THIRD AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, LANDS END AND LANDS END WEST

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068

Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Alex Dale
THIRD AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS,
LANDS END AND LANDS END WEST

THIS THIRD AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS ("Declaration") is made
and entered into as of the 9th day of July, 2018 by LANDS END OF EMERALD ISLE
ASSOCIATION, INC., a North Carolina non-profit corporation ("Association").

RECIPIENTS:

WHEREAS, American Classic Industries, Inc., a North Carolina corporation,
recorded the Declaration of Covenants, Conditions and Restrictions in Book 368, at Page 297 in
the office of the Register of Deeds of Carteret County, as amended in Book 564, at Page 203,
9, all in the office of the Register of Deeds of Carteret County (collectively, the "Original
Declaration"); and

WHEREAS, pursuant to Article 18 of the Second Amended and Restated
Protective Covenants, recorded in Book 940, at Page 485, of the Register of Deeds of Carteret
County, the Original Declaration may be amended by the affirmative vote of the Owners of
sixty-six and two/thirds percent (66 2/3%) of the Lots in Lands End, which Owners are entitled
to vote; and

WHEREAS, the Association has obtained the affirmative vote of the Owners of
more than sixty-six and two/thirds percent (66 2/3%) of the Lots in Lands End, which Owners
are entitled to vote, to amend and restate the Original Declaration.

NOW, THEREFORE, the Association hereby covenants and declares on behalf of
itself and its successors and assigns that the Original Declaration is hereby amended and restated
in its entirety. The real estate previously made subject to the Original Declaration from the date
this Declaration is recorded in the office of the Register of Deeds of Carteret County shall be
held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of
which shall run with the real estate and bind and inure to the benefit of all current owners and
perspective purchasers and parties who have or may acquire any right, title, estate or interest in
or to any of such real estate or who have or may acquire any right or occupancy of or interest
upon any portion thereof, all subject to the right of the Association to amend this Declaration according to its terms.

1. **AMENDMENT AND RESTATEMENT OF ORIGINAL DECLARATION.** The Original Declaration is hereby amended to delete and rescind the Original Declaration in its entirety, subject to Articles 2 and 19 herein, and adopt in its place instead this Declaration.

2. **EASEMENTS IN ORIGINAL DECLARATION.** Notwithstanding the replacement of the Original Declaration with this Declaration, all easements created and described in the Original Declaration shall be easements appurtenant to, and shall run with, the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the Association and the Owners, all their grantees and their respective heirs, successors, personal representatives or assigns.

3. **DEFINITIONS.**
   A. "Articles" shall mean the Articles of Incorporation of Lands End of Emerald Isle Association, Inc. as filed with the North Carolina Secretary of State.
   B. "Assessment" shall mean the assessments levied on all Lots to fund the Common Expenses.
   C. "Association" shall mean and refer to Lands End of Emerald Isle Association, Inc., a North Carolina non-profit corporation, and its successors and assigns.
   D. "Association Documents" shall mean collectively the Articles of Incorporation, the Bylaws, this Declaration, the rules and regulations adopted by the Board, the Design Guidelines adopted by the Association, if any, and any resolutions adopted by the Board, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.
   E. "Benefited Assessment" shall mean the assessments levied under Section 10.H.
   F. "Board of Directors" or "Board" shall mean the body responsible for administration of the Association selected as provided in the Bylaws.
   G. "Bylaws" shall mean the Bylaws of the Association as they may be amended from time to time.
H. "Common Area" shall mean all property made subject to this Declaration, other than numbered Lots designated for purposes of conveyance for use as Dwelling Units, as well as all real and personal property in which the Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including easements held by the Association for those purposes. It specifically shall include all lands shown (whether surveyed with metes and bounds descriptions or not) on the plats, excluding the Lots, recorded in the Register of Deeds in Book of Plats 11, Pages 73-80, Book of Plats 19, Page 7, Book of Plats 24, Page 135, and Book of Plats 25, Pages 133-134, as well as the real property interests conveyed to the Association by Special Warranty Deed recorded in Book 1544, Page 468, with File No. 1544468, on June 9, 2016, with the Register of Deeds, with recognition that the boundaries of certain Lots are established pursuant to the terms of the Supplemental Declaration.

I. "Common Expenses" shall mean and refer to any and all expenditures made by or financial liabilities and obligations of the Association, together with any allocations to reserves, including without limitation, expenditures for the general administration of the Association, maintenance and operation of the Common Area, acquisition and replacement of supplies (intended for permanent or consumable use) for the clubhouse, payment of any taxes owed by the Association, and employment or other engagement of labor and professional assistance, including, but not limited to, retention of landscapers, accountants, attorneys, engineers, clubhouse maintenance and clubhouse security personnel, and gate and other security service personnel.

J. "Community-Wide Standards" shall mean and refer to the standards for conduct, care, maintenance, repair, replacement, and other activity generally prevailing within the Lands End community or the minimum standards established pursuant to the Association's rules and regulations and Board of Directors resolutions, whichever is a higher standard. Such standards may contain both objective and subjective elements as determined by the Board of Directors from time to time. The standards may evolve and change as the needs and desires within the Lands End community change. To the extent set forth in a separate written document, the Community-Wide Standards will be part of the Association Documents.

K. "Construction Bond" shall mean the bond described in Section 14.T.
L. "Declaration" shall mean this Declaration and any exhibit, schedule or amendment thereto, all as may be amended, restated and revised from time to time.

M. "Design Guidelines" shall mean the architectural, design, development, and other guidelines, standards, controls, and procedures, including, but not limited to, application and review procedures, set forth in Article 13 and applicable to the Property.

N. "Dwelling Unit" shall mean any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as a residence for a single family.

