



**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swansboro, NC 28584

[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

## 2024 ANNUAL MEETING NOTIFICATION PACKET

March 23, 2024

Re: 2024 Annual Meeting of Members Notification Packet

Dear Member,

This packet is being provided to you in preparation for the Bluewater Cove Homeowners Association, Inc. 2024 Annual Meeting of Members scheduled to be held on Saturday, May 4, 2024, at 9 a.m. in the Community Clubhouse.

This packet contains:

- Meeting notice and agenda
- 2023 Annual Meeting Minutes
- 2024-2025 Fiscal Year Financial Summary and planned budget
- Letter sent to Carteret County Planning Director dated March 13, 2024
- 2024 Board Member Self-Nomination Form
- 2024 Annual Meeting Proxy and Ballot

Any questions pertaining to this matter can be directed to the Bluewater Cove Board at [BWCBoard@BluewaterCoveHOA.org](mailto:BWCBoard@BluewaterCoveHOA.org). We look forward to seeing you on May 4, 2024, at 9 a.m. in the Community Clubhouse for the Annual Meeting of Members.

Cordially,

Board of Directors  
Bluewater Cove Homeowners Association, Inc.



## Bluewater Cove Homeowner's Association, Inc.

147 White Heron Ln  
Swansboro, NC 28584

[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

# NOTICE OF 2024 ANNUAL MEETING OF MEMBERS

Date: Saturday, May 4, 2024

Time: 9:00 AM

Location: Bluewater Cove Community Clubhouse, 147 White Heron Lane Swansboro, NC 28584

Google Meet: <https://meet.google.com/rod-fqdj-ptq>

Notice is hereby given of the 2024 Annual Meeting of Members for Bluewater Cove Homeowners Association, Inc. The meeting will be held at the above date, time, and location. The Board of Directors has determined that this Annual Meeting shall be held in person, therefore, Members desiring to observe the Annual Meeting remotely may do so by accessing the above link but will only be considered represented and able to cast a secret ballot if attending in person or by Proxy.

North Carolina General Statute 55A-7-09 as modified in September 2021 allows for nonprofit corporations, to include homeowners associations, to hold their annual, regular and special meetings in person or solely by remote participation, but not in a hybrid environment (i.e. some members present, and some members remote). A Proxy Ballot has been included in this notification packet for your convenience if needed.

The purpose of this meeting is to communicate information to the membership regarding association matters and other routine community business as indicated below.

### AGENDA:

- I. Call to order (*President*)
- II. Reading of previous minutes and adoption (*Secretary*)
- III. Treasurer Report Summary FY2023-2024 and FY2024-2025 Budget Review (*Treasurer*)
- IV. Committee Reports (*President*)
  - Architectural & Infrastructure (*Suder*)
  - Maintenance & Landscape (*Cox*)
  - Social (*Powell and/or Wallace*)
- V. New Business (*President*)
  - Adoption of Resolution 2024-001 (IRS Ruling 70-604)
  - Adoption of Resolution 2024-002 (Reserve Fund)
  - Adoption of Resolution 2024-003 (Project Expense Account)
  - Proposed Covenants Amendments to paragraphs 5(a.ii), 5(d), 5(f), 5(h), 6(e), 7(a. ii), 8(a), 9(a) and a request to fully amend and re-state the Declaration of Covenants, Restrictions and Easements.
  - Member open floor
- VI. Member vote by secret ballot
- VII. Recess to tally ballots
- VIII. Reconvene to publish results
- IX. Adjourn (*President*)

Cordially,

Board of Directors  
Bluewater Cove Homeowners Association, Inc.

***Bluewater Cove Homeowner's Association, Inc.***

147 White Heron Ln  
Swansboro, NC 28584  
www.BluewaterCoveHOA.org



**2023 ANNUAL MEETING OF MEMBERS**

Date: Saturday, May 6, 2023

Time: 9:00 AM

Location: Bluewater Cove Clubhouse

Board Members Present: President – Andy Gauzza, Treasurer – Shaun Short, Secretary – Christopher Cox

Community Members Present or Represented: See Enclosure (1)

1. Meeting called to order by President (A. Gauzza) at 9:19 AM. A quorum was present.

2. Secretary (C. Cox) introduced Michael Lincoln, the Associations Attorney, and informed the membership that Mr. Lincoln was in attendance to answer any legal or procedural questions the membership may have throughout the meeting.

Secretary (C. Cox) also stated the addition of two Resolutions to the Agenda for membership consideration:

- a. A Resolution to authorize the continued operation and maintenance of the Associations Reserve account.
- b. A Resolution to authorize the establishment of a Project Expense Account for Infrastructure Repair where all funds from any Special Assessment approved by the membership would be deposited and debited from.

Motions for both Resolutions would be made after the Treasurers report.

