

**Carolina Dunes Association, Inc**  
**2024 Annual Meeting**  
**Agenda**  
**March 30, 2024**  
**9 AM**

1. Venue.
  - a. Sunset Grille for on-site attendance.
  - b. Zoom session for remote attendance.
2. Election of Officers/Board Members.
  - a. Ron Blunck (Pres)
  - b. Bob Queen (VP)
  - c. Chris Blunck (Treasurer)
  - d. Andrew Blunck (Secretary & CDA Webmaster)
  - e. Vicki Hatch (Board Member)
  - f. Nancy Krial (Board Member)
  - g. Bruce Martin (Board Member)
  - h. Debbie Litman (Board Member)
  - i. Jay Levy (Board Member)
  - j. Jamie Bartlett (Board Member)
  - k. Ben Haynes (Board Member)
  - l. Dales Desnoyers (Board Member)
  - m. Other nominations from the floor?
3. Financial review (Christopher Blunck, Treasurer).
  - a. 2024 Income Statement & Balance Sheet
  - b. 2024 Reserve Exhibit
  - c. 2024 Budget
  - d. 5-Year Capital Projections
4. 145 Buffell Head.
  - a. Town purchased this property in 2023.
  - b. Status of negotiations with the Town regarding:
    - i. Lifeguard support (on-going)
    - ii. Beach maintenance (on-going)
    - iii. Beach nourishment projects (every 5-6 years)
    - iv. Draft land covenant for 145 BH – is this acceptable?
    - v. Draft compensation plan ideas – is this needed?
    - vi. Alternatives if negotiations fail.
5. Waste.
  - a. Spring Bulk Pick-up on April 5, 2024
  - b. Bulk trash drop-off at Kitty Hawk at any time during the year.  
Get permit(s) at Town Hall.
6. Post and handrails at:

- a. Middle access walkway – installed, but there’s a problem with sand drifts
  - b. Northern & southern walkways – need vs cost?
- 7. Parking restrictions – do these need to be increased?
  - a. Along Buffell Head?
  - b. At western end of 3 ocean access walkways?
  - c. Community lot on Sprigtail can be used.
- 8. Call for volunteers to:
  - a. Donate books for the little libraries.
  - b. Fill dog waste stations at 3 ocean access walkways and at the sound lot.
  - c. Decorate signs and maintain flowers/landscaping at southern community sign lot on NC 12.
  - d. Maintain flowers/landscaping at northern community sign lot on NC 12.
- 9. Town Issues
  - a. Regulation of tents on the beach.
  - b. Trash can rollbacks.
- 10. Information Sheet.
- 11. Other Topics?

**Carolina Dunes Association, Inc**  
**2024 Annual Meeting**  
**Information Sheet**

1. Year in review.
  - a. Rules & regulations
    - i. CDA is a voluntary organization and has no authority to pass/enforce community-wide rules.
    - ii. Town of Duck codes/rules/regulations apply and are enforced by the Town.
    - iii. Carolina Dunes recorded covenants contain some restrictions.
    - iv. 145 Buffell Head supplemental covenant
  - b. Little Libraries (3) at the ocean access walkways
    - i. We need books. Does anyone have books to donate?
  - c. Dog waste stations at 3 ocean access walkways and at the sound lot.
  - d. CDA listserv
    - i. Owners can use the listserv to send out questions/comments to other owners.
  - e. CDA Community directories
    - i. Owners can use these to know their neighbors and communicate with them.
      1. Trash can roll-backs.
      2. Monitor your neighbors' houses and report issues.
  - f. Maintenance of three ocean access paths (on-going)
    - i. Sand accumulation at east end of middle and southern walkways.
    - ii. Thank you to Vicki & Joe Hatch for letting us connect to their irrigation well water for the middle walkway showers.
    - iii. Thank you to Rick & Chris Esposito letting us connect to their house water for northern walkway showers.
  - g. Maintenance of sound lot pier & benches (on-going)
    - i. We have a vendor who clears debris/clutter on the sand.
  - h. Maintenance of community signs on NC 12 (on-going)
    - i. Install seasonal decorations on the southern sign.
      1. We need some volunteers to help with these.
    - ii. Lights on the northern sign. Thank-you Tim & Debbie Weir for letting us connect to their house power for the lights.
    - iii. Landscaping at northern sign and improved landscaping at southern sign.