O. "Landscaping" shall mean living plants, shrubs, trees, vegetation, ground coverings (including grass and sod) and appurtenant live/growing vegetative materials, straw, mulches, composting materials, pools (other than swimming pools), ornamental ponds, ornamental structures and any other living or non-living material or structure reasonably constituting a part of any or all of the foregoing installed upon a Lot.

P. "Lot" shall mean a portion of the Property, whether improved or unimproved, other than Common Area and property dedicated to the public, which may be independently owned and conveyed and which is separately identified on a map of all or any portion of the Property recorded in the Register of Deeds. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon, including but not limited to the Dwelling Unit.

Q. "Member" shall mean a Person having membership in the Association consistent with Section 7.A of this Declaration.

R. "Mortgage" shall mean a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

S. "Mortgagor" shall mean a beneficiary or holder of a Mortgage.

T. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Lot, excluding those having such interest merely as security for the performance of an obligation.

U. "Person" shall mean a natural person, corporation, limited liability company, partnership, trust, or any other legal entity.
V. "Property" or "Lands End" shall mean all the real property previously made subject to the Original Declaration.

W. "Register of Deeds" shall mean the office of the Register of Deeds of Carteret County, North Carolina.

X. "Reserve Fund" shall mean the fund described in Section 10.G.

Y. "Road Usage Fee" shall mean the fee described in Section 14.T.

Z. "Supplemental Declaration" shall mean the Supplemental Declaration of Second Amended and Restated Protective Covenants, Lands End and Lands End West, recorded in Book 1544, Page 460, with File No. 1544460, on June 9, 2016, with the Register of Deeds, which is not being deleted and is incorporated herein by reference pursuant to Section 19.

AA. "Upkeep" shall mean care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

4. COMMON AREA. The Common Area shall be owned, maintained and managed by the Association. Subject to the limitations contained herein, each and every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with title to every Lot. Notwithstanding this right and easement, the Association shall have the following rights and obligations, all of which may be exercised by action duly taken by the Board of Directors, without joinder of any Owner (except as specified herein):

A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

B. The right of the Association to limit the number of users of any Common Area at any one time and to restrict the use of the Common Area to Owners, their families, lessees and guests.

C. The right of the Association to grant easements, rights-of-way or other use rights over any portion of the Common Area.

D. The right of the Association, by action of its Board of Directors, to pledge or encumber any Common Area other than roads and streets for the purpose of procuring funds to make improvements to the Common Area.
E. The right of the Association to make and adopt rules and regulations concerning the use and enjoyment of all or any portion of the Property that are not inconsistent with the use restrictions and other provisions of the Association Documents, including, but not limited to, rules and regulations regulating the use and enjoyment of the Common Area or rules and regulations relating to the use of, and parking and traffic on, streets (public or private) located within Lands End.

F. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, except that no Common Area may be conveyed to any Person other than a public agency, authority, or utility without consent of Owners representing sixty-six and two-thirds (66 2/3%) of the Lots in Lands End, which representation shall be determined based upon the number of Owners entitled to vote at that time, unless such conveyance is made to an Owner holding fee simple title to adjoining real property and is of a "de minimus" amount of land which does not significantly impact the value or function of the retained Common Area, in which case the Board of Directors may approve such conveyance; however, "de minimus" is defined as a portion of such insignificance as to not affect the use or value of adjacent Common Area.

G. The right of the Association to suspend the privilege of an Owner (and anyone claiming utilization rights through any Owner) to use the Common Area.

5. DELEGATION OF USE. An Owner may delegate to their family members, guests and lessees the right to utilize Common Area on the same basis as such rights are reserved to the Owner subject to rules, regulations, and policies adopted by the Board.

6. RESTRICTIONS ON RENTALS. Lands End is primarily a first and second home residential community. The Common Area and the amenities constructed thereon have been designed for utilization by Owners. Therefore, no Lot within Lands End may be utilized for rental purposes unless the Owner complies with the following conditions and restrictions:

A. No Lot shall be leased for a period of less than fourteen (14) days ("Rental Term"). No Rental Term for a particular Lot may commence until the previous Rental Term has terminated.
B. All leases for any Lot shall be in writing signed by the Owner, or the Owner's agent, and the tenant. The Owner shall provide the Board with a fully executed copy of the lease prior to the commencement of the Rental Term.

C. All leases shall be in such form, and contain such provisions, as approved by the Board, including provisions (a) requiring the tenant to comply with the Association Documents, (b) providing that the failure of any tenant under a lease to comply with the Association Documents shall constitute an event of default under the lease, and (c) providing that the Board may exercise any and all remedies for a default under the Association Documents against the Owner and the tenant under the lease including, without limitation, the right to remove a tenant from possession of a Dwelling Unit by judicial process or otherwise.

D. If an Owner utilizes a rental agent ("Rental Agent"), the Owner must provide the Board with a fully executed copy of the listing agreement between the Owner and Rental Agent ("Listing Agreement"), which Listing Agreement must be in a form approved by the Association.

E. The Owner shall be responsible fully for the conduct of his or her lessees;

F. The Board may adopt additional, reasonable rules and regulations regarding leasing which may include, but are not limited to, the imposition of a fee to the Owner leasing the Lot equal to the costs of administration and ensuring compliance with the restrictions, rules and regulations relating to leasing incurred by the Association.

If an Owner fails and refuses to abide by the restrictions and conditions contained herein, said Owner may be prohibited by the Association, upon notification given to said Owner by the Association, from leasing his or her Lot. Furthermore, the Board shall have and is specifically reserved and hereby granted the right by each and every Owner to prohibit any Owner from using a Rental Agent if the Board finds that said Rental Agent does not comply fully with the terms of the Association Documents regarding leasing.

