

OWNERS HANDBOOK

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I. OLD NAGS HEAD COVE: GENERAL INFORMATION

A. History

Old Nags Head Cove was developed in the early 1970's by Carolina Shores Development Corporation as a residential subdivision located in the Town of Nags Head. The subdivision consists of 517 lots, 189 of which are canal front. The subdivision is divided into seven sections as follows:

Section	# Lots	Restrictive Covenants Filed	Deed Book/Page	Plat
A	130	04/30/71	173/587	4-3
B	79	06/11/71	174/568	4-78
C	44	07/09/71	176/385	4-93
D	79	10/12/71	179/928	5-7
E	70	07/09/71	176/385	4-92
F	94	07/09/71	176/385	4-91
G	20	04/09/73	199/700	6-26

B. Restrictions and Covenants

The original Declarations of Restrictions and Covenants for Old Nags Head Cove were filed with the Dare County Register of Deeds: Deed Book 167, Page 370.

The Articles of Incorporation of Old Nags Head Cove Association, a non-profit corporation formed to operate and manage the common areas and mutual responsibilities of the owners of lots in Old Nags Head Cove were filed with the Secretary of State of North Carolina on April 23, 1971.

The covenants declare the developers' intention that the community be comprised of residential home sites only with no commercial activity permitted. The original covenants provided for control of the subdivision and enforcement of the covenants by the developer until such time the developer owned less than 10 percent of the lots. On February 22, 1984 a Supplemental Declaration of Protective Covenants was filed in Dare County attesting to the fact that the developer no longer owned 10 percent of the lots and therefore the rights of the developer devolved upon the Old Nags Head Cove Association. The purpose of the Association, as stated in this filing and in the Articles of Incorporation, is to perform those functions devolved to it from the developer, maintain the community properties, and any activity that said Association deems to be for the best interest of the subdivision property owners.

On August 28, 2001 a Notice of Adoption of Revised Protective Covenants of Old Nags Head Cove Association was filed with the Dare County Register of Deeds: Book 1388, Page 427.

A majority of the owners in the subdivision voted to approve the revised covenants which amended Articles H, I, and J of the Supplemental Declaration of Protective Covenants filed February 22, 1984 and recorded in Book 454, Page 864. Together with the original Declaration of Restrictions and Covenants, these three documents comprise the latest covenants now in force.

The original covenants as modified by the latest revision dated August 28, 2001 “run with the land”, (are binding on successive owners, heirs, agents or assigns) for 25 years and are automatically extended for successive periods of 10 years (*Art. J-1*).

The original annual assessment set by the developer was \$60.00.

The current assessment for improved or vacant lots is \$165.00 per year. Amenity fees are extra. (*Copies of the covenants are available at the Association office.*)

C. Bylaws of Old Nags Head Cove Association

The Bylaws of the Old Nags Head Cove Association are the set of “rules and regulations” for the day to day operation of the Association.

They are subordinate and subject to the Protective Covenants, the Articles of Incorporation of the Association and the General Statutes of North Carolina.

The Bylaws can be amended by a majority vote of the Board of Directors and any amendment becomes effective from and after their presentation and vote at an annual or special meeting of the Association members. (*Art. XIII*) The Bylaws address such subjects as: Powers, Duties and Election of the Board of Directors and Officers, Meetings, Membership in the Association, Assessments for Emergencies, etc.

D. Common Property of the Association

The common properties under the care of the Old Nags Head Cove Association include a sound-front Clubhouse, a Pool, a Boat Ramp located on Albacore Drive, six boat slips located at the South end of the Clubhouse parking lot, a volleyball area, picnic area and the main entrance property on Old Cove Road.

The Bylaws of Old Nags Head Cove Association - Article II, Section 3. *Privileges of Members* - limits “who” may access the common properties and facilities to

(1) Members in good standing (assessments are current),

(2) Who pay the amenity fee, and

(3) “*Their spouse and their children or legal wards having the same principal residence shall have the license to use the common areas and facilities subject to the provisions of the Declaration of Restrictive Covenants and subject to such other rules and conditions, and fees as may be established from time to time by the Board of Directors*”.

E. Year Round Renters

Lessees of homes owned by members in good standing of the Association are offered the use of the amenities (with the exception of rental of the Clubhouse) subject to an additional fee and the following:

- (1) The owner of said property where lessee resides must be current in his / her annual assessment and has paid the owners fee for the amenity the lessee desires to use.
- (2) The fee for and use of the amenity applies **only to** the lessee and family members **residing** at said property. Guests of the lessee are subject to the guest fee payment schedule.
- (3) On payment of the amenity fee by the lessee, a Club Membership card will be issued and must be presented to management or assigns upon use of the amenity. Guests of the lessee will be permitted to use the amenity only if accompanied by the lessee.
- (4) The Board of Directors and/or Manager of the Association may suspend the use of any amenity by lessee and/or their guests for infractions of the Association's Rules and Regulations or for any reason deemed in the best interest of the Association and its members.

