets, roads and other common properties or amenities which the Association may hereafter acquire in Osprey, Section 2 as shown on the aforesaid plat (including inter alia, Spindrift Court, Puffer Court, Windsurfer Court, Snipe Court, Sunfish Court, Sailfish Court and Nor Banks Drive, and specifically including the easement for pedestrian access only to Currituck Sound granted in paragraph 7 hereof) the sum of Two Hundred and 00/100 Dollars (\$200.00) on July 1, 1985; and the sum of Two Hundred and 00/100 Dollars (\$200.00) on each and every July 1 thereafter unless and until terminated in accordance with paragraphs 12 or 13 of these covenants. The owners of said lots shall pay said sums promptly when they become due but in any

event within thirty (30) days after July 1 of each year. Upon failure of said lot owners to pay said sums when due, the amount due shall become a lien upon the lot or lots owned by such lot owners which lien may be claimed by notice and enforced by civil action in the nature of the enforcement of a laborer's and materialmen's lien against real property pursuant to G. S. 44A-7, et seq or, in the sole discretion of the Association, by civil action in the nature of the foreclosure of the lien of a deed of trust. In lieu of payment of said sums on lots owned by Nor Banks, Nor Banks may elect, in its sole discretion, to pay the entire cost of maintaining the aforesaid roads serving the lots in the subdivision. However, such action by Nor Banks shall in no way relieve the other owners of lots in the subdivision from their obligation to pay said sums for the maintenance of the aforesaid roads, streets and other common properties in the subdivision.

11. The standard to which said roads and streets in said subdivision shall be maintained is the same standard and condition maintained by Nor Banks as of the date hereof. Said roads and streets were built in accordance with North Carolina Department of Transportation standards and specifications existing as of July 1, 1984 (which standards and specifications are incorporated by reference), and have been maintained since that time in accordance with those standards.

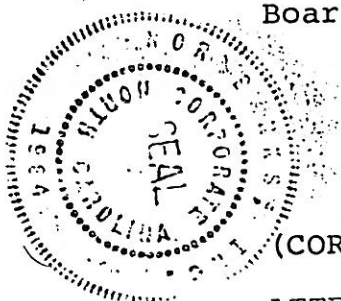
12. Nor Banks may at its option, by filing a supplemental Declaration of Restrictive Covenants, bring within the scheme of this development additional lands and subject them to the restrictions herein imposed, or make such additions, deletions or other changes to these covenants as it may see fit.

13. These restrictions shall be binding on the land in the said subdivision and all parties owning the said land or in possession thereof for a period of twenty (20) years from the date hereof and shall be extended thereafter for successive periods of ten (10) years each; unless, prior to the expiration of the initial 20 year period or any such 10 year period thereafter, an instrument signed by the owners of record of a majority of the lots in the subdivision has been recorded revoking or modifying these restrictions.

IN WITNESS WHEREOF, Nor Banks has caused this instrument to be executed in its corporate name by its authorized officers and its seal to be hereunto affixed by authority of the Board of Directors, this 18th day of January, 1985.

NOR BANKS, INC.

BY: Joseph C. Britt
Joseph C. Britt, President



(CORPORATE SEAL)

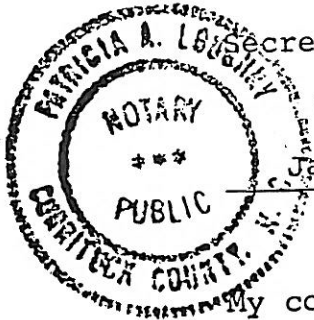
ATTEST:

Barbara N. Britt
Barbara N. Britt, Secretary

NORTH CAROLINA

DARE COUNTY

I, Patricia A. Loughry, a Notary Public, do hereby certify that Barbara N. Britt personally appeared before me this day and acknowledged that she is Secretary of Nor Banks, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by herself as its Secretary.



Witness my hand and notary stamp, this 18th day of January, 1985.

Patricia A. Loughry
Notary Public

My commission expires: 10-5-85.

