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STATE OF NORTH CAROLINA
COUNTY OF CARTERET

AMENDED
DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR BLUEWATER COVE

This **Declaration of Covenants, Restrictions and Easements** made into this 16th day of November, 2001, by Bluewater Associates of Emerald Isle, Inc., a North Carolina Corporation, with its principal office in Carteret County, North Carolina, hereinafter called "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the owner of a certain tract or parcel of land located in White Oak Township, Carteret County, North Carolina, hereinafter known as Bluewater Cove Subdivision or "Subdivision," and containing approximately 43.75 acres more or less, as the same is shown in that certain plat prepared by Prestige Land Surveying, P.A., dated August 27, 2001, prepared for Bluewater Associates of Emerald Isle, Inc. of record in Map Book 30 at page 23, Carteret County Registry (the "Plat"), which survey is incorporated herewith by reference as if fully set forth; and

WHEREAS, Declarant has caused to be prepared a plan of development wherein said property referred herinabove would subject to the same Declaration of Covenants, Restrictions and

Easements, and that these Covenants, Restrictions and Easements shall apply evenly and equally to all Lots developed in Bluewater Cove Subdivision; and

WHEREAS, it is the stated intent of these Covenants, Restrictions, and Easements to promote the following, to-wit:

A. In order to ensure the best and highest possible land use, and the most appropriate development and improvements within the Subdivision;

B. To protect the Owners of the Subdivision Lots against any improper use that might impair or depreciate the value of their property and/or other Lots or property within the subdivision; and

C. To guard against poorly designed or proportioned structures and to ensure against structures being constructed of unsuitable or inferior building materials; and

D. To preserve within the plan or scheme of development, insofar as is practical or feasible, the natural beauty and aesthetic value of the Subdivision; and

E. To promote and ensure that harmonious color schemes exist; and further, in order to expressly forbid and radial, extremely unusual or "garish" color schemes from existing within said Subdivision; and

F. To encourage and secure construction or erection of attractive homes within said Subdivision, with uniform and appropriate positioning of all homes on Lots, and to ensure that

proper minimum side and front set-backs are maintained;
and

G. To ensure that each individual Owner of each Lot shall have one (1) vote in the Association, and that each Lot shall be proportionally responsible for its share of maintenance of any roads, common areas, drainage easements and pier and boat slip maintenance within said Subdivision, said proportion to be determined as stated hereinafter and for those Lots involved, sewage easements and facilities maintenance; and

H. In general, to provide a Subdivision or development for the Owners, wherein they remain assured that their interests will be protected, their investment protected, and that each individual property Owner shall be treated equally and fairly.

NOW, THEREFORE, for the mutual benefit of all Owners and purchasers of Lots within said Subdivision, the Declarant hereby declares that all the Lots shown and designated for development, as hereinafter set forth, shall be held, transferred, owned, sold and conveyed subject to the following Restrictive Covenants and Conditions, to-wit:

1. DEFINITIONS.

(a) "Association" shall mean and refer to BLUEWATER COVE HOMEOWNERS ASSOCIATION, INC., the association of Lot Owners of the BLUEWATER COVE SUBDIVISION

(b) "Common Properties" shall mean and refer to all real property, together with all improvements located thereon,

either owned by the Association for the common use and enjoyment of the Owners of Lots, or designated as "common areas" on any Subdivision plat of any portion of the properties. Declarant reserves the right in its sole discretion to dedicate additional common areas.

(c) "Declarant" shall mean Bluewater Associates of Emerald Isle, Inc., a North Carolina Corporation, with its principal offices in Carteret County, North Carolina, and its successors and assigns to whom they shall make specific written assignment of their rights under the Declaration.

(d) "Lot" shall mean and refer to any numbered plot of land shown on any recorded Subdivision map of any portion of the properties, which numbered Lot is intended to be conveyed for the purpose of allowing construction thereon of a single family home.

(e) "Member" shall mean and refer to the Owner of any Lot within the Subdivision.

(f) "Owner" shall mean and refer to any person, corporation, partnership, association, trust, or other legal entity, and any combination thereof who, or which, owns a Lot, including the Declarant, but excluding those having such interest merely as security for performance of an obligation.

(g) "Subdivision shall mean and refer to all properties encompassed within the perimeter boundary lines of Bluewater Cove Subdivision according to the plat thereof prepared by Prestige Land

Surveying, P.A. dated August 27, 2001 recorded in Map Book 30, Page 23, Carteret County Registry, including those identified as "Reserved by Owner" which at Declarant's sole discretion may be subdivided into lots and incorporated into this subdivision made subject to this Declaration and have all the rights and obligation of other owners in this subdivision.ⁱ

2. BLUEWATER COVE HOMEOWNERS ASSOCIATION, INC. In order to further the interest of the Owners and for the efficient preservation of the land values in the Subdivision, the Declarant has caused a non-profit corporation to be created under the General Statutes of North Carolina.

(a) General Power of the Association. The Association shall have all general authority granted to a non-profit corporation organized under Chapter 55A of the North Carolina General Statutes.

