

BK 1201 PG 0569

DARE COUNTY
NORTH CAROLINA

DRAWN BY AND MAIL
AFTER RECORDING TO:

David R. Dixon
Dixon & Dixon Law Offices, PLLC
Post Office Box 750
Avon, North Carolina 27915

Declaration of Covenants
Conditions and Restrictions of:
Sunset Village
Frisco, North Carolina

Book 1201
Pages 0569 - 0583

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Register Of Deeds

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THIS DECLARATION OF PROTECTIVE COVENANTS, made and entered into this, the 23rd day of July, 1998, by Land's End Development, LLC, hereinafter referred to as the "Declarant."

WITNESSETH:

WHEREAS, the Declarant owns certain property in Frisco Village, County of Dare, State of North Carolina, which property is more particularly described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, the Declarant is desirous of subjecting the said real property to the Protective Covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and run with said real property, and each and every lot or parcel which is a subdivided portion thereof, and shall apply to and bind each and every owner thereof and the successors in interest of any owner thereof;

NOW, THEREFORE, the Declarant hereby declares that all of the properties described in Exhibit A, and any additions thereto, if the Declarant brings that property under these same Restrictive Covenants by an Amendment to the Declaration, which is specifically provided for by this Declaration, shall be held, sold, transferred and conveyed subject to the following easements, restrictions, covenants and conditions:

ARTICLE I
INTENT

The real property described in Exhibit A hereof is subjected to the Protective Covenants hereby declared to insure the best use and most appropriate development and improvements of each lot thereof; to protect the owners of lots against such improper use of surrounding lots as will depreciate the value of their property; to preserve so far as practicable the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon, with appropriate locations thereof on lots; to prevent haphazard and in-harmonious improvements on lots; to secure and maintain proper set-backs from streets, and adequate free spaces between structures, and in general to provide adequately for a high type and quality of improvements in said property and thereby to enhance the value of investments made by purchasers of lots therein.

ARTICLE II
SITE AND BUILDING PLANS APPROVAL

No building, fence, swimming pool, or any other structure shall be erected, placed, moved onto or altered on any lot or premises in Sunset Village until the building plans, specifications, and plot or site plan showing the proposed location on the lot of such improvements have been approved in writing as to conformity and harmony of external design with existing improvements in the development, and as to location of the improvements with respect to topography and finished ground elevation by an architectural review committee (the Architectural Review Board or "A.R.B.") composed of three persons designated and appointed by Declarant or its assigns. In the event said committee fails to approve or disapprove such design or location within sixty days after said plans and specifications have been submitted to it, or in any event, in the case of major improvements, if no suit to enjoin the erection of such improvements or the making of such alterations has been commenced prior to the substantial completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Members of such committee shall be entitled to compensation for services performed pursuant to this covenant. The Declarant has promulgated an initial Architectural Review Board Application containing the requirements for proper review and approval of site and building plans. Said Application is hereby incorporated by reference herein as if set forth word for word and shall be the form used until otherwise amended by the A.R.B.

The A.R.B. shall charge a fee of \$250.00 to defray the costs of the review procedures contemplated hereunder.

The A.R.B. will provide each owner of a lot within Sunset Village Subdivision a list of standards and guidelines to be followed with regard to improvements erected within the

subdivision. Said list is incorporated by reference herein as if set forth word for word, and shall be binding upon all owners and purchasers of lots in Sunset Village Subdivision.

The exterior appearance and the landscaping of each dwelling are considered extremely important by the developer in order to maintain the standards of quality, environment, aesthetics, quality of life, and overall appearance of this subdivision.

The following items must be submitted to the A.R.B. in order for the plans to be reviewed: site plans, house, building or construction plans, elevation plans, landscape plans (showing walks, drives, and type, size and location of major plantings and shrubbery and grass) and samples of exterior siding and roofing materials and colors. The site plans must indicate the distances to existing structures and lot lines on the same or adjacent lots.

Each lot owner must also comply with all permit requirements of municipal and other governmental authorities before beginning construction, including, but not limited to, the obtaining of a CAMA permit in the event such a permit is required.