1. We need some volunteers to help with these.
  - i. Maintenance of community lot on Sprigtail (on-going)
    - i. CDA vendor occasionally mows the lot during the season.
    - ii. Maintain the 4 parking places, the golf cart & wagon parking spot and the bike rack.
  - j. CDA trash & recycle cans at walkways, sound lot and Sprigtail lot.
  - k. Rodent issues.
  - l. Landscaping maintenance of all common elements (on-going)
  - m. Coordination with the Town on issues
    - i. Regulation of tents on the beach.
    - ii. Trash collection
      1. Seasonal: May 1 through Sep 30
        - a. Regular Trash: Mondays and Fridays
        - b. Recyclable Trash: Mondays
      2. Off-Season: Oct 1 through Apr 30
        - a. Regular trash – Mondays
        - b. Recycle trash – 1<sup>st</sup> and 3<sup>rd</sup> Mondays of each month.
      3. Trash can roll-back
        - a. Owners & renters should do this.
        - b. Rental management companies should assist.
        - c. Use CDA directory to contact neighbors and help each other out.
        - d. Walkers often help roll-back empty containers during the off-season.
    - iii. No-parking enforcement process.
    - iv. Lifeguard parking & extra service
      1. Call the Town (252-255-1234) to request lifeguard assistance getting to/from the beach for people with mobility limitations.
    - v. Yard debris left on street shoulders.
    - vi. Green street sign maintenance.
    - vii. Replacement of blue markers on street by fire hydrants.
    - viii. Brown house # signs (new & replacement)
      1. Call the Duck Fire Dept at 252-261-3929
        - a. For a fee, they will make the metal sign and provide it to you, along with a bracket.
        - b. For a higher fee, they give you the sign, bracket, and a post to mount it on.

- c. For an even higher fee, they will come out and mount it for you.
  - ix. Brown EMS signs at bottom of ocean access walkways.
  - n. Straightening street signs (CDA).
  - o. Trim brush around street signs (CDA).
  - p. Coordination with NCDOT (CDA).
    - i. Bush hogging street shoulders.
    - ii. Other street maintenance issues.
  - q. Vendor reference list.
- 2. Replacement trash containers
  - a. Trash containers (Waste Mgt: 800-877-7531, \$65 each plus delivery charge).
    - i. Note: The Town may provide free replacement containers for damaged containers. Call them and ask.
  - b. Recycle containers (Town: 252-255-1234, free)
- 3. Summer tips
  - a. Instructions for guests/renters.
    - i. Ocean and sound access points.
    - ii. Trash & recycle collections.
    - iii. No fireworks.
    - iv. BBQ grills.
    - v. Turn off exterior spotlights after 10 PM.
    - vi. Limit outdoor speaker volume, especially after 10 PM.
- 4. Duck Police special services
  - a. Non-911 emergency # for absentee owners: 252-599-1057.
  - b. @DuckOBX twitter account for police information.
  - c. House checks.
  - d. Making inventory videos.
  - e. Parking enforcement (complaint driven).
- 5. CDA Insurance (Basnight-Moran Agency)
  - a. General Liability Policy (Auto Owners limit: \$2,000,000).
  - b. D&O Policy (Auto Owners limit: \$1,000,000).
- 6. CDA Communications
  - a. Email communications.
  - b. CDA directories.
  - c. CDA listserv.
  - d. CDA website ([www.carolinadunes.org](http://www.carolinadunes.org))
  - e. New owner welcome letters.
  - f. EMS street signs at ocean access points.
  - g. Bulk trash collection in Spring & Fall.
  - h. Storm status.