(b) Specific Powers of the Association. The Association shall specifically have the power:

(i) To maintain and preserve Common Properties of the Subdivision;

(ii) To maintain and preserve the streets within the Subdivision;

(iii) To maintain and preserve all walkways, docks and decks located on the Common Properties;

(iv) To enforce this Declaration of Covenants,

Restriction and Easements;

(v) To collect and disburse the assessments and charges set forth hereinafter and to file liens against the Lots for which dues, assessments and charges are delinquent and to foreclose the same as provided hereinafter.

(b) Membership. Each Owner of a Lot shall be a mandatory Member of the Association and such membership shall be appurtenant to and shall not be separated from the ownership of such lot.

(c) Voting Rights. The Association shall have two classes of voting membership:

(vi) Class A Members shall be Owners, with exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds an interest in a Lot as an Owner, all such persons shall be Members. The vote for such Lot shall be exercised, as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(vii) Class B Member shall be the Declarant who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted into Class A membership on the happening of either of the following events, whichever occurs earlier:

a. When the total votes outstanding in Class A membership equals the total votes outstanding in the Class B membership; or

b. On January 1, 2005.

3. PROPERTY RIGHTS IN COMMON PROPERTIES. The Common Properties are those designated on the recorded map of the Subdivision, and shall include all other properties, real and personal, as shall be conveyed to the Association in fee, or by easement, or demised to the Association by lease.

(a) Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Properties, on a non-exclusive basis, which right and easement shall be appurtenant to and shall pass with the title to every Lot; provided, however, the easements created hereunder shall be subject to the following:

(i) The right of the Association to establish reasonable rules and to charge reasonable fees for the use of the Common Properties, any such fees being charged for the purpose of reimbursing the Association for the cost of maintenance, upkeep, and supervision of said Common Properties;

(ii) The right of the Association to suspend the right of any Owner to use the facilities located on the Common Properties for any period during which an assessment against such Owner's Lot remains unpaid for more than thirty (30) days from the date when due;

(iii) The right of the Association to suspend the right of any Owner to use the facilities located on the Common

Properties for a period determined by the Board of Directors as a result of a continued infraction of the rules and regulations of the Association relating to the use and enjoyment of the Common Properties after notice thereof to Owner;

(iv) The right of the Association to suspend the right of any Owner to use the facilities located on the Common Properties for the purpose of improving or repairing the same; and

(v) The right of the Association to dedicate or transfer all of any part of the Common Properties to any public agency, authority, or utility for a public purpose.

An owner shall have the right to delegate in accordance with the By-Laws of the Association such Owner's rights of enjoyment to the Common Properties to the members of such Owner's family, guests, tenants or contract purchasers; subject, however, to the general rules and regulations established from time to time by the Association, which rules may specifically include a limitation on the total number of permitted users relative to any Lot.

(b) Maintenance of Common Properties. All maintenance, repairs, and replacements to the Common Properties, whether located inside or outside of the Lots (unless necessitated by the negligence, misuse or neglect of the Lot Owner, his guest, lessees, employees, servants or invitee, in which case such expense shall be charged to such Lot Owner), shall be made by the Board and shall be

charged to all Lot Owners as a common expense of the Property.

(c) Additional Maintenance Requirements Regarding Stormwater, Sedimentation and Erosion Control: The Subdivision is located on a tract of land bordered by Raymond's Gut and The White Oak River, the waters of which are integral to the value of the lots in the Subdivision. In addition to ordinary maintenance duties affecting such waters, there are State-approved plans for stormwater, sedimentation, and erosion control with which the Association must comply in the Subdivision. The State may require modifications to those plans from time to time. Such plans may require care by the Association in the maintenance, repair, and replacement of drainage swales and ditches, and of earthen shoulders along paved areas, bulkheads and similar barriers and culverts.

In furtherance of the plans intended to avoid erosion and sedimentation, the Association will plant and maintain vegetative cover on all of the pervious and uncovered surfaces included in the Common Properties, and on any easements over pervious and uncovered surfaces referred to on the recorded maps of the Subdivision. As to pervious surfaces, which are partially covered, such as the earth under slatted wooden ramps and walkways, the Association will provide and maintain retaining frameworks to prevent unnecessary erosion and discharge of sediment from such areas.

The Association will take the foregoing actions and such other actions as may be necessary from time to time to assure that the Subdivision is in compliance at all times with the foregoing requirements and will all other applicable laws, ordinances and regulations.

The owner of each lot will have the duty to maintain vegetative cover on the pervious land surface within such lot in order to prevent erosion and sediment discharge from the lot.

The Association will establish, maintain and enforce rules intended to assure due care to prevent erosion or sedimentation caused by persons, vehicles or equipment engaged in maintenance or repair, or the construction or removal of improvements, or the delivery of goods, or the performance of other services within the subdivision.

The Association will establish, maintain and enforce rules intended to prevent the discharge or discarding from any lots or any of the Common Properties, into either of the waterways adjoining the subdivision, spoils, construction and other debris, fertilizer, garbage, trash, cut grass and other remnants of vegetation, and of any chemicals hazardous to fish or other marine life.