7. ASSOCIATION.

   A. Every Owner shall be a member of the Association.

   B. All Owners shall have one (1) equal vote for each Lot in which they hold the interest required for membership in the Association. However, only one (1) vote shall be allowed per Lot; to the extent that there is more than one (1) Owner of any one (1) Lot,
said Owners shall determine among themselves, and designate, one (1) voting member, which
ing voting member shall cast the vote allocated to said Lot. If the Owners cannot agree among
themselves, the Board shall determine and designate a voting member from among the Owners
of the Lot.

C. The Association shall be the entity responsible for management,
Upkeep, operation and control of the Common Area. The Association shall be the primary entity
responsible for enforcement of the Association Documents, but an aggrieved Owner may
institute an available remedy in law or in equity for violation of the Association Documents. The
Association shall perform its functions in accordance with the Association Documents and North
Carolina law. The Association shall have all powers reasonably necessary to perform its
functions and obligations described in the Association Documents including, but not limited to,
all powers set forth in Chapter 55A of the North Carolina General Statutes. Unless otherwise
specifically provided in the Association Documents, all rights, powers, easements, obligations,
and duties of the Association may be performed by the Board on behalf of the Association, and
the Board shall have the authority to delegate to Persons of its choice such duties as may be
determined by the Board to be expedient. The Association shall be governed by a Board of
Directors, selected by vote of the members in accordance with the provisions set out herein and
in accordance with the Bylaws of the Association.

8. ASSOCIATION RIGHTS, OBLIGATIONS, SERVICES

A. The Association may acquire, hold, and dispose of tangible and
intangible personal property and real property.

B. The Association may exercise any right or privilege given to it
expressly by the Association Documents or which may be reasonably implied from, or
reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically
provided in the Association Documents, or by law, all rights and powers of the Association may
be exercised by the Board without a vote of the membership.

C. The Association may, but shall not be obligated to, maintain or
support certain activities within the Property designed to promote the health, safety and welfare
of Owners and occupants of any Lot. Notwithstanding anything contained herein or in the
Association Documents, neither the Association nor the Board shall be liable or responsible for,
or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or
occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Property.

D. The Association may maintain or support certain activities within the Property designed to provide a greater level of safety than exists within the Property. Neither the Association nor the Board shall in any way be considered insurers or guarantors of safety within the Property, nor shall they be held liable for any loss or damage for failure to provide adequate safety or ineffectiveness of safety measures undertaken.

E. Upon adoption of a resolution by the Board stating that, in the Board's opinion the present use of a designated part of the Common Area is no longer in the best interest of the Owners or is no longer necessary or appropriate for the purposes intended, the Board shall have the power and right to change the use of any Common Area (and, in connection therewith, construct, reconstruct, remove, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided that any such new use (i) shall be for the benefit of the Owners, and (ii) shall be consistent with any deed restrictions and zoning regulations restricting or limiting the use of the Common Area.

F. The Association may employ the services of professionals such as engineers, lawyers, and accountants to promote the proper maintenance of all Common Area and to provide the smooth, proper and legal administration of the Association.

G. The Association, acting through its Board, shall obtain and continue in effect, if reasonably available, any insurance policies it deems necessary, including without limitation, property insurance, commercial general liability insurance, directors and officers liability insurance, and workers compensation insurance. The cost of obtaining and maintaining any insurance policies held by the Association shall be a Common Expense allocated among all Lots as part of an Assessment.

H. In order to protect and maintain the condition of the clubhouse, the Association may employ the services of Persons to maintain, repair, clean, and secure the clubhouse at any time, including, but not limited to, during or after events held at the clubhouse even if such events are not hosted or otherwise affiliated with the Association in any way. As
the Board solely determines, the Association also may acquire and store in the clubhouse paper products, kitchen supplies, cooking supplies, cleaning supplies, food products, and other materials that may reasonably be useful for the operation and preservation of the clubhouse and its kitchen.

9. MAINTENANCE RESPONSIBILITIES.
   A. The Association shall provide Upkeep for all Common Area within Lands End, including all streets and all improvements and facilities constructed on any Common Area.
   
   B. Except as otherwise specifically provided herein, all costs for Upkeep of the Common Area shall be a Common Expense allocated among all Lots as part of an Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to this Declaration, other recorded covenants, or agreements with such Persons.
   
   C. Each Owner shall provide for the Upkeep of his or her Lot and Dwelling Unit and all other structures, parking areas, Landscaping, and other improvements upon the Lot in a manner consistent with the Community-Wide Standards as determined by the Board and all applicable covenants, unless such responsibility for Upkeep is otherwise assumed by or assigned to the Association.
   
   D. In addition to any other enforcement rights, if an Owner fails to properly perform his or her Upkeep responsibility, the Association may enter the Owner's Lot and perform such work for Upkeep and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 10.H. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

10. CREATION OF ASSESSMENTS.
    A. The Association shall levy assessments against each Lot for Common Expenses as the Board may specifically authorize from time to time. There shall be three (3) types of assessments for Association expenses: (a) annual assessments to fund Common Expenses for the general benefit of all Lots (commonly known as dues); (b) Benefited Assessments as described in Section 10.H; and (c) Special Assessments as described in Section 10.I. Each Owner, by accepting a deed or entering into a recorded contract of sale for
any Lot within any portion of Lands End, is deemed to covenant and agree to pay these assessments.

B. All assessments, together with interest from the due date of such assessment at a rate determined by the Association (eighteen percent (18%) per annum or the highest rate allowed by North Carolina law, whichever is higher), late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 10.J. Each such assessment, together with interest, late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, also shall be the personal obligation of the person who was the Owner of such Lot at the time the assessment was levied. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance. No first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

C. All assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, an assessment for each Lot shall be due and payable in advance each year on the first day of the fiscal year of the Association.

