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DECLARATION AMENDMENT (Deep Creek Shores)

Prepared by and return to:
Robert B. Hobbs, Jr., Attorney
Hornthal, Riley, Ellis & Maland, L.L.P.
2502 South Croatan Highway
Nags Head, North Carolina 27959

NORTH CAROLINA
PERQUIMANS COUNTY

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS (this "Second Amendment"), effective as of
October 19, 2020 (the "Effective Date"), by DEEP CREEK
SHORES OF PERQUIMANS COUNTY HOMEOWNERS' ASSOCIATION, INC., a North
Carolina Nonprofit Corporation (the "Association").

Premises

A. Carolina Coast and Lakes, Inc. ("Declarant"), recorded a Declaration of
Covenants, Conditions and Restrictions for Deep Creek Shores, a planned community
(the "Community") dated September 18, 2000 in Book 209, Page 540, Perquimans
County Registry (the "Original Declaration").

B. Pursuant to the amendment procedures contained in the Original
Declaration and the North Carolina Planned Community Act, Chapter 47F of the North
Carolina General Statutes (the "Planned Community Act" or "47F"), the Association
recorded an amendment to the Original Declaration, such amendment being dated
August 17, 2017 and recorded in Book 467, page 172, Perquimans County Registry
(the "First Amendment" or "Revision 1").

C. The Original Declaration and the First Amendment may be collectively
referred to herein as the "Declaration."

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D. Section 47F-2-117 of the Planned Community Act provides for the procedure to amend this Declaration, as modified by Section 11 of the Original Declaration and Section 10 of the First Amendment, to the extent the Act permits modification of the Declaration amendment procedure set forth in the Act (collectively the "Amendment Procedure").

E. The Association has received the affirmative vote of owners of lots to which at least seventy-five percent (75%) of the votes in the Association are allocated, as required by the Amendment Procedure, to approve amendments to the Declaration as set forth below.

NOW, THEREFORE, the Association does hereby designate, declare, make known and publish the following amendments to the Declaration:

1. Section 2 of the Declaration shall be amended and restated to provide as follows:

2. No Temporary Structures.

a. A structure of a temporary nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn or other outbuilding (a "Temporary Structure") shall not be used or permitted to exist on any lot at any time as a residence, either temporarily or permanently, except as provided otherwise in this Section 2.

b. The restriction on Temporary Structures shall not apply to guests of Permanent Residents of the Community. For purposes of this Declaration, the term "Permanent Resident" means those lot owners residing in completed homes for which a Certificate of Occupancy has been issued by the Perquimans County Inspection Department.

c. Any lot owner may allow their guests to occupy (i) a Recreational Vehicle on their lot, (ii) camping equipment on their lot, or (iii) a boat tied up at the lot owner's dock, as a temporary residence for the guests for a period not exceeding thirty (30) consecutive calendar days, provided that such temporary occupancy is not prohibited by applicable county zoning requirements.

2. Section 3 of the Declaration shall be amended and restated to provide as follows:

3. All property in the Community shall be used for single family residential purposes only. No property in the Community shall be used for any commercial, business or industrial undertaking or enterprise. Provided, however, that any occupant of a residence constructed on a lot may use an interior room within the residence as an office, but only if the

office is a private office that is not open for the reception of customers or clients.

3. Section 4 of the Declaration shall be amended and restated to provide as follows:

4. Remedies for Violations.

a. If any owner or such owner's heirs, successors, assigns, tenants, occupants, or licensees shall violate or attempt to violate any of the provisions of the Planned Community Act, the North Carolina Nonprofit Corporation Act (Chapter 55A of the North Carolina General Statutes, the "Nonprofit Corporation Act" or "55A"), and/or the DCS Legal Documents, except as hereinafter provided, it shall be lawful for the Association or any other owner to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions of the Planned Community Act, the Nonprofit Corporation Act, and/or DCS Legal Documents, either to prevent such owner from such activity or action, and/or to recover damages or other dues for such violation.

b. The Association is specifically excluded from any liability for monetary damages, except as provided otherwise by law.

c. Recovery of Attorneys' Fees, Expenses and Costs. If legal assistance is obtained to enforce any of the provisions of the Planned Community Act, the Nonprofit Corporation Act, and/or the DCS Legal Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the DCS Legal Documents or the restraint of violations of the DCS Legal Documents, the prevailing party will be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred and allowed by Sections 47F-3-116 and 47F-3-120 of the Planned Community Act.

d. Fines. The Association may establish a schedule of fines for the violation of this Declaration, the Articles, Bylaws and Rules and Regulations, consistent with the provisions of the Planned Community Act.