Any construction, maintenance or repair of bulkheads along the edges of the waterways adjoining the subdivision, will be planned and carried out in compliance with applicable laws,

ordinances and regulatory requirements, as well as the Association rules. The Association will endeavor to facilitate joint planning and construction of bulkheads to produce consistency, continuity, and effectiveness. The Association will also establish, maintain, and enforce rules to prevent erosion and sedimentation into the waterways resulting from inconsistencies in the configuration, location, specifications, or durability of bulkheads.

The Association will assure that all driveways and other crossings of drainage swales or ditches located on or adjoining a street right of way in the subdivision, must utilize an appropriately designed and engineered culvert installed by the owner of the lot being served thereby. The duties and authorizations described in the paragraph 3(c) will not be subject to reduction by amendment of this Declaration. **ii**

(d) Use of Common Properties. The Common Properties shall be used only for the purposes for which they are intended in furnishing services and facilities for the enjoyment to the Lots.

(e) Rules of Conduct. Rules and Regulations concerning the use of the Common Properties may be promulgated and amended by the Board. Copies of such Rules and Regulations shall be furnished by the Board to each Lot Owner, and all amendments and new Rules and Regulations shall be furnished to the Lot Owners prior to the time that the amendment or new rule or regulation becomes effective.

These rules and regulations shall also apply to the use of the marina, piers, boat slips, and associated areas. Specifically, the Association shall enforce the Marina Permit requirement that boats in the Marina may not exceed 21 feet in length, may not have overboard sewage discharge capabilities nor may there be any sewage disposal in the Marina. ⁱⁱⁱ

(f) Utility Charges. All charges for utilities used in connection with the maintenance and use of the Common Properties shall be a common expense.

(g) Statement of Common Expenses. The Board of Directors shall promptly provide any Lot Owner, its grantee or contract purchaser making written request therefore, a written statement of all unpaid common expenses due from such Lot Owner.

4. RESERVATION OF TITLE TO COMMON PROPERTIES. The Declarant may retain the legal title to the Common Properties until such time as it has completed improvements thereon, and until such time as, in the opinion of the Declarant, that the Association is able to maintain the same. However, Declarant will convey the Common Properties to the Association not later than January 1, 2005.

5. COVENANTS FOR DUES AND ASSESSMENTS. The Lots shall be assessed as follows:

(a) Creation of Lien and Personal Obligation of Assessment. The Declarant, for each Lot within the Subdivision,

hereby covenants, and each subsequent purchaser of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Association:

(i) Annual assessments for the daily and routine operations of the Association and the establishment of reserve account

(ii) Special assessments for capital improvements and unforeseen expenses;

(iii) Other expenses specifically authorized by this Declaration.

As used in this Declaration, the term shall include, as required by context, all annual assessments, special assessments for capital improvements, dues, or charges established by the Association. All such dues, assessments, or charges will be established and collected as hereinafter provided. The annual assessments, dues or charges, and special assessments, together with the interests and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall be a charge on each Lot conveyed by Declarant, and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest,

Costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment against the Lot was made. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them; however, said delinquent assessments shall continue as a lien against the Lot until paid.

(b) Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and residents within the Subdivision, and for the improvement and maintenance of the Common Properties, and for the operations of the Association.

(c) Maximum Annual Assessment. Annual assessment, dues, and charges shall be as follows:

(i) The initial maximum annual assessment shall be \$350.00 per Lot. The annual assessment may be increased thereafter without a vote of the membership by an amount not to exceed ten percent (10%) above the maximum assessment for the previous year.

(ii) the Board of Directors of the Association may fix the annual assessments, dues, or annual charges, at an amount not in excess of the maximum annual assessment and the percentage increases enumerated in this Declaration. Notwithstanding, however, the Association may call a meeting for the purpose of increasing or decreasing the maximum annual assessment and the same shall be

Determined by a vote or by proxy at a meeting duly called for this purpose of two-thirds of all possible votes of the Association.

(iii) In addition to the foregoing annual assessment, those lots requiring off site sewer systems shall have an additional annual assessment, the amount to be determined when said systems are completed and which lots need to utilize said systems are determined. The Association shall be responsible for the replacement, repair, maintenance, and upkeep of the sewer systems and easements and is specifically authorized to levy such assessment and to increase or decrease the annual assessment as necessary to maintain said system and to make such special assessments as necessary to maintain said systems. In addition to the remedies for collection provided, the Association may cause any lot on which these sewer system assessments are delinquent to be disconnected from said system.

To facilitate the construction, installation, repair, maintenance, and replacement of said off site sewer system, Declarant reserves for itself, its successors, and assigns an easement to be located at a later date and not to exceed ten (10) feet in width across all lots, common areas, and other properties shown on the plat or map of Bluewater Cove, as the same may be necessary for construction of said off site sewer system, connection thereto, and subsequent use, repair, maintenance, and

Replacement thereof.