D. The Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

E. No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

F. Computation of Annual Assessment. The Board of Directors of the Association shall, for each fiscal year of the Association, adopt a budget for the Association,
which shall set the annual assessment (commonly known as dues). The dues payable by each Owner shall be as allocated hereinafter as necessary to fund the budget of the Association, and the annual assessment may be paid as dues in such installments as the Board shall determine. The dues shall not be increased more than ten percent (10%) per annum. Written notice of the dues shall be sent to each member at least fifteen (15) days prior to the due date for payment of each charge. The Board of Directors shall conduct at least two (2) review meetings for the proposed budget so that interested Association members may attend to be allowed to comment on the budget prior to its completion and approval by the Board. For purposes of Assessments, an "Improved Lot" shall be any Lot upon which the first act of construction or ground disturbing activity designed towards construction of any Dwelling Unit has begun. An "Unimproved Lot" shall mean a Lot upon which no construction or ground-disturbing activity has taken place. A Lot shall be deemed to have been improved, and shall no longer be an Unimproved Lot, upon the first act of construction or ground disturbing activity designed towards construction of any Dwelling Unit on the Lot. Notwithstanding any other provision herein, an Unimproved Lot shall be assessed in an amount equal to two-thirds (2/3) of the assessment levied against an Improved Lot. Once an Unimproved Lot becomes an Improved Lot, said Lot shall be assessed immediately as an Improved Lot.

G. **Reserve Funds.** The Board shall prepare, on an annual basis, reserve budgets for general purposes which include (i) a reserve allocation or account for a general operating reserve to prepare for, or guard against, extraordinary or unexpected operating expenses of a general nature, and/or (ii) a reserve allocation or account for capital repairs and replacements that takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such reserve budgets also may anticipate making additional capital improvements and purchasing additional capital assets. In the Assessments, the Board shall include reserve contributions in such amounts sufficient to meet these projected needs, if any, as determined by the Board in its sole discretion.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general Association purposes. The retained portion of Construction Bonds, Road Usage Fees, and interest may be deposited in the appropriate Reserve Fund as determined by the Board.
H. **Benefited Assessments.** The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

i. to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, caretaker service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

ii. to cover costs incurred in bringing the Lot into compliance with the terms of the Declaration, Bylaws, and rules and regulations or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their family members, tenants, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this subsection (ii).

I. **Special Assessments.** In addition to other authorized assessments, the Board may levy Special Assessments from time to time to cover unbudgeted expenses, expenses in excess of those budgeted, and for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair, or replacement of improvements upon any Common Area, including the acquisition of fixtures or personal property related thereto. Such Special Assessments must be approved by at least two-thirds (2/3) of the votes cast by members in attendance (in person or by proxy) at a meeting duly called for this purpose or by written agreement. Special Assessments shall be payable in such manner and at such time as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

J. **Lien for Assessments.** All assessments authorized in this Article shall constitute a lien against the Lot against which they are levied, as provided in N.C. Gen. Stat. § 47F-3-116, as amended, until paid unless otherwise specifically precluded in this Declaration. The lien shall also secure payment of interest (subject to the limitations of North Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except (a) those superior by law, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage
with first priority over other Mortgages) made in good faith and for value. The Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and foreclosure.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Article 10, including such acquirer, its successors and assigns.

K. **Acceleration.** In any case where an assessment or other charge is payable in installments, upon a default by such Owner in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessment or other charge may be accelerated, at the option of the Board, and the entire balance of the assessment or other charge may be declared due and payable in full by the service of such notice to such effect upon the defaulting Owner.

L. **Failure to Assess.** Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.
11. COMPLIANCE AND ENFORCEMENT.

A. General Remedies. Every Owner and occupant of any Lot shall comply with the Association Documents. Failure to comply shall be grounds for an action by the Association, as determined by the Board, to recover sums due, for damages, injunctive relief or any other remedy available at law and equity.

B. Enforcement/Sanctions. The Board, or such other Association agent with the Board's approval, may impose sanctions for violations of Association Documents after notice and a hearing in accordance with the procedures set forth in the Declaration. Such sanctions may include, without limitation:

 i. Imposing reasonable monetary fines which shall constitute a lien upon the Lot of the Owner;

 ii. Suspending an Owner's right to vote if the Owner is more than ninety (90) days delinquent in paying any assessment or other charge owed to the Association. If an Owner's right to vote is suspended pursuant to this subsection, said Owner's Lot shall not be considered to determine the total votes of the membership for purposes of approving any action on which members are allowed to vote;

 iii. Suspending any person's right to use any part of the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from the Lot;

 iv. Suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than ninety (90) days delinquent in paying any assessment or other charge owed to the Association; and

 v. Levying Benefited Assessments to cover costs incurred in bringing a Lot into compliance in accordance with Section 10.H.

C. Self-Help Remedies. The Board or such other Association agent with the Board's approval, may elect to enforce any provision of the Association Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations in accordance with any applicable ordinance(s) of Carteret County, North Carolina) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in Section 11.G or in the Bylaws.
D. **Cumulative Remedies/Attorneys' Fees.** The Association shall have all powers and remedies under the Association Documents which shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Association Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

E. **Association's Right Not to Take Action.** The Association shall not be obligated to pursue enforcement action in any particular case, such decisions to be within the discretion of the Board, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (a) the Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or justify expending Association funds; or, (d) it is not in the best interest of the Association, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such covenant, restriction, rule or provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, rule or provision, nor shall it preclude any Owner from taking action at law or in equity to enforce the Association Documents.

F. **Enforcement by Owner.** Nothing set forth in this Article 11 shall prevent any aggrieved Owner from instituting any available remedy at law or in equity for a violation of the Association Documents.