4. Section 5 of the First Amendment shall be amended and restated to provide as follows:

5. Each lot shall be conveyed subject to drainage easements, utility easements, setbacks, street right-of-ways and all other matters depicted on the Incorporated Map of Survey, as well as DCS Storm Water Permit, County Regulations and NCDOT Regulations.

5. Section 6 of the First Amendment shall be amended and restated to provide as follows:

6. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in temporary sanitary containers.

6. Section 7 of the First Amendment shall be amended and restated to provide as follows:

7. Each lot owner shall be a member of the Association and shall remain a member until owner ceases to be a lot owner. The interest of a member in the Association or its assets cannot be transferred or encumbered except as an appurtenance of his or her or its lot. As set forth in the Bylaws, each lot shall be entitled to two votes cast by its owner(s), or, for recombined lots, the number of votes allocated in the Bylaws.

7. Section 8 of the First Amendment shall be amended and restated to provide as follows:

8. Declarant shall convey to the Association the common areas as shown on the Incorporated Map of Survey (i.e. the "Common Area," the 50ft. street right-of-ways and the drainage/utility easements) to hold for the benefit, use and enjoyment of each member of the Association.

8. Section 9 of the First Amendment shall be amended and restated to provide as follows:

9. As provided in Section 47F-3-115 and 47F-3-116 of the Planned Community Act, the Association shall have the authority to levy assessments on all lots in the Community for liability insurance, local taxes, maintenance of roads, and other common facilities and such other matters as it deems appropriate. Specifically, the Association shall provide for maintenance for all of the common areas. The Association shall have all lien and enforcement rights for unpaid assessments as provided in Section 47F-3-116 of the Planned Community Act. The lien for unpaid assessments shall also include reasonable attorneys' fees and costs incurred by the Association as provided by Section 47F-3-116 of the Planned Community Act. As provided in Section 47F-3-116 of the Planned Community Act, the Association may take other legal actions to recover the sums due the Association. Except as provided otherwise by the Planned Community Act or by this Declaration, all Association Assessments shall be allocated among the lots equally.

9. Section 10 of the First Amendment shall be amended and restated to provide as follows:

10. This Declaration shall be deemed to run with the land and shall be a burden and benefit to the Association and any person or entity acquiring or owning an interest in any property in the Community, and their grantees, successors, heirs, executors, administrators, devisees, tenants, licensees, occupants, and assigns, in perpetuity. This Declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. The amendment procedure shall be as set forth in Section 47F-2-117 of the Planned Community Act.

10. Section 11 of the First Amendment shall be amended and restated to provide as follows:

11. Pets and Animals.

a. Pets. The occupants of any lot may have dogs and cats ("Dogs and Cats") as household pets (not to exceed five [5] dogs and/or cats per lot), provided that such Dogs and Cats shall not disturb or annoy residents and are not allowed to run free in the Community. All Dogs and Cats that are walked outside of the owner's lot must be on a leash. Every owner of Dogs and Cats is required scoop animal waste and properly dispose of same while walking such Dogs and Cats in the Community.

b. Horses. Any owner of a lot containing three or more acres may stable or corral up to and not exceeding two (2) horses on their lot to the extent such use is permitted by county zoning regulations.

c. Other Animals. Except as may be authorized by subsections (a) and (b) of this Section 11, and except as permitted under Federal law, livestock and domesticated farm animals shall be prohibited from any property in the Community.

11. Section 13 of the First Amendment shall be amended and restated to provide as follows:

13. Renters/occupants as well as lot owners are required to abide by this Declaration and all DCS Legal Documents.

12. Section 16 of the First Amendment shall be amended and restated to provide as follows:

16. All lot owners are hereby granted nonexclusive easements for the purpose of ingress, egress and parking over those appropriate portions of the common areas for the lot owners and their invitees. The Association shall have an easement over all of the properties in the Community for the purpose of carrying out any of its rights or duties hereunder.

13. Section 17 of the First Amendment shall be amended and restated to provide as follows:

17. No mobile homes, trailers, manufactured homes (whether single or double wide) or on-frame modular homes may be installed on or maintained on the property. For purposes of this Section 17, the term "on-frame modular home" means a factory-built structure with a permanent steel-beam chassis that is designed to be used as a residential dwelling. Off-frame modular homes which are lifted by cranes and placed on a permanent foundation are permitted. All construction on the property must conform to all Perquimans County building regulations and requirements.

