

Amendment  
R.C.  
REC'D  
OFFICIAL  
BK. 237 pg. 112  
420 (843)

363

NORTH CAROLINA  
CURRITUCK COUNTY

BOOK 232 PAGE 24

COROLLA LIGHT FUD  
LIGHTHOUSE VILLAS  
DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this the 30th day of September, 1987, by OUTER BANKS VENTURES, INC., a North Carolina corporation, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property set forth and described in Exhibit A to this Declaration, which property is located in Poplar Branch Township, Currituck County, and which property the Declarant intends to develop as a residential community of single family attached townhouses to be named "LIGHTHOUSE VILLAS"; and

WHEREAS, the Declarant desires to insure the attractiveness of the development and to prevent any future impairment thereof, to prevent nuisances, to preserve, to protect and enhance the values and amenities of all the properties within the development and to provide for the maintenance and upkeep of the exterior of all townhouse units and the Townhouse Common Areas, as hereinafter defined; and to this end, desires to subject the real property shown on the plat referenced in the attached description shown in Exhibit A of this Declaration, together with such additions that may hereinafter be made thereto to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation, protection, and enjoyment of the values and amenities in the said development, and to insure the residents enjoyment of the specific rights, privileges, and easements in the Townhouse Common Area, as hereinafter defined, and to provide for the maintenance and upkeep of the exterior of all townhouse units and the Townhouse Common Areas, to create an organization to which will be delegated and assigned the power of owning, maintaining, and administering the Townhouse Common Areas, and maintaining the exterior of the townhouse units, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Declarant will cause to be incorporated under North Carolina Law, LIGHTHOUSE VILLAS ASSOCIATION, INC., a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

NOW, THEREFORE, the Declarant, by this Declaration of Covenants, Conditions and Restrictions, does declare that all of the property shown on the description of property contained in Exhibit A to this Declaration, being the description of LIGHTHOUSE VILLAS townhouse development is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this declaration which shall run with the real property and be binding upon all parties owning any right, title, or interest in said real property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Townhouse Association" shall mean and refer to LIGHTHOUSE VILLAS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors or assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to the property set forth in Exhibit A.

Section 4. "Townhouse Common Area" shall mean all the real property designated for the common use and enjoyment of the Owners, including but not limited to recreational and open areas, private streets, access easements and guard house. The Townhouse Common Areas shall be conveyed to the Townhouse Association at the time of the conveyance of the last lot, or by January 1, 1998 which ever occurs first. The Declarant may, in its sole discretion, convey the common areas or any portion thereof to the Association at any time before January 1, 1998.

It is specifically understood that certain of the Townhouse Common Areas are subject to easements in common with other parties as defined in this Declaration and the rights of other parties set forth and described in this Declaration to the joint and mutual use of such properties.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Townhouse Common Area.

Section 6. "Declarant" shall mean and refer to Outer Banks Ventures, Inc. and its successors and assigns.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Townhouse Association.

#### ARTICLE II

##### PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF OUTER BANKS VENTURES, INC.

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, and within the jurisdiction of the Townhouse Association is located in Poplar Branch Township, Currituck County, North Carolina, and described fully in an attachment to this Declaration labeled "Exhibit A".

#### ARTICLE III

##### MEMBERSHIP AND VOTING RIGHTS

Section 1. Each owner of a townhouse and its associated lot or of an improved single family subdivision lot, not for townhouse development, shall be a member of the Townhouse Association, and in addition thereto shall be a Type B Member of the Corolla Light Community Association, Inc. As a member of the Townhouse Association the member shall have all of the rights, privileges, duties, and obligations as expressed in these covenants, and as a Type B Member of the Corolla Light Community Association, Inc. shall have all of the associated rights, duties, and obligations as set out in the Corolla Light FUD Subdivision Declaration of Covenants, Conditions, and Restrictions which are made applicable to each and every townhouse unit except as modified in this Declaration of Covenants, Conditions, and Restrictions. Further, each owner of a single family unimproved lot, not for townhouse development, shall be a Type A member of the Corolla Light Community Association, Inc. and in addition, a member of the Townhouse Association. Membership in the Townhouse Association and the Corolla Light Community Association shall be appurtenant to and may not be separated from ownership of a townhouse unit or lot, and each unit owner shall be entitled to one vote for each unit owned. The Declarant shall be entitled to one vote for each unit or lot owned and for each townhouse lot for which a unit is to be built, even though said unit has not been constructed thereon. Until the lot is

sold or until January 1, 1998, whichever is sooner, the number of total votes shall be deemed to be 68.