G. **Hearing Procedures.** Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty, (ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of an Owner or the occupant of an Owner's Lot for violations of the Association Documents, or for assessments or other amounts due and owing to the Association remaining unpaid for a period of ninety (90) days, or longer, unless and until the following procedure is completed:
Written demand to cease and desist from an alleged violation shall be served upon the Owner specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than five (5) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

i. **Notice.** At any time within twelve (12) months following receipt of notice of the alleged violation, the Board, or an adjudicatory panel appointed by the Board, shall serve the Owner with a written notice of a hearing to be held by the Board in a meeting (the meeting, or at least the portion thereof in which the hearing is held, shall be closed to the general membership) or an adjudicatory panel appointed by the Board; provided, however, any adjudicatory panel appointed by the Board shall be composed of members of the Association who are not officers of the Association or members of the Board. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on his or her behalf; and (iv) the possible sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the Owner who is in violation or whose guest, family member, or tenant is in violation ("Violating Owner") by placing said notice in the United States mail, postage prepaid, addressed to the address provided to the Association by the Violating Owner, or if no such address is provided, to the address of the Violating Owner's Lot in Lands End.

ii. **Hearing.** The hearing shall be held in executive session of the Board or an adjudicatory panel appointed by the Board pursuant to the notice affording the Violating Owner a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In addition, a written statement of the results of the hearing and the sanction, if any, imposed shall be mailed by the United States mail, postage prepaid, by the Association to the Violating Owner.

iii. **Appeal.** If the hearing is held before an adjudicatory panel, following such hearing and notice of a decision adverse to the Violating Owner, the Violating Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Association within fifteen
(15) days after the date of the decision, said written notice to contain information by which the Board may notify the Violating Owner of the date of the appeal hearing. If no adjudicatory panel is appointed by the Board, no right of appeal shall exist.

iv. **Sanction as Assessment.** Pursuant to the provisions of this Section, a fine may be imposed by the Association in an amount not exceeding One Hundred and No/100 Dollars ($100.00) (or any greater amount as may be provided otherwise by law) per violation of the Association Documents and without further hearing, for each day after five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an assessment as set forth in this Declaration. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

12. **RULES AND POLICIES.** The Board of Directors may from time to time establish rules and policies for use of any property within Lands End. All such rules and policies shall be effective after written notice of adoption is mailed to the Owners of all Lots as of the date of the adoption of such rules and/or policies. All such rules and policies shall be enforceable as set forth in this Declaration.

13. **ARCHITECTURAL CONTROL COMMITTEE.**

A. The Board shall create and appoint an Architectural Control Committee (the "Committee"). The Committee shall consist of a minimum of three (3) owners, and shall be appointed annually by the Board, and shall serve and may be removed in the Board's discretion. A Chairman shall be appointed from among the membership of the Committee by the Board. The Chairman shall not be a member of the Board. No more than one (1) member of the Board shall serve on the Committee.

B. No improvements (including staking, clearing, excavation, grading and other site work); exterior alteration of existing improvements (including painting); placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit, other structure or the Common Area (e.g., signs, mailboxes, mailbox posts, accessory buildings, elevators, antennae, clotheslines, playground equipment, temporarily or permanently installed basketball goals, pools, propane tanks, lighting, temporary structures, and artificial vegetation); planting or removal of Landscaping; installation or removal of a well, septic system, or an irrigation system; removal of any tree with a diameter of three inches or greater measured two
feet above normal grade at its base; the clear cutting of any vegetation over thirty percent (30%) or more of the gross area of any Lot, or alteration by more than six inches of the natural grade of twenty percent (20%) or more of any Lot (any such grade alteration shall require the Owner to submit an engineering report, prepared by a firm acceptable to the Board, indicating topographical grade changes to include any impact, with proposed remediation, of view impairment and water runoff to other Lots or Common Area) shall take place except in compliance with this Article, this Declaration, including the Use Restrictions, and the Design Guidelines and with the approval described in Section 13.F. Any Owner may remodel, paint or redecorate the interior of structures including the Dwelling Unit on his or her Lot without approval. However, modification of the exterior and modifications to the interior of screened porches, patios, and similar portions of a Lot visible from other Lots, Dwelling Units, Common Area or streets (public or private) within the Property shall be subject to this Article and approval as set forth below. Any Owner seeking approval of a grade alteration of a Lot has the obligation to inform the Association whether the grade alteration will be by more than six inches of the natural grade of twenty percent (20%) or more of the Lot, and the Owner has the obligation to determine whether the grade alteration requires the submission of an engineering report to the Association as described above. While the Association retains the right to determine on its own whether any grade alteration proposed for a Lot requires the submission of an engineering report for the reasons described above, the Association has no duty or obligation to independently determine whether a grade alteration or other improvement proposed by an Owner requires the submission of an engineering report under this Paragraph, but the Owner has the obligation to make this determination. The height of any grade alteration or other improvement on any Lot, including, but not limited to, the height of any Dwelling Unit, may be limited or restricted by the Committee as it determines in its discretion based on the improvement's harmony of external design with existing structures, or its location with respect to surrounding topography or other Dwelling Units on adjoining or nearby Lots.

C. The Committee may establish and charge reasonable fees to an Owner for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The Committee may employ architects, engineers, or other persons as deemed necessary to perform the review, and
these charges will be factored into the cost of review to the Owner. Alternatively, the Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

D. The Committee may also require posting of security by any Owner, or such Owner's contractor or builder to be utilized for the payment of any fines and cost of any enforcement in accordance with Section 13.J herein, or the repair of any damage to any Common Area or providing Upkeep of such Common Area in excess of normal Upkeep as may occur during the construction of any permitted improvements within Lands End. The amount and type of security, as required by the Committee, may be changed from time to time and does not necessarily have to be consistent as to all Owners, contractors or builders. The Committee also may keep such security or any portion thereof as a road impact fee.