In addition, Secretary (C. Cox) also informed the membership that due to continued legal discussions that were conducted the week leading up to the Annual Meeting, the Board could no longer recommend a 5% discount for lump sum payments or graduated interest rates for monthly payments made outside of the year of issuance for any proposed Special Assessment. Ultimately the Association's Attorney advised the Board that this accommodation may be misconstrued as discriminatory by some members and found not to be in line with the Declaration. As such, any payments made beyond the year of issuance for any Special Assessment will be subject to a flat 12% interest rate per paragraph 5(h) of the Declaration.

Lastly, Secretary (C. Cox) also informed the membership that if there should be a desire from the members to review paragraph 5 and all subparagraphs, that the Board would review and schedule a Special Meeting of Members for the membership to vote on any such desired amendments.

3. President (A. Gauzza) transitioned to Minutes of the previous Meeting of Members. There was a motion by S. Short to wave the reading of the previous annual meeting minutes dated May 7,

2022 and adopt as presented. The motion was seconded by J. Ferguson and voted on by the membership. The majority were in favor, the motion carried.

4. President (A. Gauzza) transitioned to Treasurers Report. Treasurer (S. Short) issued the treasurers report and conducted budgetary review:

- a. Last fiscal year closed with \$93,545.03
  - i. Reserves: \$78,897.73
  - ii. Operating: \$7,643.76
  - iii. ARC Deposits: \$7,003.54
- b. As of April 30, 2023, there was \$106,728.20
  - i. Reserves: \$89,540.79
  - ii. Operating: \$9,206.13
  - iii. ARC Deposits: \$7,981.28

The proposed 2023-2024 Annual Budget with summary as included in Member Notification packets was reviewed, Enclosure (2).

Upon review, D. Barclay inquired why in 2019-2020 we contributed \$12K to the Reserves and have not resumed contributions at that level. Treasurer (S. Short) indicated because of legal and administrative fees in previous years, the amount was reduced to \$10K. The intent was to increase annual Reserve contributions moving forward; however, due to legal and administrative fees associated with the proposed Special Assessment and planned Reserve Study, \$10K will be planned for this fiscal year with increased contributions to resume next fiscal year.

A motion was made by C. Cox to ratify the proposed 2023-2024 fiscal year budget. The motion was seconded by J. Ferguson and voted on by the membership. The majority were in favor, the motion carried.

5. Secretary (C. Cox) made a motion to adopt Association Resolution 2023-001 for Revenue Ruling 70-604 Election Excess Income Applied to the Following Years Assessments, Enclosure (3). The motion was seconded by S. Short and voted on by the membership. The majority were in favor, the motion carried.

6. Secretary (C. Cox) made a motion to adopt Association Resolution 2023-002 to authorize the continued maintenance of the Associations Reserve Account for emergency and non-budgeted infrastructure related repairs and expenses, Enclosure (4). The motion was seconded by J. Ferguson and voted on by the membership. The majority were in favor, the motion carried.

7. Secretary (C. Cox) made a motion to adopt Association Resolution 2023-003 to authorize the establishment of a Project Expense Account for Infrastructure Repair where all funds received from any Special Assessment approved from the membership shall be deposited and debited from, Enclosure (5). Withdrawals or payments from this account shall only be made for member prioritized and member approved projects as voted on and approved by the Members. The motion was seconded by S. Walker and voted on by the membership. The majority were in favor, the motion carried.

ii. Mr. Lincoln, the Associations Attorney, informed the membership that he and Mr. Arnette with SumrellSugg had a conversation about the letter received. They discussed the contents of the document and Mr. Lincoln reviewed each of the items as identified. Mr. Lincoln reiterated to the membership that the Board is no longer recommending a 5% discount for lump sum payments or graduated interest rates for monthly payments made outside of the year of issuance for any proposed Special Assessment as stated at the beginning of the meeting. This decision was based on Mr. Lincoln's advice that this accommodation may be considered discriminatory by some members and found not to be in line with the Declaration. Mr. Lincoln also stated that amendments to paragraphs 5 (d), (f) and (h) are not being proposed at this meeting. As it pertains to project commencement, it is the Associations intent to enter contracts for the proposed projects this fiscal year. It is understood that the Roadways may span multiple years, but the contracts for work will be initiated this fiscal year. Once contracts are entered, the Association and any future Board will be bound by these agreements. Lastly, there is no intent to place Special Assessment funds into the Associations Reserve account. Special Assessment funds will be maintained in a dedicated bank account for infrastructure repair. Any funds remaining after the completion of all projects will be credited back pro-rata to each Lot owner's account.