NORTH CAROLINA

DARE COUNTY

The foregoing certificate of Patricia A. Loughry, a notary public of Currituck County, North Carolina, is certified to be correct.

This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Doris A. Gray
Register of Deeds

By: Vanzella McMurran
Deputy/Assistant Register of Deeds

RECORDED Jan 21 1985

Prepared by and Return to:
Robert B. Hobbs, Jr., Attorney
Hornthal, Riley, Ellis & Maland, L.L.P.
Post Office Box 310
Nags Head, North Carolina 27959

NORTH CAROLINA
DARE COUNTY

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10/17/97 10:34 AM
DORRIS A. FRY
Register Of Deeds

Document #
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OSPREY SECTION 2

AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS

THIS AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS, made and declared on October 10, 1997 by NOR BANKS, INC., a North Carolina Corporation (hereinafter the "Declarant").

W I T N E S S E T H :

WHEREAS, Declarant filed for record in the Dare County Registry on January 18, 1985 in Book 391, Page 237 a Declaration of Restrictive Covenants (the "Declaration") for Osprey Subdivision Section 2 as shown on plats filed in Plat Cabinet B, Slides 286 through 286 (the "Subdivision"); and

WHEREAS, Declarant by virtue of Section 12 of the Declaration, has the right and authority to amend, modify, or vacate the Declaration from time to time in the sole discretion of the Declarant without the consent of the Osprey Property Owners Association, Inc. (the "Association") or Owners; and

WHEREAS, the Declarant desires to revise certain existing covenants in the Declaration and impose additional covenants and restrictions upon the Lots in the Subdivision as hereinafter provided.

NOW, THEREFORE, Declarant, pursuant to the provisions of Section 12 of the Declaration recorded in Book 391, Page 237, Dare County Registry, hereby amends said Declaration with the following provisions, which shall be considered a part of said Declaration and shall be binding upon the Declarant, its successors, grantees and assigns, and upon all Owners of Lots in the Subdivision:

ARTICLE 1 REVISION OF EXISTING COVENANTS

Section 10 of the Declaration filed in Book 391, Page 237 is hereby deleted and replaced with the following revised Section 10:

10. Association Assessments.

10.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in the particular deed of conveyance, shall be deemed to covenant and agree to all the covenants and restrictions of this Declaration and to pay the Association: (1) Periodic Assessments, and (2) Special Assessments for capital improvements and other assessments to be fixed, established, and collected from time to time as hereinafter provided. The Periodic and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Each Owner expressly covenants, by acceptance of a deed, that liens may be placed against the Owner's Lot for nonpayment of assessments.

10.2. Definition of Common Properties. As used herein, the term "Common Properties" shall mean all real and personal property (a) designated and shown in writing and or on a plat by the Declarant as Common Properties or Common Areas; (b) conveyed to the Association for the use and benefit of the Association; and (c) held by Declarant for the benefit of the Association. Such real property may include, but not be limited to, roads, streets, walkways, any rights-of-way reserved to the Association, and open spaces (both landscaped and natural). Nothing contained in this definition shall limit the type of personal property which may be owned by the Association and constitute Common Properties.

10.3. Definition of Common Expenses. As used herein, the term "Common Expenses" shall mean all expenditures made by the Association in carrying out its duties together with all funds assessed by the Association for the creation and maintenance of reserve under this Declaration.

10.4. Purpose of Assessments. The assessment levied by the Association for Common Expenses shall be used exclusively for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, guests of Owners, and occupants of the Subdivision, and maintaining the Subdivision and improvements therein, all as may be more specifically authorized from time to time by the Declarant or by the Board of Directors of the Association. The Common Expenses to be funded by the periodic assessments may include but shall not necessarily be limited to the following: (a) utility charges for utilities serving the Common Properties and charges for other common services for the Subdivision including trash collection and security services if any such services or charges are in fact paid by the Association; (b) the cost of insurance coverage as the Board of Directors determine to be in the interest of the Owners; (c) the expenses of maintenance, operation and repair of the

Common Properties; (d) any real or personal property taxes assessed or levied against the Common Properties; (e) the expense of maintenance, operation, repair and reconstruction of any and all roadways, pathways, trails, and landscaped areas within the property which have not been conveyed to the Association; (f) the establishment and maintenance of a reasonable reserve fund for maintenance, repair and replacement of the Common Properties, to cover emergency repairs as a result of casualties which are not covered by insurance and to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments; (g) management fees and expenses of administration; and (h) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses.