## Income Statement For Period Covering 01/01/2023 to 12/31/2023

### Revenues

#### Income

Dues \$36,155.00

Interest \$3,737.95

**Total Revenue** **\$39,892.95**

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### Expenses

#### Expenses

##### Operations

Bank Service Charge \$30.00

##### Charitable Donations

Dare County Firefighters \$100.00

##### Insurance

Liability \$384.00

Landscaping \$4,670.48

Legal and Professional Services \$3,045.00

Online Services \$86.00

Overhead \$542.55

Postage \$70.00

Repairs \$6,202.80

Supplies \$9.53

##### Utilities

Electric \$504.70

Water \$361.35

**Total Expenses** **\$16,006.41**

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Net income for Period \$23,886.54

Balance Sheet 12/31/2023

Assets

Assets

<u>Capitalized Assets</u>	\$781,966.14	
<u>Financial Assets</u>	\$87,583.93	
<b>Total Assets</b>		<b>\$869,550.07</b>

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Liabilities

<b>Total Liabilities</b>		<b>\$0.00</b>
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Equity

Equity

<u>Opening Balances</u>	\$723,186.53	
<b>Retained Earnings</b>		<b>\$146,363.54</b>
<b>Total Equity</b>		<b>\$869,550.07</b>

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<b>Total Liabilities &amp; Equity</b>		<b>\$869,550.07</b>
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**Carolina Dunes Association**  
**Statement of Operations & Budget**  
**As of: 1/7/2024**

<b>Operations &amp; Budget</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>Variance from Previous Year</b>	
Income				
Owner Dues	\$ 34,230	\$ 31,000	\$ (3,230)	
Interest & Dividend Income	\$ 3,737	\$ 1,000	\$ (2,737)	
Total Income	\$ 37,967	\$ 32,000	\$ (5,967)	
Expenses				
Administrative	\$ -	\$ 50	\$ 50	
Bank Service Charge	\$ 30	\$ 50	\$ 20	
Charitable Donations	\$ 100	\$ 200	\$ 100	
General Insurance (GL, D&O)	\$ 384	\$ 1,500	\$ 1,116	
Landscape Expense	\$ 4,670	\$ 5,000	\$ 330	
Legal & Professional Expense	\$ 3,045	\$ 5,000	\$ 1,955	Elevated due to legal issues associated with 145 Buffell Head
HOA Management Company Fee	\$ -	\$ 6,000	\$ 6,000	
Miscellaneous	\$ 37	\$ 250	\$ 213	
Online Services	\$ 86	\$ 250	\$ 164	
Overhead (Annual Meeting)	\$ 542	\$ 750	\$ 208	
Postage	\$ 70	\$ 100	\$ 30	
Repairs & Maintenance	\$ 5,963	\$ 7,500	\$ 1,537	Elevated due to sand fences, shoveling sand, handrails, walkway repairs
Supplies	\$ 9	\$ 250	\$ 241	
Taxes	\$ -	\$ -	\$ -	
Utilities	\$ 866	\$ 1,000	\$ 134	
Total Expenses	\$ 15,802	\$ 27,900	\$ 12,098	
Operating Surplus (Deficit)	\$ 22,165	\$ 4,100	\$ (18,065)	Offset by \$6K HOA Management Fee
Beginning Reserve January 1, 2024	\$ 87,583			
Operating Surplus (Deficit)	\$ 4,100			
Capital Improvements in Current Year	\$ -			
Ending Reserve December 31, 2024	\$ 91,683			



