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BY: CAROL HUGHLEY

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NEW HANOVER COUNTY, NC

TAMMY THEUSCH BEASLEY

REGISTER OF DEEDS

NC FEE \$26.00

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR SAYLOR'S WATCH TOWNHOMES

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SAYLOR'S WATCH TOWNHOMES (the "Amendment") is made and entered into this 18 day of September, 2015 by SAYLOR'S WATCH DEVELOPMENT, INC., a North Carolina corporation (the "Declarant").

WITNESSETH:

WHEREAS, Declarant caused to be recorded that certain Declaration of Covenants, Conditions, and Restrictions for Saylor's Watch Townhomes in Book 5205, at Page 1008 in the office of the Register of Deeds of New Hanover County (as amended and supplemented, the "Declaration"). The capitalized terms set forth in this Amendment shall have the same meanings as set forth in the Declaration unless otherwise defined or the context shall otherwise prohibit; and

WHEREAS, pursuant to Article XII, Section 3 of the Declaration, the Declarant may unilaterally amend the Declaration for any purpose for so long as the Declarant owns any Lot or Unit within the Properties; and

WHEREAS, the Declarant still owns several Lots within the Properties; and

Prepared by **WARD AND SMITH, P.A.**, University Corporate Center, 127 Racine Drive, Post Office Box 7068, Wilmington, NC 28406-7068

Please return to **WARD AND SMITH, P.A.**, University Corporate Center, 127 Racine Drive, Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Adam M. Beaudoin

Return To: Mark Emmart

WHEREAS, the Declarant desires to amend the Declaration to allow the Board of Directors of the Association to purchase a master insurance policy.

NOW, THEREFORE, the Declarant, pursuant to Article XII, Section 3 of the Declaration, does hereby amend the Declaration as follows:

1. Article VI, Section 2(iv) is deleted in its entirety and restated as follows:

"(iv) procurement and maintenance of insurance in accordance with Section 4 of Article IX of this Declaration;"

2. Article IX, Section 4 is deleted in its entirety and restated as follows:

Section 4. Insurance: Bonds

a. Authority to Purchase.

i. The Board shall purchase, to the extent reasonably available, and thereafter maintain, insurance policies relating to the Common Areas and liability insurance in reasonable amounts covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Areas. In addition, the Board may purchase, and thereafter maintain, insurance policies relating to the Lots and Dwelling Units. The cost of all insurance policies purchased by the Board shall be a Common Expense.

ii. The Board shall exercise reasonable good faith efforts to insure that each such policy provides that:

- a) Each Owner is an insured Person under the policies to the extent of his insurable interest;
- b) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policies;
- c) The insurer waives any right to claim by way of subrogation against Declarant, the Association, the Board, the managing agent, any member or the Owners and their respective households, guests, tenants, agents and invitees;

- d) Such policy shall not be canceled, invalidated or suspended due to the conduct of any member or any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, agents and invitees, or of any member, officer or employee of the Board or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within a reasonable time after such demand; and
- e) Such policy may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Board or the managing agent.

iii. All policies of insurance shall be written by reputable companies licensed or qualified to do business in North Carolina.

iv. The deductible (if any) on any insurance policy purchased by the Board shall be a Common Expense; provided, however, that the Association may, assess any deductible amount necessitated by the act, misuse or neglect of an Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, agents or invitees against such Owner.

v. If the insurance described in subsection (1) above is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent pre-paid by United States mail to all Owners.

b. Other Insurance. The Board may obtain and maintain:

i. adequate fidelity coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle, or are responsible for handling funds of the Association, including the managing agent. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity bond. Such fidelity bonds (except for fidelity bonds obtained by the managing agent for its own personnel) shall: (i) name the Association as an obligee, and (ii) contain waivers of any defense based upon the

exclusion of Persons who serve without compensation from any definition of "employee" or similar expression;

ii. if required by a majority of the Mortgagees or governmental regulations, flood insurance in accordance with the applicable regulations for such coverage;

iii. workers' compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

iv. to the extent coverage can be obtained at a reasonable cost, directors and officers liability insurance; and

v. such other insurance: (i) as the Board may determine; or (ii) as may be requested from time to time by a Majority Vote of the members.

c. Separate Insurance on Lots. Each member or Owner shall have the right to obtain insurance for such member's or Owner's benefit, at such member's or Owner's expense, covering the Lot, Dwelling Unit, and personal property located on such Owner's Lot. No member or Owner shall acquire or maintain insurance coverage on the improvements on the Lots insured by the Association so as: (i) to decrease the amount which the Board may realize under any insurance policy maintained by the Board or (ii) to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by a member or Owner. No member or Owner shall obtain separate insurance policies on the Common Areas owned by the Association.