ARTICLE III COMMON AREAS ACCESS

Easements. Easements for installation and maintenance of utilities (cable, water, sewer, electricity, telephone, walkways, etc.) and drainage facilities are reserved as described on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the use, installation and maintenance of the easements. The easement on each lot and all improvements within the easements shall be continuously maintained by the owner of each lot, except for those improvements for which a public authority or utility company is responsible for maintaining.

(a) The developer reserves the right to subject the real property in this subdivision to a contract for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting, which may require a continuing monthly or other periodic payment to the power supplier by the Sunset Village Homeowners' Association, Inc.

(b) The Declarant reserves for itself, its successors and assigns, and for the Sunset Village Homeowners' Association, Inc., its members, agents, employees, successors and assigns, access, ingress and egress easements over and across those certain areas designated as 15' Access & Maintenance Easement as well as the Common Area as shown on the recorded subdivision plat to provide access to and from adjacent Access & Maintenance Easement areas, the Common Areas, the Canal, Sundog Run, and Hollow Leg Road. The Declarant also reserves the right, for itself, its successors and assigns, to install, construct and maintain walkways, boardwalks and

related improvements over, across and through all said Access & Maintenance Easement areas and Common Areas shown on the recorded subdivision plat.

(c) Easements are hereby reserved over and through each and every lot in the Sunset Village Subdivision for the use, benefit and enjoyment of the Declarant, its agents, employees, successors and assigns for the installation and maintenance of docks, piers, boat slips, roads, walkways, streets and parking areas and for cable television services, sewage, water and other utility services, and such other reasonable services that the Declarant may, in its sole discretion, provide to said lots. Easements are also hereby granted over and through each and every lot in the Sunset Village Subdivision for the use, benefit and enjoyment of the Sunset Village Homeowners' Association, Inc., its agents, employees, successors and assigns for the installation and maintenance of any docks, piers, boat slips, roads, walkways, streets and parking areas and such other properties or improvements in and adjacent to the Sunset Village Subdivision owned by or entrusted to the Sunset Village Homeowners' Association, Inc. Said easements in favor of Sunset Village Homeowners' Association, Inc. shall include the rights of access, ingress and egress to fulfill its obligations under the By-Laws of said Association and all applicable Declarations and to enforce said By-Laws and Declarations for the benefit of and against all lot owners in the Sunset Village Subdivision. Any easement and rights of access herein granted or reserved by this Article shall not obligate the person, corporation, municipality, or other entity in whose favor the easement has been granted or reserved to provide the services or improvements for which the easements have been created, unless, in each instance, they are otherwise obligated to provide such service or improvement.

Docks, piers and boat slips. The docks, piers and boat slips located along and adjacent to that certain canal which borders the platted lots in Sunset Village Subdivision are the property of and are hereby entrusted to the Sunset Village Homeowners' Association, Inc., to be assigned to lot owners in Sunset Village Subdivision and to be otherwise repaired, maintained, owned and administered by the said Association in accordance with its By-Laws. No portion of any of the said docks, piers and boat slips which may be located upon and within the platted lots of Sunset Village Subdivision shall be considered a part of such lots and the owner of such lots may not claim to be the fee simple owner of any such portions of the docks, piers and boat slips located on their lot. Said lot owners are granted a non-exclusive easement of access, ingress and egress over the docks, piers and boat slips of the Sunset Village Homeowners' Association, Inc., as is otherwise herein provided.

No fueling and/or major maintenance work shall be conducted at slip locations within Sunset Village Subdivision. No alterations to boardwalks, docks, piers, etc. shall be made without the prior written approval of the A.R.B.