**Carolina Dunes Association**  
**Summary of Future Reserve Requirements**  
**1/14/2024**

Last Updated	Description	Current Year	Acquisition Year	Initial Estimated Total Life in Years	Estimated Remaining Life in Years	Calculated Replacement Year	Current Year Replacement Cost	Assumed Inflation Rate per Year	Projected Replacement Cost	Current Year Reserve Contribution as of Dec 2024	Reserve Requirement Accumulation Factor (%)	Reserve Requirement Accumulation Amt as of Dec 2024
<b>Existing Equipment</b>												
1/14/24	Southern Sign & Lights	2024	2023	5	10	2034	\$ 4,000	3%	\$ 5,376	\$ 489	9.1%	\$ 489
1/14/24	Northern Sign	2024	2014	10	2	2026	\$ 4,000	3%	\$ 4,244	\$ 354	83.3%	\$ 3,536
1/14/24	Sound Lot Pier Pilings	2024	2014	25	15	2039	\$ 25,000	3%	\$ 38,949	\$ 1,558	40.0%	\$ 15,580
1/14/24	Sound Lot Pier Decking and Handrails	2024	2014	10	7	2031	\$ 10,000	3%	\$ 12,299	\$ 723	58.8%	\$ 7,235
1/14/24	Sound Lot Benches 1G (2 benches)	2024	2013	5	2	2026	\$ 4,000	3%	\$ 4,244	\$ 326	84.6%	\$ 3,591
1/14/24	Sound Lot Well	2024	2019	15	12	2036	\$ 3,000	3%	\$ 4,277	\$ 252	29.4%	\$ 1,258
1/14/24	Sound Lot Utility Area	2024	2019	15	15	2039	\$ 2,500	3%	\$ 3,895	\$ 195	25.0%	\$ 974
1/14/24	Sound Lot Benches 2G	2024	2021	10	7	2031	\$ 2,000	3%	\$ 2,460	\$ 246	30.0%	\$ 738
1/14/24	Northern Ocean Access Walkway	2024	2018	10	6	2030	\$ 15,000	3%	\$ 17,911	\$ 1,493	50.0%	\$ 8,955
1/14/24	Northern Ocean Access Benches 1G	2024	2013	5	1	2025	\$ 2,000	3%	\$ 2,060	\$ 172	91.7%	\$ 1,888
1/14/24	Northern Ocean Access Benches 2G	2024	2018	5	3	2027	\$ 2,000	3%	\$ 2,185	\$ 243	66.7%	\$ 1,457
1/14/24	Middle Ocean Access Walkway	2024	2015	10	3	2027	\$ 15,000	3%	\$ 16,391	\$ 1,366	75.0%	\$ 12,293
1/14/24	Middle Ocean Access Benches 1G	2024	2015	5	3	2027	\$ 2,000	3%	\$ 2,185	\$ 182	75.0%	\$ 1,639
1/14/24	Southern Ocean Access Walkway	2024	2018	10	6	2030	\$ 15,000	3%	\$ 17,911	\$ 1,493	50.0%	\$ 8,955
1/14/24	Southern Ocean Access Benches 1G	2024	2013	5	1	2025	\$ 2,000	3%	\$ 2,060	\$ 172	91.7%	\$ 1,888
1/14/24	Southern Ocean Access Benches 2G	2024	2018	5	4	2028	\$ 2,000	3%	\$ 2,251	\$ 225	60.0%	\$ 1,351
1/14/24	Sprigtail Lifeguard Parking	2024	2018	5	4	2028	\$ 2,000	3%	\$ 2,251	\$ 225	60.0%	\$ 1,351
1/14/24	Sprigtail Lot Storage Shed	2024	2019	15	25	2049	\$ 10,000	3%	\$ 20,938	\$ 698	16.7%	\$ 3,490
							<b>\$ 121,500</b>		<b>\$ 161,886</b>	<b>\$ 10,410</b>		<b>\$ 76,667</b>

**Maintenance Items**

Sound Lot Irrigation  
Sound Lot Shower  
Northern Ocean Access Shower  
Middle Ocean Access Bike Rack and Trash  
Middle Ocean Access Shower  
Southern Ocean Access Shower  
Sprigtail Bike Rack