(d) Special Assessment for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment to that year only for the purpose of defraying, in whole or in part, the cost of any construction, re-construction, repair, or replacement of a capital improvement upon the Common Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent to two-thirds of the vote of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

(e) Notice and Quorum for Action of the Association.

Written notice of any meeting called for the purpose of taking an action authorized pursuant to these Covenants, Restrictions, and Easements for Bluewater Cove Subdivision shall be sent to members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding

Meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(f) Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis at the discretion of the Board of Directors of the Association. The assessments provided for in paragraph 5.(c)(iii) shall be uniform for each Lot assessed thereunder.

(g) Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall be in the amounts as enumerated herein in Paragraph 5.(c) and shall commence January 1, 2002. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors Association shall upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on the Lot is binding upon the Association as of the date of issuance.

(h) Effect of Non-Payment of Assessments and Remedies of

The Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at rate of twelve (12%) percent per annum. Any assessment not so paid shall be a lien against the assessed Lot and the Association, as evidence of said lien, may file a claim of lien in the Office of the Clerk of Superior Court of Carteret County, and may thereafter bring an action at against the Owner personally obligated to pay the same, or to foreclose the lien by action against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties of abandonment of his Lot.

(i) Subordination of the Lien to Mortgages. The lien of assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. The sale or transfer of any Lot shall not affect the assessment of the lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, or proceeding in lieu thereof, shall extinguish the lien of assessments as to payments, which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from lien thereof.

(j) Declarant's Exemption. Until the Declarant conveyed seventy five (75%) percent of the Lots within the Subdivision, the Lots owned by Declarant shall not be subject to assessments, with the following exceptions:

(i) Should Declarant cause a dwelling to be constructed on any Lot owned by Declarant and thereafter lease the same, said Lot shall be assessed as any other non-Declarant Owner.

(ii) After Declarant has conveyed seventy five percent (75%) of the Lots within the Subdivision, Declarant's remaining Lots will be assessed as any other non-Declarant Lot.^{iv}

6. ARCHITECTURAL CONTROL. Development and construction within the Subdivision shall be controlled as follows:

(a) The Declarant shall establish an Architectural Control Committee ("Committee") which shall consist of two (2) Members. The Committee shall, upon recordation of this Declaration, be composed of the following Members for the term ending June 1, 2005, or until their earlier resignation: Woodrow J. Warren and P. Sherrill Futral.

Upon expiration of the term of each initial Member of the Committee, a successor Member shall be appointed by the Board of Directors of the Association to serve for a two (2) term.

However, should any member of the initial Committee resign prior to the expiration of his term, the Declarant shall have the right to name a successor, to fill said unexpired term.

The Board of Directors of the Association shall have the right to remove, with or without cause, any Member of Committee

Appointed by such Board. Except as listed in preceding paragraph, the Board of Directors of the Association shall also have the right to appoint a successor Member to fill a vacancy on the Committee created by the death, resignation, or removal of a Member appointed by the Board to serve for unexpired term of such Member.^v

(b) Purpose. The Committee shall regulate external design, appearance, landscaping, color, use, location, and maintenance of the property subject to this Declaration and of the improvements located thereon in such a manner so as to preserve and enhance property value and to maintain a harmonious relationship among all structures and the natural vegetation and topography. In addition, the Committee shall attempt to minimize intrusions on the view and the privacy of other Owners, and shall attempt to insure compliance with all conditions of this Declaration, and of all backs, easements, and other restrictions as shown on the Plat.

(c) Procedure. Two (2) copies of the complete set of elevations, plans, and specifications, including landscaping plans, describing any improvement, alteration, repair, or other requiring approval of the Committee, shall be submitted to the Committee, at the place or address designated by the Association, at least thirty (30) days prior to application for a building permit, or before construction is actually scheduled to begin, whichever is the earlier event. The Committee shall either approve or disapprove the proposed work in writing within fifteen (15) days of the receipt of

Said plans and specifications. If the Committee disapproves the proposed work, the Committee shall state reasons for such disapproval in the written notification. In the event the Committee fails to approve or disapprove in writing any proposed work within said fifteen (15) day period, approval shall be deemed granted. An applicant shall have the right to appeal within thirty (30) days an adverse decision of the Committee to the Board of Directors of the Association who may reverse or modify such decision by a two-thirds (2/3) vote of the directors present at a duly called meeting.

(d) Required Approval. No improvements, alterations, repairs, or excavations, nor any maintenance which requires or would result in a change in appearance (such as change of color), or any other activity which would noticeably and visibly change the exterior appearance of a house or a Lot, or any improvement located thereon, shall be made or done without prior approval of Committee. No building, fence, wall, residence, dock, pier, gazebo, or other structure shall be commenced, erected, maintained, improved, altered, or otherwise modified, without the procedures for approval as set out in subparagraph (c) of this Paragraph 6.

(e) Deposit. A One Thousand and 00/100 (\$1,000.00) Dollar deposit shall be required by any Owner or agent at the time of submitting plans for approval. This is a security deposit to

Cover any damage caused by the contractor and/or its agents and the same shall be refunded upon the total completion of construction as long as the Committee considers there to be no damage to the property.