E. The Committee shall prepare, and from time to time amend, Design Guidelines which shall apply to all construction activities within the Property. Within thirty (30) days after the adoption of any amended Design Guidelines, the Committee shall provide a copy or summary of the amended Design Guidelines to all Owners. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics, intended use, and any other applicable zoning ordinances. By way of example, but not limitation, height restrictions for Dwelling Units may be included in the Design Guidelines. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Committee and compliance with the Design Guidelines does not guarantee approval of any application. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. The Association shall make the Design Guidelines available to Owners (including builders) and contractors who seek to engage in development or construction within the Property, and all such Persons shall conduct their activities in accordance with such Design Guidelines. All structures and improvements constructed upon a Lot shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans for such improvements are submitted to and
approved by the Committee, unless the Committee has granted a variance in writing pursuant to Section 13.H. So long as the Committee has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with the Design Guidelines and this Declaration shall be final.

F. No activities within the scope of Section 13.B shall commence on any Lot until an application for approval of the proposed work has been submitted to and approved by the Committee. Such application shall be in the form required by the Committee and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor and other features of proposed construction, as applicable. The Design Guidelines shall set forth the procedure and any additional information for submission of the Plans.

i. In reviewing each submission, the Committee may consider quality of workmanship and design, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life. The Committee may require relocation of native plants within the construction site or the installation of an irrigation system for the Landscaping including the natural plant life on the Lot as a condition of approval of any submission.

ii. The Committee shall, within twenty-one (21) days, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by the Committee to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for the curing of such objections. In the event the Committee fails to advise the submitting party by written notice within the twenty-one (21) day period of either the approval or disapproval and suggestions for curing the objections of the Committee of the Plans, the Plans shall be deemed to have been denied. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice
shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

iii. Any decision of the Committee may be appealed in writing by the Owner to the Board no later than 10 days after receipt of the written decision of the Committee. The date of receipt of notification from the Committee shall be deemed to be the date the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. The Board shall apply the same standards as the Committee, and said appeal shall be de novo, in that the Board shall review all documents and information and make its own decision.

iv. If construction does not commence on a project for which Plans have been approved within sixty (60) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Committee for reconsideration provided that the Committee may grant a longer time period for expiration of the approval at the time the approval is granted. If construction is not completed on a project for which plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article.

G. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Committee will change from time to time and that interpretation, application, and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

H. Variances. The Committee, or the Board upon appeal pursuant to Section 13(F)(iii), may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted rules and regulations; (b) when unique circumstances dictate such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations; and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of
adjoining properties. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

I. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and neither the Association, the Board, nor the Committee shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board, the Committee, nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the Committee and its members shall be defended and indemnified by the Association as provided in the Bylaws.

J. Enforcement. Any construction, alteration or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. Upon written request from the Committee or the Board, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration.
All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Property, subject to the notice and hearing procedures contained in the Declaration. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this section.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Committee.

14. USE RESTRICTIONS.

A. No Lot may contain more than one Dwelling Unit, which must be used for one or two family residential purposes only. Lots may only be used for residential purposes, and no Dwelling Unit or other structure constructed within Lands End shall be utilized for commercial purposes. "Commercial purposes" shall include any business activity except business activities conducted by an Owner within the Dwelling Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve door-to-door solicitation of residents of the Property; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Property which is noticeably greater than that which is typical of Lots in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

B. Roofing materials shall be limited to only those materials authorized in the Design Guidelines, unless the Committee gives written consent to the use of an alternative material which the Committee determines to be of comparable appearance and likely to have an equal or greater useful life. To the extent the Design Guidelines do not specifically authorize a certain type of roofing material submitted for approval, the wind speed resistance,
useful life, shape, color, and appearance of any proposed roofing material must be acceptable to the Committee. No roofing material may be installed without the Committee's approval.

C. All Dwelling Units shall have cedar, stucco, or wood grain fiber-cement siding, unless (i) the Committee gives written consent to the use of an alternative material which the Committee determines to be of comparable appearance and likely to have an equal or greater useful life; or (ii) the Design Guidelines otherwise allow for the use of other materials for the exterior cladding of a Dwelling Unit.

D. There shall be no exposed duct work, plumbing or other such pipes on any Dwelling Unit or other structure on a Lot. All such items shall be screened from view so as not to be seen from any Dwelling Unit or from any Common Area, unless the Committee determines there is no practical alternative to the exposure of any such material.

E. All driveways shall be paved with either asphalt or concrete or other high quality paving material deemed by the Committee to be acceptable and of comparable quality unless the Committee determines that this requirement shall pose a hardship due to the unusual topography or condition of a Lot.

F. A five (5) post pedestal shall be the approved design for mail boxes.

G. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Parcel unless it is an integral and harmonious part of the architectural design of a structure, and approved in accordance with Section 13.F hereof. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot without the prior written consent of the Committee.

H. No Dwelling Unit may be occupied until a certificate of occupancy has been issued by the appropriate regulatory officials and construction of such Dwelling Unit, including approved Landscaping, is substantially complete. The Landscaping requirement may be waived by the Committee only upon a finding that, due to unusual circumstances, such as weather or seasonal conditions, Landscaping cannot be completed prior to occupancy.

I. No structure of a temporary nature or any mobile home, trailer, shack, tent, detached garage, barn, temporary or permanent storage building, or other outbuilding may be erected or placed on any Lot; provided, however, this restriction shall not preclude
temporary storage facilities for the sole purpose of protecting materials during construction of a Dwelling Unit on a Lot provided that said temporary storage facility shall be removed from the Lot upon completion of construction.

J. All Dwelling Units shall be set back a minimum of thirty feet from the abutting right-of-way which is determined by the Committee to be the front yard for the Dwelling Unit. There shall be no other setbacks other than those imposed by the Town of Emerald Isle or as shown on the recorded subdivision plat of any Lot.

K. All Dwelling Units shall contain a minimum of 1,500 square feet of enclosed living area. The term "enclosed living area" as used herein shall mean the total heated enclosed area within a Dwelling Unit, exclusive of garages, terraces, and like area.