10.5. Date of Commencement of "Periodic Assessments"; Due Date: Assessment Period. The periodic assessment provided herein for Owners shall commence upon conveyance of a Lot to the Owner. Once the assessment period has commenced, the assessments shall thereafter be due on the first day of every assessment period as this term is defined by the Board of Directors of the Association.

10.6. Basis and Amount of the Periodic and Special Assessments. Periodic and special assessments shall be divided among all of the Lots made subject to the Declaration. The Owner of each Lot shall pay a periodic assessment set by the Board of Directors based on the actual and estimated costs in carrying out its duties for the assessment period. The Board of Directors shall set a budget and establish the amounts of any periodic or special assessment, with approval to be given by a majority of the Owners who are present at a regular meeting of the members of the Association, or as may be otherwise provided in any Bylaws that may be adopted from time to time by the Board of Directors and members of the Association. The Board of Directors shall provide written notice to all Owners of a change in the amount of the periodic assessment by mailing such notice to all members at least thirty (30) days in advance of the effective date of the adopted change.

10.7. Special Assessments. In addition to the periodic assessment authorized by this Article, the Board may levy in any assessment period a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties including the necessary fixtures and personal property related thereto, or for other purposes deemed appropriate by the Association, all without the need for approval by the membership. The due date of any special assessment under this section shall be fixed in a resolution of the Board of Directors authorizing such assessment.

10.8. Duties of the Board of Directors. The Board of Directors of the Association shall prepare a roster of Owners and assessments applicable thereto which shall be kept by the Secretary or Treasurer of the Association and shall be open to inspection by any Owner. The Association shall, upon demand at any time, furnish 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. The certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid and shall be binding on the Association.

10.9. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of the Association; Late Fee. If an assessment is not paid on the date when due (being the dates specified in the notice of the assessment given to each Owner), then it shall become delinquent and shall, together with interest thereon, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate established by the Board of Directors not to exceed the maximum legal rate of interest, and the Association may bring an action at law against the Owner personally obligated to pay the outstanding assessment and/or bring an action to foreclose the lien against the property. In the event of foreclosure, the Association may place a bid to purchase the property at the sale and if the successful bidder, the Association may receive a deed from itself to complete the purchase. There shall be added to the amount of such assessment all costs of collection, including, but not limited to the cost of preparing and filing the complaint in such action, the cost of any and all attorneys' fees incident to collection whether or not suit is brought, including attorneys fees on appeal. In the event a judgment is obtained, such judgment shall include interest on the assessments as provided above and a reasonable attorneys' fee to be fixed by the Court, together with costs incident to the action. In addition to the foregoing remedies, the Board of Directors may assess a one-time "Late Fee" as may have been theretofore established by the Board of Directors for each periodic or special assessment which is more than thirty (30) days delinquent, for the purpose of helping defray collection costs.

10.10. Subordination of the Lien to Deeds of Trust or Mortgages. The lien for the assessments provided for in this Declaration shall be subordinate to the lien of any deed of trust or mortgage now or hereafter placed upon an Owner's property subject to assessment, unless such assessment is secured by a Claim of Lien that is recorded prior to the recordation of such deed of trust or mortgage.

ARTICLE 2
NEW COVENANTS

The following new Sections are hereby added to the Declaration:

14. All Owners must exercise reasonable care to control erosion and to prevent runoff onto adjoining Lots. The Board of Directors of the Association may require bulkheading and/or landscaping if the Board of Directors of the Association determines in its sole discretion that bulkheading and/or landscaping is required to control erosion and/or to prevent runoff on to adjoining Lots.