Construction and Repair of Piers. Owners of lots with soundside view may, under certain conditions, construct piers from their property into the Pamlico Sound. In addition to obtaining the required permits from the applicable governmental agencies, any such construction must be approved in writing by the A.R.B. prior to beginning construction. Provided that owners

of lots with soundside view have obtained the appropriate governmental permits and the appropriate written approval from the A.R.B. prior to beginning construction, all piers constructed on or adjacent to lots with soundside view shall be considered private in nature and not entrusted to, owned or maintained by the Sunset Village Homeowners' Association, Inc. Owners of said lots who construct piers from their property into the adjacent waters of the Pamlico Sound shall be responsible for maintaining said piers in good repair at the owners' sole cost and expense; provided that if said lot owners fail to maintain the pier constructed from their property in good condition, to be determined in the Declarant's or the Association's sole and absolute discretion, then the Declarant or the Association shall have the right to cause such repairs to be made to the structure as it deems necessary and to charge these costs and expenses for said repairs to the lot owner. Upon failure of any lot owner to pay any such costs and expenses when due, the amount owed shall become a lien upon the applicable lot enforceable in accordance with the provisions of Article VI of the Declaration.

For the purpose of insuring the Association's right to repair any such piers, the Association hereby reserves an easement over, through and across each and every lot in Sunset Village Subdivision, for the use, benefit and enjoyment of the Declarant, its agents, employees, successors and assigns, for access to the pier for the specific purpose of performing any necessary repair work. Except as set forth above, the Association and its members shall not have general access rights to the piers, however, if any such piers are connected to common walkways, boardwalks or related improvements constructed on or adjacent to the lot, said walkways, and boardwalks shall remain the property of the Association.

Development Rights. The Declarant hereby reserves unto itself, its successors and assigns non-exclusive easements and rights over and through Sundog Run, and the other roads, streets, parking areas, docks, piers, boat slips and other areas in and adjoining the Sunset Village Subdivision, for the use, benefit and enjoyment of Lands End Development, LLC, its agents, employees, successors and assigns. Said easements are reserved for the purpose and intent of developing and improving lands and properties in Sunset Village Subdivision according to its plan and as it, in its sole discretion, may deem proper. Declarant reserves the right to create additional subdivisions or other planned communities on adjacent land and to add such additional subdivisions or other planned communities to the Sunset Village Homeowners' Association, Inc. The plans of the Declarant are to build or develop approximately 30 lots in the residential area of Sunset Village Subdivision, but no assurances are given that any or all of such units shall be developed. To the extent such residential lots are developed, they will be added to the Sunset Village, made subject to these covenants, and the owners of these added lots will be obligated to pay their pro rata share of the common expenses of said Association.

ARTICLE IV
PROPERTY RIGHTS

Owner's Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas as set forth on the plat of Sunset Village Subdivision which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Declarant or Sunset Village Homeowners' Association, Inc. to promulgate rules and regulations to maintain the Common Area;

(b) the right of the Declarant or Sunset Village Homeowners' Association, Inc. to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Delegation of Use. Any Owner may delegate his rights or enjoyment of the Common Areas to the members of his family, his tenants, guests, or contract purchasers who reside on the property.

ARTICLE V
USE RESTRICTIONS

Permitted Structures. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family Dwelling Unit (thereby expressly excluding the construction of duplexes, double or multiple-unit Dwelling Units on any Lot) and a garage or other out building approved by the A.R.B. in accordance with the terms of Article II of this Declaration. Any Dwelling Unit constructed on a Lot shall have a maximum height of 52 feet and have not less than 1,600 square feet of heated and enclosed living area. The calculation of heated and enclosed living area shall not include garages, decks, porches and walkways. Roof slopes on the main roof shall not be less than 6/12.

Location of Buildings, Wells and Septic Systems on Lot. Building setback lines have been noted on the recorded plat of the Sunset Village Subdivision. No building shall be erected on any Lot except within the building setback lines noted on the recorded plat of the Subdivision. When one Owner acquires all or a portion of two or more adjoining Lots, then and in that event, the adjoining one or more Lots may be used as one building site, in which event the setback requirements noted on the recorded plat of the Subdivision shall apply to the outside perimeter property line of the combined Lots acquired by a single Owner.

Re-subdivision of Lots. No Lot shall be subdivided or re-subdivided to create an additional Lot or Lots. However, there may be added to or combined with any Lot as shown on the recorded plat of the Sunset Village Subdivision all or a portion of another Lot or Lots to produce a larger building site upon the written consent of the Developer.