L. Any material change in exterior color of any Dwelling Unit shall require approval of the Committee.

M. No flag or sign, including any "for rent" or similar sign, shall be allowed on any Lot, or shall be placed so as to be visible from any street, unless specifically authorized by the Board. The Board may adopt reasonable time, place, size, number and manner of display restrictions regulating flags or signs, including political signs, which are visible from outside the Lots.

N. "For sale" signs shall be allowed on a Lot, provided said sign is of a size no greater than four square feet, is constructed of materials and in a style approved by the Committee, and the number of such signs shall be limited to one sign per adjoining road front, each such sign to face a different road. No such sign shall be placed on a Lot prior to the Owner executing a valid and binding Listing Agreement with the broker placing said sign on the Lot (unless the sign reads "for sale by owner"). Any "for sale" sign must be removed within three (3) business days following the execution of a valid contract of sale for the Lot upon which such sign is located.

O. One (1) construction sign denoting one (1) or more contractors may be placed on any Lot during and only during the period of construction of improvements on the Lot. Such sign may be no more than four square feet in size.

P. Identification signs containing only the name of an Owner and identification numbers identifying a property shall be allowed, but only in accordance with standards as to size, location and materials established by the Committee.
Q. Notwithstanding any provision of this Declaration, including without limitation the provisions of this Article 14, Owners shall be permitted to display the flag of the United States of America and/or the flag of the State of North Carolina on their Lots and no rule or regulation adopted by the Board of Directors nor any amendment to the Declaration adopted by the Association shall regulate or prohibit the display of the flag of the United States of America and/or the flag of the State of North Carolina, of a size no greater than four (4) feet by six (6) feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in the United States Code, as amended.

R. Notwithstanding the provisions above, the Association may erect or install on Common Area signs for purposes of identification, information, direction or warning.

S. All light bulbs or other lights installed in any fixture located on the exterior of any Dwelling Unit or otherwise on any Lot shall be clear, white, non-frost, or of any other type as may be approved by the Board.

T. During construction, repair or maintenance on any Lot, the Owner of the Lot shall be required to ensure that construction vehicles access the Lot only from the approved driveway site as shown on the approved Plans for construction on the Lot, so as not to damage paved streets, rights-of-way, vegetation or Lots in the vicinity of the construction project. The Owner has responsibility to maintain the Lot in a clean and sightly condition during the period of construction. The Owner shall further be responsible for ensuring that the contractor or others performing work on the Lot maintain the Lot in a clean and sightly condition during the period of construction, removing all debris, stumps, litter and scrap building materials from each Lot as frequently as is necessary to comply with the Declaration, Design Guidelines, and Committee. All such debris shall be removed to an approved dumping site remote from Lands End. In order to ensure compliance with this provision, a non-interest bearing construction bond in an amount determined by the Board of Directors ("Construction Bond") shall be posted prior to any construction activity on any Lot by the Owner. Twenty percent (20%) of the Construction Bond shall be retained by the Association for its use for any purpose. The balance, which is also subject to a road usage fee ("Road Usage Fee"), will be returned when construction, including Landscaping, is complete. The fee schedule for the Road Usage Fee
shall be established by the Board and may be amended from time to time in the Board's sole discretion. An accounting of the Construction Bond shall be given to the Owner.

U. No activity that is determined to be a nuisance by the Board, in the Board's sole discretion, shall be allowed on any Lot. This prohibition includes any activities within any Dwelling Unit, on any Lot or on any Common Area. The Board may find any activity to be a nuisance notwithstanding the fact that such activity is not specifically prohibited by a rule or regulation adopted by the Board. If any conduct is deemed by the Board to be a nuisance the Board shall give written notice to the offending Owner specifying the nature of the nuisance and requesting that such nuisance be terminated. If such nuisance is not terminated within a reasonable time thereafter, the Board may, in addition to any other remedy, impose a fine pursuant to Section 11.G. If the nuisance is of a continuing nature, the Board may, pursuant to Section 11.G, find that the nuisance constitutes a new and separate violation each day, or without an additional hearing, continue to impose a fine for each day that the violation continues.

V. All outdoor poles, clothes lines and similar equipment shall be so placed or screened by shrubbery so as not to be visible from any street, waterway or Common Area. No artificial screening materials may be utilized unless approved by the Committee.

W. The Association may adopt reasonable rules regarding household pets designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, pet occupancy limits based on size and facilities of the Lot and fair share use of the Common Area. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep mammals, birds, fish, or reptiles of any kind for commercial purposes.

X. No boat, boat trailer, other trailer, camper, recreational vehicle, utility vehicle or truck (if the truck is rated as a one-ton truck or larger) shall be allowed to remain on any street right-of-way or on any Common Area between the hours of 8:00 p.m. and 6:00 a.m. No stripped, partially wrecked or junk motor vehicles, or parts thereof shall be permitted to be parked or kept within Lands End between the hours of 8:00 p.m. and 6:00 a.m. No rental trucks or trailers shall be parked between the hours of 8:00 p.m. and 6:00 a.m. without approval from the Association's Board or a designated committee of the Association.
Y. No satellite dishes, antennae and similar devices for the transmission of television, radio, satellite, or other signals of any kind shall be permitted on a Lot, except that the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Property. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter ("Permitted Devices") shall be permitted, provided that any such Permitted Device is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Lots, streets and Common Area in a manner consistent with the Community-Wide Standards and the Design Guidelines.

Z. Only garbage or trash receptacles approved by the Town of Emerald Isle shall be permitted to be placed on a Lot.

AA. The Owner of each Lot shall maintain his Lot and all structures thereon consistent with the Community-Wide Standards as determined by the Board of Directors. Failure to comply with the Community-Wide Standards shall be a violation of this Declaration if so determined by the Board of Directors of the Association and, among other things, may result in the Board of Directors of the Association declaring an Owner's property a "continuing nuisance" until such time as the nonconforming condition is rectified. All available remedies, as set forth in Section 11.G or at applicable law, may be utilized by the Association to enforce the provisions of this subsection.