7. MINIMUM DESIGN REQUIREMENTS.

(a) The following minimum requirements must be met by each dwelling within the Subdivision and may not be varied or waived by the Architectural Control Committee:

(i) All homes within the Subdivision shall be single-family residences with a minimum constructed dwelling size of 1,350 ^{vi} square feet of heated space.

Notwithstanding the above, the Architectural Control Committee may alter or amend the minimum constructed dwelling size on any Lot if it deems the same to be desirable in light of that particular Lot's unique quality. Additionally, the minimum constructed dwelling size does not include any garage, heated or non-heated.

(ii) Setback requirements for the construction of any single family home shall be as shown on the recorded Plat, the Lots thereon having been made subject to this Declaration. In addition, no part of any structure of any kind shall be erected or permitted to remain on any Lot closer to the property line than thirty (30') feet on the front (being any road) side, twenty-five (25') feet on the back or rear Lot line, and ten (10') feet on either side Lot line, except on corner Lots. For corner Lots, there shall be a

Twenty (20') foot setback requirement from any side street. Driveways shall not be included within this setback requirement. Roof overhangs, porches, decks, and other extensions that constitute encroachments into the setback areas may be approved the Architectural Control Committee. Provided, however, in the event an owner owns two (2) contiguous lots and elects to construct a residence and garage or outbuilding as allowed by this Declaration which construction and location of improvements then these setbacks shall apply only to the exterior lot lines of the lots and not include the line dividing the two (2) lots. In the event of such construction, the lots may not be further subdivided. They may not be sold individually until such improvements are removed or relocated so as to comply with the original setback provisions.

(iii) No structure shall be erected or permitted to remain on any Lot, any part of which (excepting chimneys or flue stacks, vent pipes, or approval antenna) shall exceed 2-1/2 living stories, or thirty-five (35') feet in height measured from the lowest grade level of the building foundation or piers upon which such structure is erected.

(iv) Each Owner shall be an insurer on behalf of their employees, contractors, subcontractors, and material suppliers to the Declarant and to the Association for any damage to roads or to any other Common Properties caused by the passage of vehicles

And equipment over the roads in the Subdivision, or by any other activity associated with construction on Lots within the Subdivision. Notwithstanding the deposit required as set forth in Paragraph 6.(e), in the event of any damage, the Association shall have the authority to repair such damage and assess the cost of such repairs to the Owner, which assessment shall become a lien on the property, just as other assessments are a lien, as set out in Paragraph 5.(a) of this Declaration.

(v) Concrete blocks or cinder blocks exposed after completion of construction and visible from any street, or surrounding properties, shall not be permitted. (Concrete blocks or cinder blocks covered with heavy stucco will be permitted as long as the outlines of individual blocks are not visible through the stucco.) Brick foundations are allowed.

(vi) All roofs must have a minimum pitch of at least 6/12. ^{vii}

(b) One (1) detached garage/storage area may be constructed provided all setback requirements are met and construction must be in a matching architectural style as the dwelling. This detached building will be subject to the approval of the Architectural Control Committee.

(c) The allowable built-upon area per Lot shall be limited to 4,574 square feet inclusive of right of way, structures,

Pavement, walkways or patios of brick, stone or slate, not including wood decking. ~~viii ix~~

8. RESTRICTIONS AS TO USE. All Lots within the Subdivision are subject to the following:

(a) Residential Use. All Lots shall be used, improved, and devoted exclusively for residential use. Nothing contained herein, however, shall be deemed to prevent an Owner from leasing a residence to a single family for residential use for a minimum lease period of one (1) month. No weekly rentals will be allowed.

(b) Prohibited Structures. No structure shall be erected, placed, or permitted to remain on any Lot of a temporary nature, nor any mobile home, doublewide, or triple wide mobile home, manufactured homes, trailer, tent, shack, animal kennel, barn, temporary storage building, or other outbuilding shall be erected or placed on any Lot covered by these covenants. This paragraph shall not preclude permanent garage and/or storage facilities consistent with the restrictions contained in Paragraph 7.(b). This paragraph shall also not preclude temporary storage facilities for the sole purpose of protecting materials during construction of a dwelling on a Lot for a time not to exceed one (1) year; provided, however, that said temporary storage facility shall be removed from the Lot upon completion of construction. This paragraph shall not preclude modular housing, which meets the requirements of the Architectural Control Committee.

(c) Nuisances. No noxious, illegal, or offensive activities shall be carried on or perpetrated upon any Lot, nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the Owners. No outside burning of construction materials, leaves, shrubbery, trees, or anything else shall be allowed in the Subdivision.

(d) Animals. No animals, livestock, nor poultry of any kind shall be kept or maintained on any Lot or in any building except that household pets may be kept provided that they are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended by a person of sufficient age to supervise the conduct of said pet, and unless said pet is on a leash attached to the animal's collar, and held by said attendant Owner. No more than two (2) such pets per household are allowed.