Section 2. Each vote shall be expressed by the owner, in person or by proxy, who would cast the vote for each townhouse unit. When any unit is owned as a tenancy in common, or as a tenancy by the entirety, or another form of multiple ownership, said tenants or owners shall determine between or among themselves how the vote to which they are entitled shall be cast. However, there shall not be any division of a vote that said owners would otherwise be entitled to cast if the tenants do not unanimously agree among or between themselves as to how the vote should be cast. In no event shall more than one vote be cast with respect to any single unit.

Section 3. Until the Declarant has sold all of the units in the development, neither the Association, nor any of the individual unit owners nor their use of the common areas shall interfere with the completion of contemplated improvements and the sale of other units. The Declarant may use of the unsold units and common areas as may facilitate completion of the construction thereof and sale, including, but not limited to the maintenance of a sales office, model unit, the showing of the property, and the displaying of advertising signs. Any action or vote of the Association which attempts to restrict or inhibit the rights of the Declarant as stated herein shall be void.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner's Right of Enjoyment. Every Owner shall have a right of enjoyment in and to the Townhouse Common Areas which right shall be appurtenant to and pass with the title to every lot, subject to the following provisions:

(a) The right of the Townhouse Association to suspend the voting rights and right to use of the recreational facilities of an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations;

(b) The right of the Townhouse Association to dedicate or transfer all or any part of the Townhouse Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least eighty percent (80%) of the vote agree to such dedication or transfer and signify their agreement by a signed and recorded written instrument, provided that this subsection shall not preclude the Board of Directors of the Townhouse Association from granting easements to public authorities or others for the installation and maintenance of sewerage, utilities, drainage facilities, television, and other communication services, upon, over, under and across the Townhouse Common Area without the assent of the membership when, in the sole opinion of such Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties;

(c) The rights of Owners to the exclusive use of parking spaces as provided in Section 3 of this Article IV;

(d) The right of the Townhouse Association with the written assent of members entitled to at least eighty percent (80%) of the votes, to mortgage, pledge, deed in trust, or hypothecate any or all of its (real or personal property as security for money borrowed or debts incurred;

(e) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common areas and to mortgage said properties to facilitate the borrowing of funds for said purpose, however, the rights of the mortgagee in and to said properties shall be subordinate to the rights of the owners as set

out in these covenants, provided, however, that no such borrowing or mortgaging shall be made unless approved by a vote of eighty percent (80%) of the membership present in person or by proxy at a meeting duly called for such purpose;

(f) The right of the Association to take such steps as are reasonably necessary to protect the common properties against foreclosure;

(g) The right of the Association to charge reasonable admission fees, guest fees and other fees for special uses that might be made of certain parts of the common areas by members of the Association or persons outside the community;

(h) The right of the Association to limit the number of guests of owners using the common areas and recreational facilities;

(i) The right of the Declarant prior to the conveyance of the common areas to the Association, and thereafter of the Association, to grant and reserve easements and rights of way through, under, over, and across the common areas for the installation, maintenance, and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, communications, security devices, and other utilities;

(j) The right of the Declarant to retain title to the common areas as set forth in this document.

Section 2. Conveyance of Common Areas. The Declarant may retain the legal title to the common areas until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Association shall be able to maintain the same but, notwithstanding any provision herein, the Declarant hereby covenants for itself, its successors, and assigns, that it shall convey the common areas to the Association, free and clear of all encumbrances and liens, except those created by or pursuant to this declaration, when Declarant has sold the last lot or January 1, 1998, whichever occurs first. However, Declarant may, in its sole discretion, convey the common areas or any portion thereof at any time prior to the above times.