Completion of Building. All construction on a Lot shall be completed within nine (9) months from the commencement thereof, provided, however, that the A. R. B. may extend such time for completion of construction when, in the committee's sole opinion, such an extension of time is warranted.

Cable Television. So long as cable television service is available, no exposed antenna shall be erected on or used on any Dwelling Unit or Lot. If cable television service is unavailable, an exposed antenna may be erected only with the approval of and subject to conditions imposed by the A.R.B. No exposed satellite dish in excess of 20 inches in diameter shall be permitted on any Lot.

Streets. No street shall be laid out or opened across or through any Lot.

Signs. No billboards or signs shall be erected or allowed to remain on the Properties except "For Sale" signs, "For Rent" signs and signs giving the name of a Dwelling Unit and/or its Owner not exceeding six (6) square feet in total area. No such permitted sign shall be illuminated. Notwithstanding the foregoing, the Homeowners' Association may erect such signs on the Properties as it, in its sole discretion, deems necessary to the development, operation and marketing of the Properties or the normal conduct of its business, signs of general contractors and construction lenders may be erected during construction and must be removed prior to obtaining a certificate of occupancy for the Dwelling Unit constructed on a Lot, and the Homeowners' Association may erect such informational signs on the Common Area as it deems appropriate. The Homeowners' Association may enter upon the Lot of any Owner and remove any sign violating this Section, and such entry by the Homeowners' Association or his representative shall not be deemed a trespass. A sign so removed may be left on the Lot to be removed from the premises or destroyed by either the Lot or the sign Owner.

Vehicle Storage. Upon construction of a Dwelling Unit, a Lot Owner shall provide sufficient parking space on his Lot and off the abutting street for at least two (2) vehicles. The storage of travel trailers, campers, trucks and self-propelled mobile homes shall be in a garage or under the Dwelling Unit. No one shall live in or occupy campers, travel trailers, trucks, self-propelled mobile homes and other vehicles while parked on a Lot.

Driveways. During construction, an Owner shall provide access to his Lot for workers and for unloading construction materials by means of at least a temporary driveway. The Lot Owner shall repair and bear the expense of repairing subdivision streets damaged by vehicles in connection with the construction on his Lot. The Homeowners' Association may require a Lot Owner to install a culvert underneath the driveway serving his Lot at the point at which that driveway intersects a subdivision street, and the Lot Owner shall pay the cost of the culvert and its installation. At or prior to the completion of the construction of a Dwelling Unit on a Lot, the Owner thereof shall pave the driveway and all parking areas serving that Lot in concrete, asphalt or other paving materials approved by the Homeowners' Association.

Screening. Each Lot Owner shall provide screening from the public view for garbage stations, fuel tanks, rubbish storage receptacles or any other permanent facility that is required to preserve the beauty and harmony of the Properties. All rubbish shall be placed in receptacles screened from public view except as required to accomplish the collection of rubbish from those receptacles.

Pilings. All Dwelling Units constructed on the Properties on a foundation of or which are supported by pilings shall utilize pilings at least eight (8) inches in diameter (or having the strength or other structural characteristics of pilings of at least eight (8) inches in diameter), which shall be buried no less than eight (8) feet below the surface of the ground. All pilings shall be enclosed with siding or lattice approved by the Homeowners' Association.

Temporary Structures. No temporary structures, such as a trailer, tent or shack, shall be constructed or placed upon any Lot before, during or after completion of construction of any buildings and structures except for such structures as are normally used by construction contractors during the period of construction. Such temporary structures shall be promptly removed after completion of construction and may not be used as residences while on the Lot.

Mobile Homes. No mobile home, manufactured home, modular home, trailer, recreational vehicle or other like structure shall be located or installed on any Lot to be used as a residence. As used herein, mobile home, manufactured home or modular home shall mean a structure assembled in whole or in part in a location other than on the Lot itself, transportable in one or more sections, any section of which, during transport, is four feet or more in width and ten feet or more in length, which may or may not be built on a permanent chassis and which is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. No accessory building previously constructed elsewhere shall be moved onto any Lot; provided, however, that trailers to be used as sales offices or for construction purposes shall be allowed during the construction and sales periods.