14. Section 19 of the First Amendment shall be amended and restated to provide as follows:

19. A lot may be improved only by the construction of one single family residential dwelling with either attached or detached garages provided the detached garage is of the same construction style, color and construction materials of similar quality as the dwelling. Such residential dwelling construction shall have an enclosed living space of at least 2,000 square feet, not including cellars, decks, enclosed porches and garages. Exteriors of such construction shall be of wood and/or masonry excluding concrete block type and may be covered by exterior siding. In conjunction with the construction of a residential dwelling or thereafter the property may be further improved by the construction of out buildings which shall be of the same construction style, color and construction materials of a similar quality and appearance as the dwelling. However, the out buildings may not be used as a dwelling. Once begun, exterior construction shall be completed within twelve (12) months.

15. Section 21 of the First Amendment shall be amended and restated to provide as follows:

21. Any future lot owner who improves his lot by the construction of a dwelling thereon or any lot owner who purchases an improved lot shall hook up to and become a customer of the Perquimans County Public Water Supply System at the owner's own expense. This shall be an affirmative obligation upon such lot owner which shall be undertaken at the owner's sole expense. The purpose of this provision is to ensure that

every dwelling within the Subdivision is supplied water through the County's public system.

16. A new Section 22 shall be added to the Declaration which shall provide as follows:

22. Recombination of Lots.

a. In the event an Owner recombines or otherwise changes the boundary lines of one or more Lots with the consent of the Association and Perquimans County, the reallocation of the number of votes in the Association as well as the share of annual and special assessments shall be performed as follows: If the total number of Lots is being reduced through the recombination, the number of votes and the share of the assessments for all of the Lots being recombined shall be allocated to the newly-recombined Lot(s). For example, if three Lots are being recombined to become two recombined Lots, all of the votes and shares of assessments for the three Lots shall be combined and reallocated to the two newly-recombined Lots. As another example, if two Lots are being recombined to create one recombined Lot, all of the votes and shares of assessments for both Lots shall be combined and reallocated to the newly-recombined Lot.

b. In the event that a proposed recombination scenario is not addressed in the above provisions, the Executive Board shall have the right to review a proposed recombination and establish a method of allocating votes in the Association and share of assessments with the overall goal of keeping both the total number votes and per-capita allocation of assessments the same for the Lots not affected by the recombination.

c. All recombinations must be depicted on a recordable survey prepared by a licensed North Carolina Professional Land Surveyor and must be recorded with the Perquimans County Register of Deeds. Any proposed recombination survey must first be reviewed and approved by the Executive Board and by Perquimans County before a Lot Owner may proceed with recording the recombination survey with the Perquimans County Register of Deeds.

d. The Executive Board is authorized to promulgate rules, regulations and forms to establish a review and approval procedure for recombination surveys.

17. A new Section 23 shall be added to the Declaration which shall provide as follows:

23. All references in this Declaration to any provisions of the Planned Community Act, the North Carolina General Statutes, and Chapter 47F shall mean those statutes as may be amended or superceded from time to time.

18. Except as otherwise amended herein, the Declaration remains in full force and effect. In the event of a conflict between this Amendment and the Declaration, this Amendment shall control.

(continued on the following page)

IN WITNESS WHEREOF, the Association has caused this instrument to be signed in its corporate name by its duly authorized officer, the day and year first above written.

DEEP CREEK SHORES OF PERQUIMANS COUNTY HOMEOWNERS' ASSOCIATION, INC., a North Carolina Nonprofit Corporation

BY: [Signature]

Name: S. L. VASSAR JR

Title: President

STATE OF NC

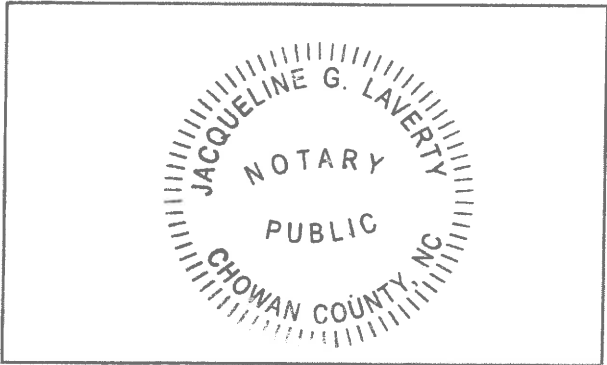
(COUNTY) (CITY) OF Perquimans

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: S. L. VASSAR

(name), the President (title) of

DEEP CREEK SHORES OF PERQUIMANS COUNTY HOMEOWNERS' ASSOCIATION, INC., a North Carolina Nonprofit Corporation.

Witness my hand and seal this 19th day of October, 2020.



Affix Notary Seal Inside This Box

[Signature]
Signature of Notary Public

Jacqueline G. Lavery
Typed or printed name of Notary Public

My commission expires: 7-26-2021