3. Article X, Section 3 is deleted in its entirety and restated as follows:

Section 3. Maintenance of Improvements. Except for those portions of the Dwelling Unit which shall be maintained, repaired, and replaced by the Association, pursuant to Article XIII, Section 1 of this Declaration, each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the Dwelling Unit. No Owner shall change the exterior design or color of the Dwelling Unit on such Owner's Lot including the roof.

4. Article XII, Section 3 is deleted in its entirety and restated as follows:

Section 3. Amendment. The covenants and restrictions of this Declaration, and any amendments thereto, are appurtenant to and shall run with and be binding upon the Properties and the Owners thereof for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or amended by a vote of the Owners as set forth below.

The Association may amend this Declaration by at least a sixty-seven percent (67%) affirmative vote of the members.

5. Except as expressly provided in the paragraphs above, the terms and provisions of the Declaration shall continue in full force and effect according to the terms of the same as modified hereby.

[SIGNATURE ON FOLLOWING PAGE]

IN TESTIMONY WHEREOF, Declarant has caused this Amendment to be executed under seal and in such form as to be legally binding all by authority duly given this the day and year first above written.

SAYLOR'S WATCH DEVELOPMENT, INC. (SEAL)
a North Carolina corporation

By: Maurice S. Emmart Jr.
Maurice S. Emmart, Jr., President

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

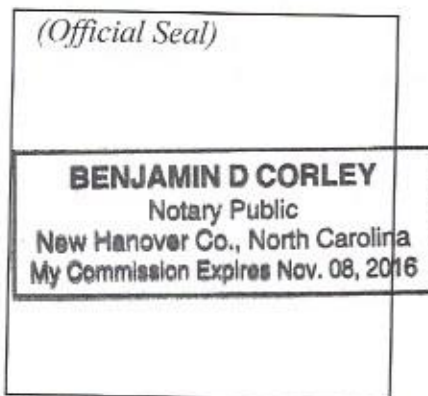
I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Maurice S. Emmart, Jr., President of Saylor's Watch Development, Inc.

Date: 9/18/15

Benjamin D. Corley
Signature of Notary Public

Benjamin D. Corley
Notary's printed or typed name

My commission expires: 11/8/2016



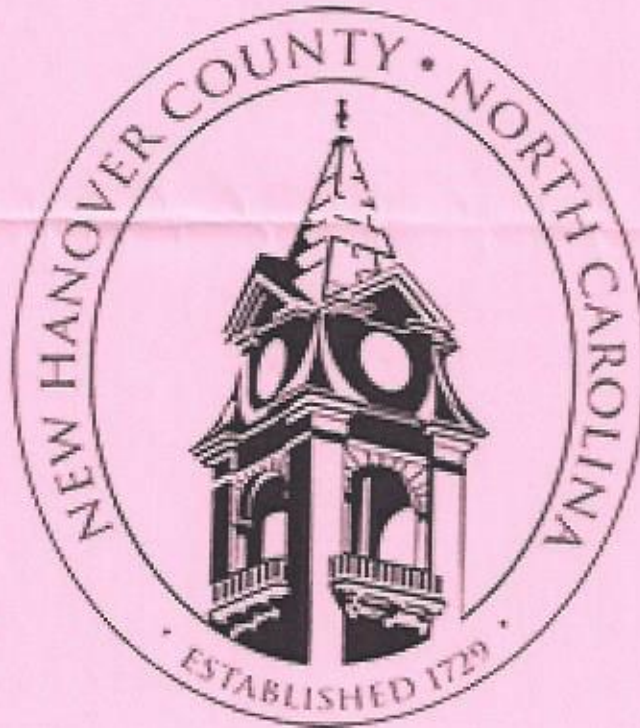
Notary seal or stamp must appear within this box.

ND: 4823-0040-6056, v. 1

TAMMY THEUSCH
BEASLEY
Register of Deeds

New Hanover County Register of Deeds

216 NORTH SECOND STREET • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7751



State of North Carolina, County of NEW HANOVER
Filed For Registration: 09/21/2015 11:32:15 AM
Book: RB 5919 Page: 889-895
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Real Property \$26.00
Recorder: CAROL HUGHLEY
Document No: 2015028872

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