**Carolina Dunes Association**  
**5-Year Rolling Reserve Fund Projections**  
**1/14/2024**

<b>Date</b>	<b>Item</b>	<b>Amount</b>	<b>Running Balance</b>	<b>Reserve Balance Pacing Requirement</b>	<b>Reserve Balance Variance</b>	<b>Reserve Rate</b>	<b>Notes</b>
1/1/24	Reserve balance	87,583	\$ 87,583				
2024	New reserve funds from dues	10,100	\$ 97,683	\$ 76,667	\$ 21,016	127%	
2025	Northern Ocean Access Bench Refresh 1G	-2,060	\$ 95,623				
2025	Southern Ocean Access Bench Refresh 1G	-2,060	\$ 93,563				
2025	New reserve funds from dues	10,100	\$ 103,663	\$ 91,197	\$ 12,466	114%	
2026	Northern Sign	-4,244	\$ 99,419				
2026	Sound Lot Bench Refresh	-4,244	\$ 99,419				
2026	New reserve funds from dues	10,100	\$ 109,519	\$ 105,974	\$ 3,545	103%	
2027	Northern Ocean Access Benches 2G	-2,185	\$ 107,334				
2027	Middle Ocean Access Bench Refresh 1G	-2,185	\$ 105,148				
2027	Middle Ocean Access Walkway	-16,391	\$ 90,943				
2027	New reserve funds from dues	10,100	\$ 101,043	\$ 128,659	\$ (27,616)	79%	
2028	Southern Ocean Access Benches 2G	-2,251	\$ 98,792				
2028	Sprigtail Lifeguard Parking	-2,251	\$ 96,541				
2028	New reserve funds from dues	10,100	\$ 106,641	\$ 122,809	\$ (16,168)	87%	
2029	New reserve funds from dues	10,100	\$ 116,741	\$ 123,119	\$ (6,378)	95%	

Return to: Robert B. Hobbs, Jr., Hornthal, Riley, Ellis & Maland, LLP, 2502 S. Croatan Hwy, Nags Head, NC 27959

STATE OF NORTH CAROLINA

COUNTY OF DARE

DECLARATION OF  
RESTRICTIVE COVENANT

This Declaration of Restrictive Covenant (“Lot 176 Declaration”), effective as of April 1, 2024 (the “Effective Date”), by the TOWN OF DUCK, a North Carolina municipal corporation (the “Town”), whose mailing address is Attention: Town Manager, PO Box 8369, Duck, NC 27949 (the “Town’s Mailing Address”), and whose physical address is Attention: Town Manager, 1200 Duck Road, Duck, NC 27949 (the “Town’s Physical Address”), with and exclusively for the benefit of CAROLINA DUNES ASSOCIATION, INC., a North Carolina nonprofit corporation (the “Association”), whose mailing address is PO Box 8153, Duck, NC 27949 (the “Association’s Mailing Address”), and whose physical address is 1356 Duck Road, Duck, NC 27949 (the “Association’s Physical Address”). The Town and the Association may be individually referred to as a “Party” and collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, the Town is the owner of certain real property known as 145 Buffell Head Road in the Town of Duck, which Property is also identified as Lot 176 in Carolina Dunes, Section C, as shown on that certain plat entitled, in part, “REVISED SECTION C, CAROLINA DUNES, INC,” dated November 11, 1976, which plat is recorded in Plat Cabinet A, Slide 3 in the Dare County Registry (“Lot 176”); Lot 176 being the same property acquired by the Town pursuant to a deed recorded in Book 2671, Page 584, Dare County Registry; and

WHEREAS, the Town acquired Lot 176 with the intention of using Lot 176 for Limited Governmental Purposes (as defined herein) and Residential Purposes (as defined herein); and

WHEREAS, Lot 176 is subject to an Amended Declaration of Restrictive Covenants recorded in Book 266, Page 860, Dare County Registry (“Section C Declaration”); and

WHEREAS, the Section C Declaration limits the use of all lots in Carolina Dunes Section C to “residential purposes only;” and

WHEREAS, the Association has expressed its willingness to allow the Town’s use of Lot 176 as specifically set forth in this Lot 176 Declaration; and

WHEREAS, the Town does voluntarily subject Lot 176 to the restrictive covenants more specifically set forth below and consents for itself, its successors and assigns to the restrictions and to the authority of the Association to enforce the terms of this Lot 176 Declaration.