Section 3. Delegation of Use. The rights of others in the common areas are as set out below:

(a) Family. The right of enjoyment granted to every Owner in Section 1 of this Article IV may be exercised by members of the Owner's family.

(b) Tenants or Contract Purchasers. The right of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy the property during the terms of their lease or contract.

(c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of Owners, tenants, or contract purchasers subject to the rules and regulations of the Townhouse Association, as may be established by its Board of Directors, governing said use.

Section 4. Parking Rights.

(a) Parking areas. Each lot owner shall be entitled to the exclusive use of the drive upon his lot for parking purposes both for himself, members of his family, and guests. The Association shall be entitled to make reasonable rules and regulations as it may elect with respect to the parking of vehicles.

(b) Recreational Vehicles. No campers, trucks, recreational vehicles, or off the road vehicles may be parked or kept within the properties except as may be provided by such reasonable rules and regulations of the Association.

Section 5. Additional Declarant Rights. The Declarant, for itself and its successors and assigns, reserves the right, in the event, in its sole discretion, it deems further townhouse development is not feasible within undeveloped areas of the Lighthouse Villas parcel, to withdraw all undeveloped areas, with the exception of open areas and common areas, from townhouse development and to further subdivide said undeveloped areas into single family residential lots, not for townhouse development, which said lots shall meet the standards of the Corolla Light PUD Subdivision Declaration of Covenants, Conditions and Restrictions, and the requirements of all appropriate governmental authorities. Further, the Declarant, for itself and its successors retains the right to amend this Lighthouse Villas Declaration of Covenants, Conditions and Restrictions, or any portion thereof, at any time from the date hereof until January 1, 1998, so long as the voting power of existing members and owners is not diluted thereby, nor the amounts of assessments of existing members raised or changed thereby.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each lot owned within the Properties, hereby covenants and each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Townhouse Association: (1) annual assessments or charges and (2) special assessments, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees shall be a charge on the lands and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments levied by the Townhouse Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the maintenance, repair, and reconstruction of the exterior (excluding decks) of townhouse units and for the acquisition, improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Townhouse Common Areas, including but not limited to, the cost of repair, replacement additions thereto, the cost of labor, equipment, materials, management, and supervision thereof, the payment of taxes assessed against the Townhouse Common Areas, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Townhouse Association when necessary, and such other needs as may arise. In addition, expenditures by the Townhouse Association for the landscaping, planting, and maintenance of areas within lots, but lying outside of residence building and enclosed patio areas, shall be deemed expenditures for the recreation, health, safety, and welfare of the residents of the Properties and are hereby authorized. Provided, however, in the event Declarant, or its successors, develops any single family subdivision lots, not for townhouse development, the owners of said lots and the lots themselves shall not be subject to assessments for maintenance of townhouse units. This provision shall not exempt said lots and owners from assessment by Corolla Light Community Association, Inc.

Section 3. Annual Assessment. The Annual Assessments provided for herein shall commence as to each unit on the date of the closing and purchase of the unit by an owner and shall be paid from that date to the end of the calendar year. Thereinafter, assessments shall be due and payable on a calendar year basis and shall be due beginning the first day of each calendar year, provided, however, the Association Board of Directors may adopt a different assessment period if it deems advisable at least 30 days before January 1 of each year. The Board of Directors

shall fix the amount of the annual assessment against each unit, and at least fifteen (15) days before January 1 of each year, shall send written notice of each assessment subject thereto. The due dates for the payment of the annual and any special assessments shall be established by the Board of Directors. The Townhouse Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment in any specified unit has been paid.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Townhouse Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Townhouse Common Areas, including fixtures and personal property related thereto, or to make up deficits in the annual assessments.

Section 5. Notice and Quorum for Any Action Authorized Pursuant to this Article. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence of members or of proxies, entitled to cast fifty-one percent (51%) or more of the vote shall constitute a Quorum.