F. Weekly/Seasonal Renters

Weekly or seasonal renters of homes owned by members in good standing of the Association are offered the use of the amenities subject to the following:

- (1) The owner of said property must be current in his annual assessments and has paid the owners fee for the amenity the renter desires to use.
- (2) Renters are subject to the Guest Fee Rental Schedule.
- (3) The Board of Directors and/or Manager of the Association may suspend the use of any amenity by guest/renters for infractions of the Association's Rules and Regulations or for any reason deemed in the best interest of the Association and its members.
- (4) Owners who rent out their homes and allow guests to use their names and lot # or other information to access the amenities with the intention of bypassing the guest amenity fees are subject to suspension of access to the amenity.

II. THE OLD NAGS HEAD COVE ASSOCIATION

- A. The Board of Directors is elected at the annual meeting held in May of each year. Members of and candidates for the Board of Directors must be members in good standing of the Association. Members in good standing may cast one

vote per lot at the annual meeting for candidates and other matters requiring a vote.

The Powers and Duties of the Board of Directors is outlined in the Bylaws (*copies available at the Association office*). Examples are:

Collect assessments, levy use fees, maintain the common property, enforce the Covenants and Bylaws, purchase insurance, etc.

No Director is permitted to serve for more than two consecutive terms.

- B. Notice of Board of Directors meetings is posted at the Clubhouse. Generally the Board meets quarterly. Members in good standing are welcome to attend. Please notify the Manager if you wish to be put on the agenda for the upcoming meeting.
- C. The Annual Meeting is held on a Saturday in May at an hour designated by The Board of Directors. (*Art. VI, Sec. 2 - Bylaws*) A Members picnic follows the meeting. Notice of the Annual Meeting, agenda, ballots and proxy statements are mailed to all owners in the subdivision prior to the meeting.

Votes received by mail, collected at the meeting and those votes made in person at the meeting are tallied, verified against an owners list of those eligible to vote (*members in good standing*) and the results of the election are announced at the meeting.

B. Annual Assessment

The fiscal year for the Old Nags Head Cove Association runs from May 1st Through April 30th of the following year.

Each lot owner in Old Nags Head Cove **is required to become a member of the Association and is obligated to pay the annual assessment.** (*Art. H - Revised Covenants Aug. 2001*)

Invoices for the current year's assessment including any past due balances as well as late fees and finance charges are mailed to homeowners during the month of April. Assessments are due and payable May 1st. User fees for the amenities are optional and are billed per amenity. A Late Charge of \$10.00 is added to assessments that are overdue 60 days from May 1st. After the 60 day period expires, interest on unpaid balances is assessed at a rate of one and one-half percent per month (18% per annum). (*Art. H-4 Revised Covenants*)

The Association will file a lien in Dare County against owners who are more than six months in arrears on their assessment.

The current annual assessment is \$180.00 per lot per year

The current amenity fees are:

\$40.00 for the boat ramp

\$55.00 for the pool.

Assessments are used for the operation of the Association: salaries, maintenance, insurance, etc. The Board of Directors has the authority per the Covenants to raise the annual assessment and/or the amenity user fees. (*Art. H-2 Rev. Cove.*)

- C. Purchases/Contracts:** All purchases over \$500.00 and contracts over \$500.00 must be approved by the Treasurer and/or Board of Directors. All estimates for work over \$1000.00 must have at least 2 and preferably 3 bids.
- D. Budget:** An operating budget is prepared by the Executive Director and submitted to the Board of Directors no later than the February meeting.
- E. Profit and Loss Statement and Balance Sheet:**
These financial statements are prepared monthly, distributed to the Board of Directors and copies are placed in the current year's minute book.

III. CLUBHOUSE:

The Clubhouse is located at 4512 Hesperides Drive. It contains a 24 x 24 ft. living room, kitchen, a 25 x 35 ft. dining/social hall, 2 restrooms, an office, a storage room, two pool-shower rooms and a mechanical storage room.

The Clubhouse may be booked by members in good standing for private parties. Call for fee. A security deposit is required. Please call the office for available dates. (*The fee schedule, contract and rules and regulations follow*)

IV. SPORTS FACILITIES:

- A.** Owners who are members in good standing (current in their annual assessments) may purchase any of the optional amenities by paying the current use fee.
- B. Boat Ramp:** The ramp is located on Albacore Drive. The current amenity fee is \$40.00 per year. Owners are asked to relock the ramp after use. Hours are from dawn till dusk. Because the ramp is located in a residential area we ask that your process be as quiet as possible. There is no parking at the ramp site - the Town of Nags Head will tow away cars and trailers that are parked for more than 30 minutes. The canals are a No Wake area – please navigate slowly and cautiously. The Boat Ramp was reconstructed in 2003 with new bulk heading, walkway and concrete ramp.
- C. Swimming Pool:** The pool is located on the sound side of the Clubhouse.

It is open from Memorial Day through the second week in September. The amenity fee for the pool is \$55.00 per year for members in good standing. Renters have a separate fee schedule and the owner of the home the renter is staying at must have paid the owners fee for the pool in order for the renters to access this amenity.

- D. **Boat Slips:** Six boat slips are located on the main canal at the South end of the Clubhouse parking lot. Boat slips are leased on a yearly basis at a rate of \$600.00 per year. A lease agreement must be signed.
- E. **Volleyball Court:** The court was completed in May of 2004 and is located on the South side of the Clubhouse.