NOW THEREFORE, the Town, for itself and its successors and assigns, hereby declares and the Parties agree as follows:

1. Definition of Residential Purposes. As used in this Lot 176 Declaration, the term “Residential Purpose” or “Residential Purposes” shall individually or collectively mean Residential Use as defined in Section “ONE” of the Section C Declaration, as applied to Lot 176.

2. Definition of Limited Governmental Purposes. As used in this Lot 176 Declaration, the term “Limited Governmental Purpose” or “Limited Governmental Purposes” shall individually or collectively mean the use or uses of Lot 176 in the Subdivision by employees, officers, contractors, agents, and volunteers of and for the Town who are authorized by the Town to utilize Lot 176 as a pedestrian, vehicular, and utility access and staging area between the public road adjacent to Lot 176 and the ocean beach, and all uses which are incidental to such access, in order for the Town to perform the following limited functions on the ocean beach. These functions are legally and customarily performed by a municipal corporation in North Carolina:

A. Public safety:

- a. Lifeguards and Ocean Rescue,
- b. Police,
- c. Fire,
- d. Emergency Medical Services,
- e. Emergency Management.

B. Beach nourishment and beach renourishment, provided that any such beach nourishment or renourishment project:

- a. Does not exceed in scope the amount of beach nourishment or duration of the beach nourishment project completed by the Town in 2023 as demonstrated and recorded by the Town’s as-built records for that project;
  - i. If any such beach nourishment or renourishment project exceeds in scope the amount of beach nourishment or duration of the beach nourishment project completed by the Town in 2023, then the Town shall negotiate in good faith with the Association regarding compensation to property owners affected by the expanded nourishment project. No expanded nourishment or renourishment project shall take place without a written

approval from the Association for a compensation plan proposed by the Town.

- b. Occurs only during the “off season” period between November 1<sup>st</sup> and May 1<sup>st</sup> of the calendar year;
    - i. If any such beach nourishment or renourishment project is scheduled to extend beyond the “off season” as described above, then the Town shall negotiate in good faith with the Association regarding compensation to property owners affected by the extended or expanded nourishment or renourishment project. No nourishment or renourishment project beyond the ‘off season’ shall take place without a written approval from the Association for a compensation plan proposed by the Town.
  - c. Beach Nourishment or renourishment using Lot 176 shall not occur any more frequently than once every five (5) calendar years, with the next such project occurring no sooner than 2028;
  - d. The Town shall provide the Association with at least six (6) months advance written notice prior to the commencement of any beach nourishment project for which the Town anticipates using Lot 176 for access.
- C. Beach management:
- a. Beach inspections,
  - b. Beach surveys and engineering,
  - c. Shoreline observations,
  - d. Inspections of beach related structures such as walkways, steps, and decks,
  - e. Other beach and ocean related inspections and measurements.
- D. Beach maintenance:
- a. Cleanup after storms,
  - b. Vegetation planting and maintenance,
  - c. Installation, repair, and replacement of beach protection devices and structures such as sand fencing.
- E. Staging. The “staging” of any vehicles, equipment, materials or personnel on Lot 176 shall be limited to staging related to the Limited Governmental Purposes described above, and there shall be no “staging” of any vehicles, equipment or material in any setback area required by applicable zoning regulations and restrictive covenants otherwise affecting Lot 176;
- a. The Town may, after consultation with the Association regarding need for and design of fences, barricades and other structures on Lot 176, install, construct, erect, maintain, repair, and replace fencing, barricades, and other structures on Lot 176 that are intended to discourage the unauthorized access or use of Lot 176 by persons or entities who the Town has not authorized to access or use Lot 176 for a Limited Governmental Purpose as herein defined.
  - b. The term “Limited Governmental Purposes” does not include the use of Lot 176 for (1) parking for any purpose other than other than a Limited Governmental Purpose as herein defined and expressly authorized by the Town, (2) access to the ocean beach for any purpose other than a Limited Governmental Purpose as herein defined and expressly authorized by the Town, or (3) any other use by members of the general public for any purpose other than a Limited Governmental Purpose as herein defined and expressly authorized by the Town.