Section 6. Effect of Nonpayment of Assessments; Remedies of the Townhouse Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, provided, however, that the interest charged hereunder shall not exceed eighteen percent (18%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Townhouse Association to defray the costs of late payment. The Townhouse Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Townhouse Common Areas or abandonment of his lot.

Section 7. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, mortgages, first deed of trust or deeds of trust on a lot. Sale or transfer of any lot shall not affect any assessment lien. However, the sale or transfer of any lot which is subject to any proceeding for the foreclosure thereof, shall extinguish the lien of such assessments against the lot which became due prior to such sale or transfer; provided, however, the personal obligation of the owner of the lot when the assessment became due shall not be extinguished by such proceeding. No such sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

Section 8. Property Owned by Declarant. There shall be no assessment against any lots owned by the Declarant upon which a townhouse unit has not been constructed. Further, until any unit owned by the Declarant has been sold to a purchaser, there shall be no assessments against said units, however, the Declarant shall bear the expense of the upkeep and maintenance of said units and the Association shall have no responsibility in regard to said units until such time as any such unit is sold to a purchaser.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to, change or alteration therein be made, including the erection of antennas, aeriels, awnings, the placement of reflective or other material in the windows of a Townhouse Unit, or other exterior attachments, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Townhouse Association. In the event said Board fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Townhouse Common Areas, the Townhouse Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: Paint, repair, replace, and care of walls, roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, and other exterior improvements, including grass and other vegetation in those portions of each lot lying outside of the residence building and patio. Such exterior maintenance shall not include glass surfaces and each Owner shall be required to maintain his own glass and his own railing and deck. In order to enable the Townhouse Association to accomplish the foregoing, there is hereby reserved to the Townhouse Association the right to unobstructed access over and upon each lot at all reasonable times to perform maintenance as provided in this Article. In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Townhouse Association, shall be added to and become a part of the assessment to which such lot is subject.

ARTICLE VIII

INTERIOR MAINTENANCE

Each Owner shall maintain, repair, and replace at his expense all interior portions of the improvements on his lot which shall need repair, including rails, fencing, and decks located on the lot, if any, and all bathroom and kitchen fixtures, light fixtures or other electrical, mechanical, or plumbing equipment, pipes and fittings serving an Owner's unit including those which are located in a party wall, if any. Further, each Owner shall repair, maintain, and replace at his own expense when necessary the heating and air conditioning, sewerage and water systems servicing his dwelling, whether located on his lot or in the Townhouse Common Areas adjacent to the lot.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall separating units, which is built as a part of the original construction of the homes upon the Properties, and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

#### ARTICLE X

##### USE RESTRICTIONS

Section 1. Land Use. All lots shall be used for residential, or vacation second home purposes only. Declarant may maintain a sales office, models and construction office in one or more units until all units to be located on the Properties have been sold.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any lot or in any dwelling nor shall anything be done thereof or therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes.

Section 4. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any lot unless and until permission for the same has been granted by the Townhouse Association, or its designated agent or representative.

Section 5. Use of Townhouse Common Area. The Townhouse Common Areas shall not be used in any manner except as shall be approved or specifically permitted by the Townhouse Association.

Section 6. Access to Lot. The Townhouse Association, its agents or employees shall have access to all lots from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair or replacement of any portion of the Townhouse Common Areas, or facilities situated upon such lot which serve another Owners's lot. The Association or its agent shall also have access to each lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Townhouse Common Areas or another lot.



Section 7. Clothes Drying. No drying or airing of any clothing or bedding or other items shall be permitted on the grounds or outside of any unit including porches or decks except by and through rules promulgated by the Board of Directors, which rules may exclude such activities completely.

Section 8. Garbage Disposal. All garbage shall be stored within the residence of each Owner or in the storage facilities provided for said residence at the time same is constructed. No Owner may change or supplement the garbage disposal facilities provided for such Owner's residence on the date of completion of construction thereof unless the Board of Directors of the Townhouse Association shall first approve in writing the change or addition to the method of storage. It is provided, however, that if the public health authorities, or other public agency, shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with obligatory public rules and regulations.