- E. Roberts inquired what would happen to any funds credited back pro-rata in the event a member's property is sold.
  - o If the property is sold, the credit would be applied to the property and current owner's account, not the previous owner.
- J. Brewer inquired about whether the membership would be credited for any projects not contracted or started within the year of issuance.
  - o If contracts are not entered into within the fiscal year of issuance, the membership may be credited for the associated projects.
- D. Barclay inquired about whether the Association has received bids for all of the proposed projects and whether a lien would be placed on Lots that are considered delinquent.
  - o Estimates for all projects have been received. The Association may file a claim of lien in the Office of the Clerk of Superior Court of Carteret County if the Association so chooses for any delinquent assessment.
- K. Miller inquired about the specific contractors who will work on the proposed projects. Member wanted to know if draft contracts have been produced.
  - o Draft contracts have not been produced; however, multiple estimates were received by the Infrastructure Restoration Committee (IRC) for the proposed projects.
- D. Suder (IRC Chair) reviewed the process and timeline associated with obtaining estimates from contractors. Member explained that draft contracts can be obtained, but until a contract is signed it's not ratified and

8. President (A. Gauzza) transitioned to Committee Reports:

- a. Architectural Review: No Report
- b. Maintenance and Landscaping: C. Cox reported the Yelp function on the front gate is inoperable and will be repaired.
- c. Social Committee: No Report

9. President (A. Gauzza) transitioned to New Business:

- a. Effective 11 March 2023, the Association installed security cameras at the pool and back gate for the protection of Association assets and for the security of residents and their guests. To clarify the Association policy on these cameras, the Board adopted policy, rules, restrictions and regulations on these devices on 23 March 2023 which were e-mailed to all Members and posted on the Association website.
  - i. A representative for the owner of Lot 93 requested the camera be relocated since they believe it to be mounted within an easement area on Lot 93. The Board will confirm the location and relocate as necessary.
- b. There were (3) Board seats up for election in 2023. A. Gauzza and S. Short were the only nominations received. President (A. Gauzza) requested nominations from the floor. None were received. C. Cox moved to close the nomination window. The motion was seconded by E. Auld and voted on by the membership. The majority were in favor, the motion carried.
- c. The membership is being asked to consider the allocation of \$12,500 from the Association Reserves to contribute to the Dredging of Raymonds Gut.
  - i. J. Brewer inquired about documentation from the County for the dredging project.
    - As presented during the 28 April Town Hall, Gene Foxworth (Carteret County Planning Director) discussed the County's plan to dredge Raymonds Gut per the Maintenance Dredging and Docking Plan dated 17 December 1999, Enclosure (6).
- d. The membership is being asked to consider the funding of Capital Improvements and Infrastructure Repair items through a Special Assessment and Reserve contribution.
  - i. J. Lippy addressed the membership and informed them that he sought personal legal counsel due to concerns that the proposed Special Assessment would violate terms of the Declaration. Mr. Lippy requested a letter from his attorney be entered as part of the record. See Enclosure (7). His concerns include:
    - Impermissible Payment Plans, Discount and Interest Years
    - Inability to Impose Special Assessment for Projects to Occur in Future Years
    - Inability to use Special Assessment to Increase Reserve Accounts
    - Inability of the Board to Bind Future Boards



- R. Padgett addressed the community to reiterate the challenges associated with getting a proposal to this stage and the probability of nothing happening if the membership decides to not adopt.
- H. Walker made a motion to vote, motion was seconded by S. Short. There was no further discussion.

10. President (A. Gauzza) transitioned to voting by ballot. Two members were asked to volunteer as Tellers and Ballot Verification Clerks. K. Veacock and L. Suder were designated as Tellers and Ballot Verification Clerks. Secretary (C. Cox) reviewed the voting process with the membership.

11. Members began retrieving ballots, Enclosure (8).

12. S. Short made a motion to recess for member vote and tallying of ballots, motion was seconded by C. Cox. There was no discussion.

13. President (A. Gauzza) called the meeting to order to review ballot results, Enclosure (9).

a. On the matter of Election of Board Members, A. Gauzza and S. Short were re-elected by the membership.

b. On the matter of Proposed Amendments to the Declaration of Covenants, Restrictions and Easements, the membership voted:

i. Paragraph 3(e) 75 In favor 11 Opposed

ii. Paragraph 8(f) 70 In favor 16 Opposed

iii. Paragraph 10 72 In favor 14 Opposed

2/3 majority was met on all, amendments will be filed and recorded.

c. On the matter of allocating \$12,500 from the Association Reserves for dredging, the membership voted 73 In favor and 13 Opposed. Majority approval was met, funds will be allocated.