3. Permitted Uses for Lot 176. Lot 176 may only be used for any or all of the following purposes: Residential Purposes and Limited Governmental Purposes as herein defined.

4 Plans for Use. No later than June 1 of each year, the Town shall provide the Association with written notice of the Town's general plans for Limited Governmental Purpose activities as herein defined within the Town that require the use of Lot 176 for access to the beach during the Town's upcoming fiscal year. Should the needs of the Town change after the aforementioned response, the Town shall, within a reasonable time, inform the Association of the changes to the access needs that require the use of Lot 176.

5. Enforcement. This Lot 176 Declaration may only be enforced exclusively by the Town, by the Association, or by an owner of real property located in the Carolina Dunes subdivision, and no one else. Such enforcement may take the form of an action or proceeding in law or in equity brought in a court of appropriate jurisdiction located in Dare County, North Carolina.

6. Severability. Every provision of this Lot 176 Declaration is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Lot 176 Declaration.

7. Applicable Law. This Lot 176 Declaration shall be construed and interpreted under the laws of the State of North Carolina.

8. Parties. This Lot 176 Declaration shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and permitted assigns.

9. Notices. Notices hereunder shall be effective and deemed given when deposited in the United States Mails, postage prepaid, registered or certified mail with return receipt requested. Alternatively, the party may use a nationally recognized overnight delivery service. Notices shall be addressed to a Party at a Party's Mailing Address and Physical Address provided on Page 1 of this Lot 176 Declaration. Any Party may change the address to which such notices are to be addressed by giving each other party notice in the manner set forth herein.

10. Headings. The headings, subheadings and captions in this Lot 176 Declaration and in any exhibit hereto are for reference purposes only and shall not affect the meaning or interpretation of this Lot 176 Declaration.

11. Entire Agreement. This Lot 176 Declaration contains the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements, arrangements and understandings, written or oral, relating to the subject matter hereof.

12. Amendments. This Lot 176 Declaration may not be amended except by written instrument duly executed by or on behalf of all of the Parties hereto and recorded in the Dare County Registry. In particular, the Town shall not expand or alter the use of Lot 176 beyond what

is described in this Lot 176 Declaration without the prior, express written consent of the Association, which consent shall not be unreasonably withheld, conditioned, or delayed. Any such approved and authorized consent shall be memorialized in an amendment to this Lot 176 Declaration, signed by the Parties, and recorded in the Dare County Registry.

13. Authority of the Parties. The Town certifies that the Town has entered into this Lot 176 Declaration after the approval of same by the Town of Duck Town Council. The Association certifies that the Association has entered into this Lot 176 Declaration after the approval of same by the Association's Board of Directors.

(signature begins on the following page)

## Potential Beach Nourishment Compensation Plans

1. Compensation Paid to Individual Owners.
  - a. There may be some legal limitations to this.
  - b. Variable amount paid per nourishment project.
    - i. Develop a formula for individual payments that considers the following:
      1. Properties that are oceanfront?
      2. Properties that are on Buffell Head?
      3. Properties that are on Widgeon?
      4. The distance from 145 BH
      5. Other factors TBD
  - c. A property owner might submit individual compensation request based upon:
    - i. Their proximity to 145 BH.
    - ii. Number of missed rentals during nourishment project (using rental history).
    - iii. Amount of personal usage during nourishment project.
    - iv. Documented disturbance.
    - v. Number of complaints received.
  - d. Reduce the MSA-A and MSA-B tax rates each year for some/all owners.
2. Compensation Paid to CDA.
  - a. There may be some legal limitations to this.
  - b. Community compensation for each nourishment project.
    - i. Fixed amount per nourishment project.
      1. Amount TBD
  - c. Community compensation pinned to annual rental income on 145 BH.
    - i. Amount TBD
  - d. Town agrees to actively bobcat all ocean paths (for community and oceanfront owners) throughout the year, so they are fully usable.