Section 9. Antennas and Fences. No masts, towers, poles or antennas included but not limited to antennas used for amateur radios, television, FM Radio or AM Radio, shall be erected or maintained upon the properties except such antennas as are initially installed during the construction of the building and approved by the Board or as are thereafter approved by the Board. Further excepted are such community and antenna systems which are built and installed by the developer. No fences, hedges, or walls shall be erected or maintained on the properties other than as are initially installed during the construction of the buildings, unless approved by the Board.

Section 10. Subdivision Lot Exception. In the event the Declarant, or its successors, develops any single family subdivision lots, not for townhouse development, pursuant to retained Declarant rights, the said lots and the purchasers and owners thereof, shall be subject to all provisions of the Corolla Light (LUD Subdivision Declaration of Covenants, Conditions and Restrictions dated April 25, 1985 and recorded in Book 203, Page 151, Currituck County Registry, as the same may be from time to time amended. Further, said lots and owners thereof shall be subject to this Lighthouse Villas Declaration of Covenants, Conditions and Restrictions, except the below listed provisions from which said lots shall be exempt:

Article VII EXTERIOR MAINTENANCE

Article VIII INTERIOR MAINTENANCE

Article IX PARTY WALLS

Article X USE RESTRICTIONS, Section 6 Access to Lot, Section 8 Garbage Disposal, and Section 11 Regulations Subparagraphs (b), (c), (d), (e) and (f).

As to all other covenants, conditions and restrictions contained in this Declaration, said lots and the owners thereof shall be subject.

Section 11. Regulations. Reasonable regulations governing the use of the Townhouse Common Area and external appearance of the Townhouse units may be made and amended from time to time by the Board of Directors of the Townhouse Association. Copies of such regulations and amendments thereto shall be furnished to each Member by the Townhouse Association upon request. Specifically, and without limiting the power to make reasonable regulations, the Board of Directors of the Townhouse Association shall have authority to:

- (a) Regulate the use of the common areas,
- (b) Regulate the placement and use of personal property outside of the units,

(c) Require owners to make repairs to and maintain the decks associated with each owner's unit, including the power to require replacement of a deck if the same becomes unsafe, deteriorated or cannot be reasonably repaired,

(d) Require the use of and regulate the type and color of window blinds, and window treatments,

(e) Require the cleaning and maintenance of outside glass surfaces associated with the units,

(f) Establish maximum occupancy of the units.

**Section 12. Enforcement.** In the event of a violation or breach of any of the restrictions contained herein by any owner, or agent of such owner, the owners of other units in the same cluster, or any one of them, jointly or severally shall have the right to proceed at law or in equity to compel a compliance with the terms of these restrictions and any reasonable rules and regulations made pursuant to these restrictions. In addition to the foregoing the Declarant (whether or not it has conveyed its development rights), the Association, a successor of the Declarant, or any one of them, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of these restrictions and the rules and regulations made pursuant thereto. In addition, the Declarant (whether or not it has conveyed its development rights), the Association, a successor of the Declarant, or any one of them, shall have the right, whenever there exists a condition in violation of these restrictions and the rules and regulations adopted pursuant thereto, to enter upon such property where the violation exists and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation it shall not have been corrected by the owner. Any person is entitled to file a legal action for the violation of these restrictions and the rules and regulations adopted pursuant thereto, shall be entitled to recover reasonable attorneys fees as permitted by law as a part of such action. Any entry and abatement or removal of a violating condition shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions contained in this declaration or in the rules and regulations adopted pursuant thereto, however long continued, shall not be deemed a waiver of the right to enforce these covenants or abate a violating condition.

**Section 13. Corolla Light PUD Subdivision Declaration of Covenants, Conditions, and Restrictions.** Except as modified herein and except as may be in conflict with the terms and conditions of this Lighthouse Villas Declaration of Covenants, Conditions and Restrictions, the Corolla Light PUD Subdivision Declaration of Covenants, Conditions and Restrictions dated April 25, 1985 and recorded in Book 203, Page 151, Currituck County Registry, shall be applicable to and apply to the lands and townhouse units to which this Declaration of Covenants, Conditions, and Restrictions is applicable and as such are incorporated herein as if fully set out and shall also be deemed to be covenants, conditions, and restrictions running with the land by whomever owned.