(e) Garbage and Trash Receptacles. No Lot shall be used as a dumping ground for rubbish, trash, or garbage. All garbage cans and trash receptacles shall be common in design as designated and determined by the Architectural Control Committee. All receptacles shall be kept in an enclosed area of the residence, garage, and/or storage area except on such day of the week as the garbage is collected. The collection of garbage shall be the function of each individual Lot Owner and not the function of the Association unless the same is modified by the Association at a

Duly called meeting for such purpose.

(f) Exterior Lights. All light bulbs and other lights installed in any fixture located on the exterior of any dwelling building or other structure located on any Lot shall be clear, white, or nonfrost lights or bulbs.✖

(g) Signs. No sign, billboard, or other advertising of any kind, including a "For Rent" sign, shall be erected or maintained on any Lot, right of way, or Common Property except for directional signs, street identification signs, and other like signs approved and erected by the Association. It is permissible for an Owner or its agent to erect on any Lot a "For Sale" and/or "Construction" sign designating the job site and builder, but these signs must be sandblasted and must be immediately removed upon the sale of the residence and/or final completion of such construction. Final completion shall be deemed the issuance of a certificate of occupancy.

(h) Antenna. There shall be no exterior antenna of any kind receiving and/or sending television, radio, or other signals unless the same have first been approved by the Committee.

(i) Driveways. All driveways constructed on any Lot shall be paved with either asphalt, concrete, and/or brick pavers and, to the extent said driveway covers any drainage ditch or easement, the size and composition of the drainage tile under said driveway shall be approved by the Committee.

(j) Vehicles. No stripped, partially wrecked, junked, or imperative motor vehicle, nor any part thereof, shall be permitted to be parked or kept on any street or Lot. No Owner shall cause any vehicle repairs, other than minor repairs, which may be accomplished in a single day, to be performed on any portion of the property subject to this Declaration.

(k) Clotheslines. No drying of laundry or clotheslines for any purpose shall be permitted on any Owner's Lot.

(l) Boats, Campers. No boat, Jet Ski, camper, trailer, recreational vehicle, or other similar personal property will be allowed to be stored within the Subdivision unless the same is kept in an enclosed garage and/or storage area or behind the house on the Lot.^{xi}

(m) Shingles. All shingles used in the construction of any residence and/or garage storage area shall be of architectural design and must be approved by the Architectural Control Committee; it being understood and agreed that only three (3) colors will be allowed in the Subdivision.^{xii xiii}

(n) Mailboxes. All mailboxes shall be common in design as designated and designed by the Architectural Control Committee.

(o) Maintenance of Lots. All Lots shall be appropriately groomed and maintained, including both developed and undeveloped

Lots. Customary lawn mowing and tree and shrub maintenance is required. Any violation of this restriction shall entitle the Association to maintain the Lot and charge to the Lot Owner such expense and enforce the same consistent with the provisions herein regarding liens.

(p) Prohibited Vehicles. No off-road vehicles, including but not limited to, go-carts, dirt bikes, mini-bikes, ATVs (2 or 4 wheel) may be operated in the Subdivision. Bicycles and golf carts may be used in the Subdivision.

9. EASEMENTS AND ASSESSMENTS FOR STREET LIGHTING.

(a) The Declarant reserves the right to grant easements for purposes of installing and maintaining utilities to any or all of the Lots, including but not limited to, electricity, telephone, water, sewer, and television. These easements may be either above ground or underground and may be assigned without limit to any proper utility company. Also reserved by Declarant is the right to grant such easement over Common Properties for purposes of installation and maintenance of utility easements. The easements shall be ten (10') feet in width over the Lots adjoining the street boundary line and shall be five (5') feet in width over the Lots along every other boundary line. The easements over Common Properties shall be located at the discretion of the Declarant.

(b) Each owner in the Subdivision, by acceptance of a deed therefore, agrees and covenants to pay to Carteret-Craven

Electric Membership Corporation, its successors and assigns, a pro rata portion of the cost of electricity and maintenance of lighting located on the Common Properties within the Subdivision at the time of the electrical bills are incurred. The Association may elect to have the electric bills for specific lighting requirements billed to it, with the cost thereof being satisfied from dues and assessments.

(c) The real property in the Subdivision is subject to a contract with Carteret-Craven Electric Membership Corporation for the installation of underground electrical utility, which may require an initial contribution, and/or the installation of street lighting, which will subject the Owners to a continuing monthly payment to Carteret-Craven Electric Membership Corporation.

10. REVOCATION OF EARLIER DECLARATION. Declarant caused a Declaration of Covenants, Restrictions, and Easements for Bluewater Cove to be recorded in Book 879, at Page 135 of the Carteret County Registry. As sole owner of the properties described herein, Declarant does hereby withdraw, revoke, and declare null and void that Declaration on record in Book 879, at Page 135 of the Carteret County Registry. This Amended Declaration completely supercedes said earlier Declaration and in the event of conflict between it and this Amended Declaration, this Amended Declaration shall prevail.