Water and Sewage. All wells, toilets and sewage units shall be installed and located in accordance with the rules and regulations of the North Carolina Department of Health or its successor regulatory agency. No outside toilets will be permitted under any circumstances except those self-contained temporary facilities used by construction workers during the period of construction of a Dwelling Unit on a Lot, and any such self-contained unit shall be removed after completion of construction or before occupation of the Dwelling Unit, whichever shall first occur.

Animals. No pets other than household pets in reasonable numbers shall be kept in or on the Properties at anytime. No savage or dangerous animal shall be kept. No pets may be raised or bred for sale or maintained for commercial purposes. Further, an Owner may require the permanent removal of any pet causing or creating a nuisance or unreasonable disturbance or noise. For purposes of this provision, household pets shall refer to dogs, cats, birds and fish.

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

Vehicle Use. All motorized vehicles operating within the properties must be properly muffled so as to eliminate noise which might be offensive to others. Two and three wheel motorized vehicles, as well as four wheeled go-carts or beach buggy type vehicles are prohibited from being used or operated on or within the Common Properties.

Nuisances. It shall be the responsibility of each Lot Owner to maintain the exterior of his Dwelling Unit and the surrounding grounds of his Lot in a clean, tidy and safe manner, and such Lot Owner shall be responsible for preventing waste from occurring to any structure on his Lot. In the event of destruction of or other casualty to the building or structure, the premises shall be cleared and debris removed therefrom by the Owner of the Lot within sixty (60) days from the date of such casualty.

(a) No Lot shall be used in whole or in part for storage of anything that might cause such Lot to appear cluttered, unclean or obnoxious to the eye; nor shall any substance, thing or material be kept on any Lot that emits foul or obnoxious odors, noises or other conditions that will or may disturb the serenity, safety or comfort of the occupants of surrounding property. No obnoxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon to create a nuisance to the neighborhood.

(b) After construction has commenced on a Lot, the Lot Owner and his builder shall keep the Lot clean and neat in appearance. A trash and rubbish container at least eight (8) feet wide and eight (8) feet long shall be maintained during construction. All construction trash and debris shall be placed in the trash container and removed from the premises by the Owner or the builder. The burning of trash and rubbish is expressly prohibited. No structure, including the Dwelling Unit, shall be occupied until all construction trash, rubbish, debris and the trash container have been removed from the premises.

(c) No junked, wrecked or inoperative automobiles, trucks, buses or boats shall be permitted to remain on the Properties unless otherwise permitted by this Declaration, nor shall unsightly material be stored thereon. Owners of unoccupied Lots shall at all times keep and maintain their Lots in an orderly manner and prevent the accumulation of rubbish and debris upon the premises.

Lot Maintenance. Each Lot Owner shall keep his Lot cleared of unsightly underbrush, weeds, debris and lumber.

ARTICLE VI
ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

Intent. The Homeowners' Association is hereby given the responsibility and authority to administer the operation and management of the common areas, docks, bulkheads and boat slips of the property, it being recognized that the delegation of such duties to one entity is in the best interests of the Owners of all residential lots in the Subdivision. To properly administer the operation and management of the common areas, docks, bulkheads and boat slips of the property, the Association will incur, for the mutual benefit of all the owners of lots, costs and expenses. To provide the funds necessary for such proper operation, management, capital improvements and repairs after damage from hazards, the Declarant hereby grants the Homeowners' Association the right to make, levy and collect assessments against the members of the Homeowners' Association and their lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses of the operation of, the management of, and for the repair and capital improvements to, the common areas, which for the purpose of these Articles shall be deemed to include, but not limited to, the private streets and roads of the Subdivision and all other improvements, the following shall be operative and binding upon the owners of all residential lots.

Assessments and Charges. The purchaser of each lot owned within the property, by acceptance of a Deed therefor, whether or not is shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Homeowners' Association (1) Annual assessments or charges, and (2) Special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided and as may be further provided in the Articles and Bylaws of the Homeowners' Association.