#### ARTICLE XI

#### EASEMENTS

**Section 1. Perpetual Non-Exclusive Easement in Common Areas.** The common elements or areas shall be, and they are hereby declared to be subject to a perpetual non-exclusive easement which easement is hereby created, in favor of all of the Owners in the Townhouse for their use and for the use of their immediate families, guests, invitees, and licensees, and for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. In addition, this easement shall run in favor of the Developer, the Townhouse Association, and all Owners, and may be used for ingress and egress for the providing of electric power, telephone, sewer, water, and other utility services and lighting facilities, including but not limited to television transmission facilities, security services, and facilities connected therewith. The Declarant, for themselves, their heirs, and

assigns, and the Townhouse Association herein described reserve the right to impose upon the common elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as they deem to be in the best interest of and necessary and proper for, the Lot Owners.

Section 2. Encroachment Easement. The entire Townhouse Property, including common areas and individual lots and units, shall be subject to easements of encroachments which now exist or hereinafter may exist, caused by the settlement or movement of the building, or caused by minor inaccuracies in construction or reconstruction, which encroachments shall be permitted to remain undisturbed and which said easement shall run in favor of each individual Lot Owner, the Townhouse Association, and the Developer.

Section 3. Easement for Utilities, Sewerage, Waste Treatment Facilities. There is conveyed hereby an easement of right of way in and to the lands described in Exhibit A of this Declaration, for the benefit of the Lot Owners and the Townhouse Association, for the construction, operation, and maintenance of all utility lines, and pipes, sewerage lines, septic tanks, waste treatment facilities, pumps, drain lines, and facilities related thereto, which said easement shall also inure to the benefit of the Declarant.

Section 4. Easement for Pipes, Wires, Flues, Ducts, Cables, Conduits, Public Utility Lines, and Other Common Elements Located Inside of Units. Each Lot Owner will have an easement in common with the Owners of all other lots to use all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any of the other lots and serving his lot. Each lot shall be subject to an easement in favor of the Owners of all other units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other common elements serving such other lots and located on such lot. The Board of Directors and their authorized agents of the Townhouse Association shall have a right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair, or replace the common elements contained therein, if any, or elsewhere in the building.

Section 5. Easement of Support. Each portion of a lot and each single-family attached Townhouse constructed thereon and contributing to the support of an abutting Townhouse shall be burdened with an Easement of Support for the benefit of such abutting Townhouse.

## ARTICLE XII

## INSURANCE

Section 1. General. Upon taking title to a lot and unit in the Lighthouse Villas, the owner shall have in effect a fully paid fire and extended coverage insurance policy or homeowner's insurance policy, and the owner shall furnish evidence of the insurance as well as the payment of the premium to the Association within ten (10) days of the title transfer date. Said insurance shall be in the amount of the highest percent of the insurable replacement costs of the unit which can be reasonably obtained. Thereinafter, each owner shall obtain and maintain in force such an insurance coverage on his unit as the Board of Directors of the Association may determine or require but not in any amount which are greater than the replacement costs. Each owner of a unit shall furnish to the Board of Directors of the Association such evidence of insurance coverage as the Board may require. In the event an owner fails to maintain such coverage or furnish evidence thereof, the Association may obtain policies providing such coverage and pay the premiums therefor, which premiums shall be chargeable against the owner of the unit failing to maintain such coverage or to furnish evidence thereof. The premium shall constitute and continue as a lien on the unit and also shall be a personal obligation of the owner and enforced as provided in Article V of this declaration. In the event a unit is partially or wholly destroyed, the owner covenants and agrees to rebuild, repair or restore the unit to essentially the same condition and appearance,

including using the same or similar building materials, as existed prior to the partial or total destruction.