11. ADDITIONAL PROPERTIES. Declarant reserves for itself, its successors or assigns, in their sole discretion, the right to subdivide that area designated "Reserved by Owner" on the Bluewater Cove Subdivision Map of record in Map Book 30, at Page 23 of the Carteret County Registry, and cause said properties to become integrated into and part of Bluewater Cove Subdivision in a single additional phase or multiple additional phases. To add said properties, Declarant shall cause a map of each phase to be recorded in the Carteret County Registry together with a Declaration at which time said properties and owners shall have all the rights and obligations of all the other subdivision properties and owners in Bluewater Cove.

This paragraph eleven (11) cannot be amended, altered, or deleted from this Amended Declaration without written joinder of Declarant, its successors, or assigns.

12. GENERAL PROVISIONS. This Declaration is subject to the following:

(a) Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservation, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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.

(b) Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions, which shall remain in full force and effect.

(c) Duration. The covenants, restrictions, and easements set forth herein shall run with and bind any property made subject hereto for a term of twenty (20) years from the date of this Declaration, after which time this Declaration shall be automatically extended for successive ten (10) year periods unless either terminated or modified by a majority vote of the then record Owners of all Lots subject to this Declaration.

(d) Amendment. This Declaration may be amended at any time by the affirmative vote of the voting Members having at least sixty-seven (67%) percent of the aggregate voting interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. The Declarant, or its successors and assigns, reserves the right to amend this Declaration for the sole purpose of correcting any scrivener's errors contained herein without joinder of any Owner. No amendment, however, shall affect the voting rights of any Owner owning a Lot made subject to this Declaration. Such amendment shall be executed in the name of the Association and recorded in the office of the Register of Deeds of

Carteret County. No such amendment shall be effective until duly recorded as aforesaid.

(e) Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of this instrument.

(f) Construction. Whenever the context so required, the use herein of any gender shall be deemed to include all genders, and the use herein of the singular shall include the plural and the plural shall include the singular.

(g) Crystal Coast Amphitheater. All owners are hereby notified of the operation of the Crystal Coast Amphitheater evenings currently from June 30 to September 16 annually with the dates and times of operation subject to changes.

IN WITNESS WHEREOF, the undersigned have signed and sealed this instrument as of the day and year first above written.

xiv xv xvi

i Amendment to Covenants January 2009

Paragraph (1) of said Restrictive Covenants referred to above is hereby amended to add and include the following described property as if originally set out therein, and said property is specifically subjected to said Restrictive Covenants with amendments as hereafter set out.

IN WHITE OAK TOWNSHIP, CARTERET COUNTY, NORTH CAROLINA, and being all of BLUEWATER COVE SUBDIVISION, Section Three, The Oaks at Bluewater Cove, as the same is identified and shown on that map prepared by Prestige Land

Surveying, P.A. with final date of January 21, 2009, and recorded in Map Book 31 at Page 649, Carteret County Registry.

ii Amendment to Covenants March 2004

1. ADD THE FOLLOWING to Paragraph 3(c) “PROPERTY RIGHTS IN COMMON PROPERTIES: Additional Maintenance Requirements Regarding Stormwater, Sedimentation and Erosion Control”:
 - (i) The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the North Carolina Division of Water Quality.
 - (ii) Filling in or piping of any vegetative conveyance (ditches, swales, etc.) associated with the development, except for driveway crossings, by any persons is strictly prohibited.
 - (iii) Lots within Coastal Area Management Act’s (CAMA) Area of Environmental Concern (“AEC”) may have the permitted built-upon area reduced due to CAMA’s jurisdiction within the AEC. In no case shall the allowable amount of build-upon area exceed the maximum set by Stormwater Management Permit No. SW8990420.
 - (iv) Each lot will maintain a 30’ wide vegetated buffer between all impervious areas and surface waters.

iii Amendment to Covenants August 2020

Paragraph 3, Section E of Restrictive Covenants is hereby removed and amended to add and include the following:

Rules and Regulations concerning the use of the Common Properties may be promulgated and amended by the Board. Copies of such Rules and Regulations shall be furnished by the Board to each Lot Owner, and all amendments and new Rules and Regulations shall be furnished to Lot Owners prior to the time that the amendment or new rule or regulation becomes effective. These rules and regulations shall also apply to the use of the ramp, piers, and associated areas. Specifically, the Association shall enforce the requirement that boats may not exceed 24 feet in length nor there by any sewage disposal in the Marina.

iv Amendment to Covenants January 2009

Paragraph 5(j) is deleted in its entirety.