BB. No construction on any Dwelling Unit or Lot shall be allowed on any Sunday or federal holiday except upon written approval of the Association in the case of an emergency; provided, however, this restriction does not prohibit an Owner from performing construction on a Lot on Sunday or a federal holiday by himself or herself or with the assistance of no more than two non-Owner guests who are not in the regular business of performing construction services for payment.

THE OWNER OF EVERY LOT IS RESPONSIBLE FOR ANY VIOLATION OF THIS DECLARATION BY ALL AGENTS AND GUESTS OF THE OWNER.
15. **EASEMENT.**

A. Owners shall provide Upkeep to easements on their Lots as said easements are shown on any recorded plat of Lands End in an unobstructed condition so that the purpose for which said easement was reserved shall not be impeded or impaired.

B. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Property, including each Lot to (a) perform its Upkeep responsibilities under this Declaration, and (b) make inspections to ensure compliance with the Association Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after a reasonable attempt to provide notice to the Owner. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense. This Section 15.B does not authorize entry into any Dwelling Unit without permission of the Owner, except by emergency personnel acting in their official capacities.

C. The Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the Bylaws, the Design Guidelines, or the rules. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

D. The Association reserves unto itself a perpetual easement for the purpose of access and Upkeep upon, across, over, and under all portions of the Property, including each Lot, to the extent reasonably necessary to install and provide Upkeep for stormwater facilities and drainage facilities, including, without limitation, pumps and pipes. This easement shall not entitle the Association or its agents to construct or install any of the foregoing facilities over, under or through any existing Dwelling Unit on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Association. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

16. **SUBDIVISION.** No Lots shall be subdivided if any resulting Lot would be smaller in size than the smallest Lot already existing in Land's End, except that nothing contained herein shall prohibit the owner of a Lot from conveying by deed or easement a portion
of a Lot to the owner of an adjoining Lot. Nothing contained herein shall prohibit conveyance of more than one (1) Lot, or portions of contiguous lots, as long as the resulting Lot or Lots are greater in size than the smallest existing Lot in Land's End. Only one (1) Dwelling Unit shall be constructed on each subdivided Lot, so that the maximum number of Dwelling Units which can be constructed within Lands End shall not increase. Notwithstanding any subdivision, and except as specifically approved by the Association upon a finding that a lot is unbuildable, subdivision shall not result in reduction in the total number of Lots within Lands End. Should any Lot be determined to be unbuildable, and should such Lot then be deeded to the Association as Common Area, by document duly recorded in the Office of the Register of Deeds of Carteret County, there shall be no further assessments levied against the Lot from the date of such recordation. No subdivided Lot shall be smaller than the minimum lot size required by the Town of Emerald Isle from time to time.

17. **MINOR AMENDMENT.** The Association shall be allowed to amend this Declaration, notwithstanding any other provision contained herein, and without joinder of any other party, for the purpose of correcting any discovered error contained herein, clarifying any ambiguity contained herein, or adding or deleting any incidental provisions deemed in the sole discretion of the Board of Directors to be in the best interest of Lands End and its Owners. This right may be exercised, and shall be effective, only upon the recordation of a "Corrected Declaration" in the Office of the Register of Deeds of Carteret County, which Corrected Declaration shall specifically reference this document, and the provision impacted.

18. **BINDING EFFECT.** This Declaration shall be binding on all Owners of all Lots within Lands End, as well as their heirs, successors and assigns.

19. **SUPPLEMENTAL DECLARATION.** The terms of the Supplemental Declaration shall remain in full force and effect and are not amended or deleted in any way. The terms of the Supplemental Declaration are incorporated herein by reference as if fully set forth.

20. **AMENDMENT.** This Declaration shall remain in full force and effect until amended or terminated by the Owners. This Declaration may be amended at any time upon affirmative vote or written consent, or any combination thereof, of Owners representing sixty-six and two-thirds (66 2/3%) of the Lots in Lands End, which representation shall be determined based upon the number of Owners entitled to vote at that time. All votes taken by ballot and all proxies are to be kept confidential by the secretary of the Association or any person working
under said Secretary or the Association's attorney. Said amendment may be evidenced by written amendment executed only by the Association, which amendment shall be recorded in the Office of the Register of Deeds of Carteret County, and which amendment shall specify an effective date, which shall be the date of recordation or later. The Association shall maintain for a minimum period of three (3) years following the effective date of any amendment all voting records evidencing approval of the amendment by the requisite number of the Owners of Lots within Land End. Thereafter, it shall be conclusively presumed that the amendment was properly adopted by the membership of the Association.

21. **SEVERABILITY.** Invalidation of any one or more of the particular provisions of this Declaration by judgment entered in a court of competent jurisdiction shall in no way affect the validity or enforceability of any other provision herein.

22. **ATTORNEYS' FEES.** In the event of an action instituted to enforce any of the provisions contained in the Association Documents, the party prevailing in such action shall be entitled to recover from any other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Benefited Assessment with respect to the Lot(s) involved in the action.

IN WITNESS WHEREOF, the Association, acting pursuant to the authority above recited, has caused this Declaration to be executed under seal and in such form as to be legally binding, effective the day and year upon recording this Amendment in the office of the Register of Deeds of Carteret County, North Carolina.

LANDS END OF EMERALD ISLE ASSOCIATION, INC. (SEAL)

By: [Signature] (SEAL)
Carteret COUNTY, NORTH CAROLINA

Sworn to (or affirmed) and subscribed before me this day for the purpose(s) stated therein and in the capacity set forth above by James William Post
(type/print name of signer)

Date 7/27/18

(Official Seal)

Andrea Marie Phillips
Signature of Notary Public

My commission expires: 11/01/19

4822-9871-2901, v. 2