Section 2. Home Owner's Association Insurance. The Homeowner's Association shall maintain insurance policies in such amounts and with such coverages as follows:

(a) All buildings and improvements upon the common areas and all personal property included in the common elements shall be insured in an amount equal to the highest percentage of the insurable replacement value which can be reasonably obtained, as determined annually by the Board of Directors of the Association. In the event such insurance is not available then the Association shall obtain insurance in the amount of the highest percent of insurable value which can be reasonably obtained. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, including flood insurance and such other risks as are customarily covered with respect to buildings similar to the buildings on the land, such as vandalism and malicious mischief. The premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

(b) Public liability insurance in such amounts and with such coverage as shall be required by the Board of Directors of the Association, and with a cross liability endorsement to cover liabilities of the unit owners as a group to any single unit owner.

(c) Workmen's compensation as required by law.

(d) Such other insurance as the Board of Directors of the Association may determine from time to time to be desirable.

Section 3. Insurance Prohibition. The Association will not purchase or obtain insurance to cover the personal property of a unit owner, nor will the Association purchase or obtain insurance to cover the individual liability of a unit owner for injuries and damages suffered by anyone or anything within a unit if said injuries or damages are not a liability of the Association.

#### ARTICLE XIII

##### FINANCING PROVISIONS

Section 1. Approval of Owners and Holders of First Deeds of Trust. Unless at least eighty percent (80%) of the Owners and holders of first deeds of trust on lots located within the property described on "Schedule A", have given their prior written approval, the Townhouse Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Townhouse Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause.

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against a lot Owner.

(c) By act or omission change, waive, or abandon any plan of regulation, or enforcement thereof pertaining to the architectural design or the exterior appearance of residences located on lots, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the subdivision.

(d) Fail to maintain fire and extended coverage insurance on insurable improvements in the Townhouse Common Areas on the most favorable replacement cost basis in the amount of the highest percent of the insurable value which can be reasonably obtained.

Unofficial

(e) Use the proceeds of any hazard insurance policy covering losses to any part of the Townhouse Common Areas for other than repair, replacement or reconstruction of the damaged improvements.

Section 2. Books and Records. Any Owner and holder of a first deed of trust on any lot will have the right to examine the books and records of the Townhouse Association during any reasonable business hours.

Section 3. Payment of Taxes and Insurance Premiums. The Owners and holders of first deeds of trust on lots may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge or lien against any of the Townhouse Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Townhouse Association and the persons, firms, or corporations making such payments shall be owed immediate reimbursement therefore by the Association.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement. The Townhouse Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by the Townhouse Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years unless amended as provided herein. Further, the Declarant, for itself and its successors retains the right to amend this Lighthouse Villas Declaration of Covenants, Conditions and Restrictions, or any portion thereof, at any time from the date hereof until January 1, 1998, so long as the voting power of existing members and owners is not diluted thereby, nor the amounts of assessments of existing members raised or changed thereby. Thereafter, the procedure for amendment shall be as follows: All proposed amendments shall be submitted to a vote of the members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the members as set forth above, the President and Secretary of the Association shall execute an amendment to this Declaration which shall set forth the amended terms, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date that the notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt the amendment, and the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. Such amendment shall be properly recorded in the Currituck County Registry, before becoming effective.

Unofficial

Amendment

## EXHIBIT "A"

Property Description  
Lighthouse Villas Corolla Light PUD

All that certain tract or parcel of land located in the Corolla Light PUD development and known as "Lighthouse Villas, Phase 6, of the Corolla Light PUD, which adjoins Franklyn Street, Austin Street and Phase I of Corolla Light PUD and bounded as follows:

BEGINNING at a concrete monument located and being at the intersection of the North boundary of Lot 740 of Phase I of Corolla Light PUD as shown on a map or plat thereof recorded in Plat Cabinet B, Slides 67 through 70 and 75 of Currituck County Registry, with the West margin of the right of way of Franklyn Street as shown on said plat, the said point of beginning being located at North Carolina grid coordinate; N 968565.7960, E 2934613.2887; thence from the beginning point and along the North boundary of Lots 736 through 740, Phase I, Corolla Light PUD South 72 deg. 48 min. 00 sec. West 410.75 feet to a concrete monument; thence South 72 deg. 25 min. 36 sec. West 50.00 feet to a concrete monument; thence South 76 deg. 03 min. 12 sec. West 73.26 feet along the North boundary of Lot 735 of Phase I of Corolla Light PUD to a concrete monument; thence cornering North 16 deg. 02 min. 41 sec. West 175.01 feet to a concrete monument; thence cornering North 76 deg. 05 min. 17 sec. East 40.00 feet to a concrete monument; thence cornering North 13 deg. 54 min. 43 sec. West 205.00 feet to a concrete monument; thence cornering North 33 deg. 59 min. 58 sec. East 66.89 feet to a concrete monument; thence North 05 deg. 44 min. 05 sec. West 80.59 feet to a concrete monument; thence North 17 deg. 29 min. 05 sec. West 367.50 feet to a concrete monument; thence cornering North 40 deg. 30 min. 55 sec. East 77.35 feet to a concrete monument; thence cornering North 22 deg. 24 min. 43 sec. West 73.41 feet to a concrete monument located and being in the South margin of the right of way of Austin Street, said street having a right of way width of 50 feet; thence cornering and along the South margin of the right of way of Austin Street in an Easterly direction following the curvature thereof, said curve having a radius of 1,354.67 feet, an arc distance of 81.07 feet, and a chord bearing of North 71 deg. 59 min. 05 sec. East and a chord distance of 81.06 feet to a concrete monument; thence cornering South 10 deg. 36 min. 03 sec. East 132.53 feet to a concrete monument; thence cornering North 79 deg. 23 min. 57 sec. East 109.00 feet to a concrete monument; thence cornering North 10 deg. 36 min. 03 sec. West 30.00 feet to a concrete monument; thence cornering North 79 deg. 23 min. 57 sec. East 196.72 feet to a concrete monument located and being in the Southwest margin of the right of way of Franklyn Street, Franklyn Street having a right of way width of 50 feet; thence following the Southeast margin of the right of way of Franklyn Street along the curvature thereof said curve having a radius of 411.62 feet, an arc distance of 155.17 feet to a concrete monument on a chord bearing of South 24 deg. 44 min. 46 sec. East for a chord distance of 154.25 feet; thence continuing along the West margin of the right of way of Franklyn Street South 13 deg. 56 min. 48 sec. East 698.10 feet to the point of beginning.

Unofficial Document

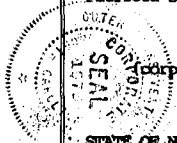
Unofficial Document

IN WITNESS WHEREOF, the undersigned Outer Banks Ventures, Inc., Declarant by virtue of the provisions of Article I, Section 6, of the aforesaid Declaration of Covenants, Conditions and Restrictions, has caused this instrument to be executed by the signature of its President, attested by its Secretary and its corporate seal to be hereunto affixed, the day and year first above written.

OUTER BANKS VENTURES, INC.

BY: R. A. Brindley  
R. A. Brindley, President

ATTEST:  
Patricia S. Brindley  
Patricia S. Brindley, Secretary



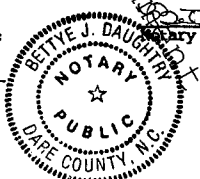
STATE OF NORTH CAROLINA COUNTY OF DARE

I, BETTYE J. DAUGHTRY, a notary public in and for the aforesaid State and County, do hereby certify that Patricia S. Brindley personally came before me this day and acknowledged that she is the Secretary of OUTER BANKS VENTURES, INC., 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 notarial seal, this the 30th day of September, 1987.

MY COMMISSION EXPIRES:

11-23-87



Bettye J. Daughtry  
Notary Public (notarial seal)

NORTH CAROLINA, CURRITUCK COUNTY

The foregoing certificate of BETTYE J. DAUGHTRY a Notary Public of Dare County, North Carolina is certified to be correct.

This instrument was presented for registration at 4:31 o'clock PM, on September 30, 1987, and recorded in Book 232, Page 38.

Charlene M. Sandy BY: Nancy C. Sanderson  
REGISTER OF DEEDS ASSISTANT REGISTER OF DEEDS

Unofficial Document