V Amendment to Covenants August 2020

Paragraph 6, Section A of Restrictive Covenants is hereby removed and amended to add and include the following:

The Board of Directors shall appoint a minimum of two (2) Members to serve on the Architectural Control Committee (“Committee”) for a term of two (2) years or until their earlier resignation. Upon the expiration of the term of each Member of the Committee, a successor Member shall be appointed by the Board of Directors of the Association to serve for a two (2) year term. The Board of Directors of the Association have the right to remove, with or without cause, any Member of the Committee appointed by such Board. The Board of Directors of the Association shall also have the right to appoint a successor Member to fill a vacancy on the Committee created by the death, resignation, or removal of a Member appointed by the Board to serve for the unexpired term of such Member.

vi Amendment to Covenants January 2009

Paragraph 7(a)(i) is amended as follows: All homes within the Subdivision shall be single family residences with a minimum constructed dwelling size of 2,000 square feet of heated space.

vii Amendment to Covenants January 2009

Paragraph 7(a)(vi) is amended as follows: All roofs must have a minimum pitch of at least 7/12.

viii Amendment to Covenants March 2004

DELETE Paragraph 7(c) “MINIMUM DESIGN REQUIREMENTS, Paragraph (c)” in its entirety and insert the following:

- (i) The allowable built-upon area per lot is 4,574 square feet. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, conquina, but does not include raised open wood decking, or the water surface of swimming pools.
- (ii) Lots 22 and 23 are allotted an additional 10,000 square feet to account for longer driveway access.

ix Amendment to Covenants January 2009

Paragraph 7(c) is deleted and the following amendment is substituted as follows:

- (a) The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 990420MOD., as issued by the Division of Water Quality under NCAC 2H.1000.
- (b) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.
- (c) These covenants are to run with the land and be binding on all persons and parties claiming under them.
- (d) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.
- (e) Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.
- (f) The maximum built-upon area per Lot is 5,500 square feet. This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right of way between the front Lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.
- (g) Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
- (h) Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.
- (i) Each Lot will maintain a 30 foot wide vegetated buffer between all impervious areas and surface waters.
- (j) All roof drains shall terminate at least 30 feet from the mean high water mark.

x Amendment to Covenants January 2009

Paragraph 8(f) is amended as follows: Non-glare lights must be used on piers or docks.

xi Amendment to Covenants September 2009

Paragraph 8(l) is deleted in its entirety and the following amendment is substituted as follows:

Paragraph 8(l). Boats, Campers. One recreational non-commercial boat 21 feet in length or less or jet skis that are in good repair and operational may be parked on boat trailers in the side yard of the residence no nearer the road than the front of the house and nowhere else on the lot except behind the house thereon. Equipment used with the boat or jet skis such as, but not limited to, life preservers, PFDs, coolers, fishing poles, towels, etc., shall be stowed on the boat out of sight or stored elsewhere on the property out of sight from the road or neighbors so that the property appears neat and well kept. Alternatively, the described boats and jet skis on trailers may be stored in the areas provided for such storage within the subdivision. Except as provided herein, no camper, trailer, recreational vehicle, or other similar personal property will be allowed to be stored within the Subdivision unless the same is kept in an enclosed garage and/or storage area or behind the house on the lot.

xii Amendment to Covenants January 2009

Paragraph 8(m) is amended as follows: In addition to shingle roofs, metal roofs will be allowed but must be approved by the Architectural Control Committee.

xiii Amendment to Covenants August 2020

Paragraph 8, Section M of Restrictive Covenants is hereby removed and amended to add and include the following:

Shingles. All shingles used in the construction of any residence and/or garage storage area shall be of architectural design and must be approved by the Architectural Control Committee. The Architectural Committee may allow Solar Roofing in the event a formal architectural request is made in compliance with Covenant 6, Section C. Solar Panels shall not be allowed on the ground, over exterior corridors, or on walls.

xiv Amendment to Covenants January 2009

That portion labeled “Common Area and Water Access” on the aforereferenced map which lies East of the East lines of Lots 70, 71, and 72 on said map, South of Lowery Lane on said map, West of a line drawn from the intersection of the South line of Lowery Lane and terminus of White Heron Lane extended to the NW corner of the boat ramp, and South of the South line of the boat ramp shall be restricted in use to daytime

parking for Bluewater Cove Lot owners, vehicle and boat trailer parking in conjunction with their use of the boat ramp. No overnight vehicle parking, boat trailer or other storage shall be permitted in that area. The area shall be maintained as a well groomed park area with all trash and debris removed and the grass cut regularly. The Association shall make and enforce rules to comply with these restrictions on use.

xv Amendment to Covenants January 2009

The area labeled “Septic Repair Area and Temporary Boat Storage Area for Phase Three” may be used by Section 3 lot owners for the storage of boats until such time as the Carteret County Health Department or other appropriate government agency deems it necessary to utilize that area for septic system purposes, at which time all boats and boat trailers shall immediately be removed from that area. The existing boat storage area North of Lowery Lane utilized by Section 1 and Section 2 owners shall then be expanded to accommodate boat storage for Section 3 owners.

xvi Amendment to Covenants September 2009

The area labeled “Septic Repair Area and Temporary Boat Storage Area for Phase Three” may be used by Sections 1, 2, and 3 lot owners for the storage of boats under twenty-one (21) feet and jet skis on trailers until such time as the Carteret County Health Department or other appropriate government agency deems it necessary to utilize that area for septic system purposes, at which time all boats, jet skis and their trailers shall immediately be removed from that area. The existing boat/jet ski storage area North of Lowery Lane utilized by Section 1 and Section 2 owners shall then be expanded to accommodate boat/jet ski storage for Section 3 owners.