15. If an Owner installs exterior lighting on the Owner's Lot or Dwelling, the Owner must minimize lights spillage on to adjoining Lots. Owners shall avoid the use of high intensity exterior lights on their Lots and Dwellings. The Board of Directors of the Association may require any Owner to install hoods on exterior light fixtures, or to redirect exterior lighting, or both, all in the Board's sole discretion.

16. Parking within the Subdivision.

16.1. Parking of Non-Passenger Vehicles.

a. "Passenger Vehicles" shall be defined as automobiles, passenger vans, passenger four-wheel drive vehicles, standard one-half (½) ton pickup trucks, and any other vehicle defined as a "Passenger Vehicle" by the Board of Directors of the Association.

b. "Non-Passenger Vehicles" shall be defined as vehicles other than a Passenger Vehicle (including but not limited to recreational vehicles, motor homes, campers, trucks larger than standard one-half (½) ton pickup trucks, unserviceable vehicles, inoperable motor vehicles, trailers, boats, watercraft, or associated boat or watercraft trailers) and any other vehicle defined as a Non-Passenger Vehicle by the Board of Directors of the Association.

c. Non-Passenger Vehicles shall not be parked on any Lot on a long-term or permanent basis unless they are parked under the dwelling and screened from public view; the adequacy of screening shall be judged by the Board of Directors of the Association.

d. Non-Passenger Vehicles may be parked in an Owner's driveway on a temporary basis not to exceed the number of days established by the Board of Directors of the Association from time to time.

e. Non-Passenger Vehicles shall not be parked on any subdivision street at any time, even on a temporary basis.

17. Owners of improved and unimproved Lots shall plant, size, trim, maintain and, if necessary, remove all trees, plants, shrubs and other landscaping so that no trees, plants, shrubs and other landscaping shall obstruct the view of the ocean or sound from any other Lot in the subdivision. The determination of the unacceptability of any such obstruction shall be made by the Board of Directors of the Association in its sole discretion. Should an Owner fail to comply with this covenant within thirty (30) days after notice to such Owner of the violation, the Board of Directors of the Association may (but shall not have the obligation to) enter upon such Lot and perform whatever trimming, maintenance, removal, or other landscaping activity that may be required to remove the obstruction prohibited by this covenant. If the Board of Directors of the Association elects to preform such work on a Lot, the cost of such work shall be assessed against such Lot, and such assessment shall be paid by the Owner as a Special Assessment, and the payment of such Special Assessment shall may be enforced by the Board of Directors of the Association in the same way as the enforcement of other assessments provided for by these restrictive covenants.

ARTICLE 3
CUMULATIVE EFFECT

All of the provisions contained in this Amendment shall encumber all Lots in the Subdivision in addition to those contained in the Declaration. Wherever a provision of this Amendment conflicts with specific provisions of the Declaration, the provisions of this Amendment shall prevail. Except as herein modified, the provisions and covenants of the Declaration shall remain unchanged and continue in full force and effect as therein provided.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors.

NOR BANKS, INC., a North Carolina Corporation

BY:

Joseph C. Britt
President



Barbara N. Britt
Secretary

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STATE OF North Carolina
COUNTY/CITY OF DARE

I, a Notary Public of the County or City of DARE, and State
aforesaid, certify that Barbara N. Britt personally came before me this day and
acknowledged that she is Secretary of NOR BANKS, INC., a North Carolina Corporation,
and that by authority duly given and as the act of the Corporation, the foregoing instrument was
signed in its name by its President, sealed with its corporate seal and attested by ~~(him)~~
(her) as its Secretary.

Witness my hand and official stamp or seal, this 10 day of October,
19 97.

[Signature]
Notary Public

My commission expires: 1-7-2002

(AFFIX NOTARY SEAL)

CHRISTINE A. BOYLE
NOTARY PUBLIC
DARE COUNTY, NC

NORTH CAROLINA
DARE COUNTY

The foregoing or annexed certificate(s) of Christine A. Boyle a Notary
Public of Dare Co., NC is/are certified to be correct.

This 12 day of Oct., 19 97.

[Signature]
Register of Deeds

BY: [Signature]
Deputy Assistant
Reg. of Deeds

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