Liens. The annual and special assessments for capital improvements, together with any interest, costs and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorneys fees shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessments fall due.

Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the property and in particular, for the maintenance, repair and replacement of any and all improvements of the property and the entrance areas to Sunset Village, as well as the acquisition and maintenance of any and all other common areas of the property, including the costs of repair, repaving, replacements, additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against any of the common areas, utility services and the procurement and maintenance of insurance, as deemed necessary by the Board of Directors.

Limits on Assessments. The annual assessment for each calendar year shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent of the maximum annual assessment of the previous year. The initial annual assessment shall be \$100.00. The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds of the members of the Homeowners' Association who are voting in person or by proxy at a meeting called for this purpose. Additionally, special assessments for the purpose of repair, construction, reconstruction, replacement of a capital improvement, the roads and streets of the property, the common areas, the bulkhead, docks or slips on the canal, including fixtures and personal property related thereto, shall be equally enforceable if approved by a vote of two-thirds of the members of the Homeowners' Association who are voting in person or by proxy at a meeting called for this purpose. Assessments shall be uniform for all lots and shall be collected as provided by the Board of Directors. Assessments shall be held to a reasonable standard as regards the expenses and costs of the Homeowners' Association.

Notice and Quorum for Meetings under this Article. Written notice of any meeting called for the purpose of taking any action regarding special assessments, or regarding annual assessments in excess of ten percent of the prior year's assessment, shall be sent to all members not less than ten days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting(s) shall be three-fourths of the required quorum of the preceding meeting.

Nonpayment of Assessments. Any assessment not paid within thirty days after the due date shall bear interest from the due date at the rate of eighteen percent per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for the assessment provided herein by non-use of any of the common areas or abandonment of his lot. The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of Dare County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. Such claims of lien shall be signed and verified by an officer or agent of the Homeowners' Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, or corporation acquiring title to any lot by deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said lot

subsequent to the date of acquisition of such title, and it shall not be labile for the payment of any assessments which were in default and delinquent at the time it acquired title.

ARTICLE VII GENERAL PROVISIONS

Enforcement. Any Owner, as well as the Homeowners' Association, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, now or hereafter imposed by the provisions of the Declaration. Failure by the Homeowners' Association or 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.

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

Declarant Control Period. Notwithstanding anything contained herein to the contrary, the Declarant, Land's End Development, LLC, its successors and assigns, shall have the right to appoint and designate the entire Board of Directors of the Sunset Village Homeowners' Association, Inc. until January 1, 2003, or until such earlier time as the Declarant surrenders its authority to so by an express Amendment to these By-Laws executed by the Declarant and approved by the Board of Directors. Beginning with the first annual meeting of the membership of the Association after January 1, 2003, the Board of Directors shall be elected by the members as set forth in the By-Laws. This provision shall control and prevail over any inconsistent term or provision otherwise contained in the Declaration. Any amendment, modification or alteration to this paragraph shall first be approved, in writing, by the unanimous consent of the Board of Directors of the Association.

Rights of Sunset Village Homeowners' Association, Inc. The Sunset Village Homeowners' Association, Inc. is hereby granted the absolute and exclusive right to maintain, control and assign the docks, piers and boat slips throughout the residential area of Sunset Village, Inc. The docks, piers and boat slips are to be used by and assigned solely to owners in Sunset Village Subdivision. The Sunset Village Homeowners' Association, Inc. is hereby given the right and option, in its sole discretion, to charge and assess the lot owners in this subdivision for the costs of maintenance, upkeep and repair of the docks, piers and boat slips. The assignment of dockage shall be in accordance with the provisions of the By-Laws of the Sunset Village Homeowners' Association, Inc.

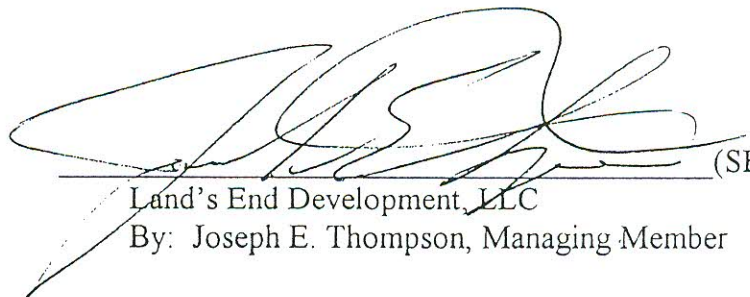
No boat or other vessel or craft shall be docked or moored in the waterways and canals in Sunset Village Subdivision so as to block or hinder the reasonable access, ingress and egress of others. No boat or other vessel or craft over eleven feet (11') wide, measured at the "beam", shall be allowed in the residential area of Sunset Village Subdivision, unless it shall first seek and obtain the prior written approval of the Board of Directors of the Sunset Village Homeowners' Association. The Board of Directors of the Sunset Village Homeowners' Association may by

appropriate resolution, make such other and further rules and regulations concerning the use and enjoyment of the docks, piers, boat slips, canals and waterways in the residential area of Sunset Village Subdivision.

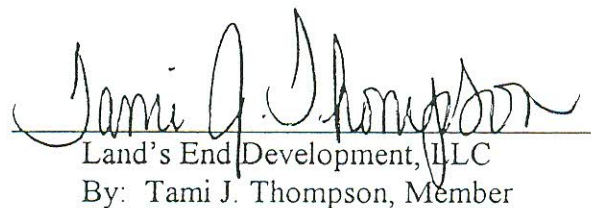
Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners. Any amendment must be properly recorded in the Dare County Registry.

Waiver. The Homeowners' Association may from time to time grant to the owner or owners of lots within the subdivision a waiver or variance from the provisions of the declaration. The conditions under which such a waiver or variance may be granted shall be in the total discretion of the Homeowners' Association. It is understood that the existence of this power does not create a right in any homeowner or lot owner to such action by the Homeowners' Association and the decision of the Homeowners' Association on request for waiver or variance shall be final. The expressed purpose of the power as described in this paragraph is to enable the Homeowners' Association to alleviate hardships created by the terms of this declaration under circumstances which are beyond control or fault of the parties, would create irreparable harm or unnecessary hardship without such action; or under conditions where title to the property in question is clouded, encumbered or detrimentally effected by the existence of conditions which cannot otherwise be corrected. Even when conditions as described herein exist so that waiver or variance appears appropriate, granting such waiver or variance shall remain completely within the discretion of the Homeowners' Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument under seal as of the 23 day of July, 1998.



Land's End Development, LLC (SEAL)
By: Joseph E. Thompson, Managing Member



Land's End Development, LLC (SEAL)
By: Tami J. Thompson, Member

State of North Carolina
County of Dare

BK 1201PG0582

I, a Notary Public of the County and State aforesaid, certify that Joseph E. Thompson, Managing Member of Land's End Development, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp or seal, this 23 day of July, 1998.



David R. Dixon

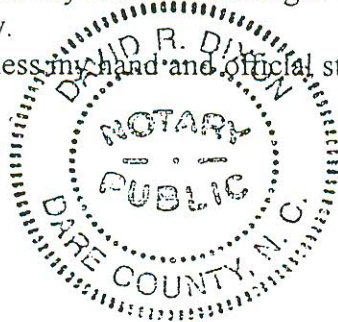
Notary Public

My Commission Expires: 10.30.2000

State of North Carolina
County of Dare

I, a Notary Public of the County and State aforesaid, certify that Tami J. Thompson, Member of Land's End Development, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp or seal, this 23 day of July, 1998.



David R. Dixon

Notary Public

My Commission Expires: 10.30.2000

North Carolina
Dare County

The foregoing certificate of _____
a Notary Public of _____
is certified to be correct. This instrument and this certificate are duly registered at
the date and time in the Book and Page shown on the first page hereof.

Barbara M. Gray, Register of Deeds

By _____ Asst. Register of Deeds



**Sunset Village
Restrictive
Covenants**