d. On the matter of Special Assessment issuance in the amount of \$391,000 and Association Reserve allocation in the amount of \$47,000 for member approved Capital Improvements and Infrastructure Repair, the membership voted 65 In favor and 21 Opposed. 2/3 majority was met, a Special Assessment will be issued in fiscal year 2023-2024 for Capital Improvements and Infrastructure Repairs and an allocation from the Association Reserves will be made as approved. Each Lot will be assessed \$4,393.26. Members should contact the Association Treasurer to confirm their payment plan prior to 15 May 2023. Members may pay lumpsum or over a monthly basis within the year of issuance. If a member does not believe they will be able to pay for the Special Assessment within the year of issuance, they should confirm with the Association's Treasurer as to how long they believe it will take them to pay. Any payments made beyond the year of issuance for any Special Assessment adopted and issued will be subject to 12% interest per annum per paragraph 5(h) of the Declaration.

it's non-binding. The IRC spoke with (9) contractors, (5) responded with estimates. That information was provided to the Board and based on that information an average projected cost was obtained.

- J. Brewer addressed the membership to advocate that projects be sub-divided.

- R. Padgett inquired when projects would need to be under contract, when the fiscal year ends, whether all three items could be under contract within this timeframe, and would the Association be obligated once those contracts are entered?

o Contracts would need to be entered within the fiscal year of issuance. The Association's fiscal year ends 30 April 2024. It is the intent to enter into contracts for all proposed projects this fiscal year. Once entered, the Association would be obligated.

- D. Suder made a point of clarification that if the Association were to install a seawall, that every contractor has advised the IRC to address the day dock and seawall in conjunction to ensure they are done properly.

- K. Veacock addressed the membership advocating for the membership to act. Historically the community has talked about addressing these issues but has failed to act.

- M. Pugh addressed the membership inquiring why all projects were being proposed for funding.

o The Board took input from the IRC and contractors. The determination was that it would be most cost effective and result in a better product to address items together. The concern with the roadways is that they are in a substandard state and will only continue to deteriorate. Prolonging repairs will only increase the amount the membership will have to pay.

- S. Walker addressed the membership to amplify his concern about further deterioration and the associated increased cost.

- T. Brewer inquired about project phasing and sequencing.

o Sequencing has been planned in the order the projects have been presented: Storm Water Management / Erosion Control, Day Dock and Roadway Maintenance. The dredging is being overseen by Carteret County with an estimated commencement in September of 2023.

- C. Pugh addressed the membership to voice a concern that continued Special Assessments will be required into the future if projects are not broken apart.

- D. Barclay addressed the membership to remind everyone that the total cost of all items evaluated was more than \$600K. Through speaking with members and evaluating all projects, the proposed Special Assessment was reduced to \$391K along with a \$47K allocation from the Association Reserves.

14. President (A. Gauzza) reviewed the planned dates for 2023-2024 fiscal year Board Meetings and the planned date for the 2024-2025 Annual Meeting of Members to be held at the Community Clubhouse.

- a. 2023-2024 fiscal year Board Meetings
  - 10 June 2023 / 9 a.m.
  - 16 September 2023 / 9 a.m.
  - 9 December 2023 / 9 a.m.
  - 9 March 2024 / 9 a.m.
- b. 2024-2025 Annual Meeting of Members
  - 4 May 2024 / 9 a.m.

15. Motion was made by S. Short to adjourn, seconded by J. Whalen. The majority were in favor, the motion carried.

16. Meeting adjourned to executive session.

17. Board convened in executive session:
- A. Gauzza to remain President
  - M. Johnston to remain Vice President
  - S. Short to remain Treasurer
  - C. Cox to remain Secretary
  - 5<sup>th</sup> member seat remains vacant

18. Motion was made by C. Cox to adjourn the executive session, seconded by S. Short. The majority were in favor and the session was adjourned.

*Mark Johnston*  
Mark Johnston  
Vice President

*Mark Johnston*  
Mark Johnston  
Vice President

*Christopher Cox*  
Christopher Cox  
Secretary

*Christopher Cox*  
Christopher Cox  
Secretary

*Andy Gauzza*  
Andy Gauzza  
President

*Andy Gauzza*  
Andy Gauzza  
President

*Shaun Short*  
Shaun Short  
Treasurer

*Shaun Short*  
Shaun Short  
Treasurer

## Bluewater Cove Homeowners Association, Inc.

### Meeting Sign-in

Date: 6 May 2023

Owner	Property	Lot #	Mailing Address	Phone	Email	Member Signature	Proxy?
John & Jenesa Styron	101 White Heron Lane	1	101 White Heron Lane Swansboro, NC 28584	(252) 241-7632	jstyron@ec.rr.com	<i>John Styron</i>	<input type="checkbox"/>
Soundside Properties, LLC	103 White Heron Lane	2	101 White Heron Lane Swansboro, NC 28584	(252) 241-7632	soundside@ec.rr.com	<i>John Styron</i>	<input type="checkbox"/>
Diane Lusk	105 White Heron Lane	3	105 White Heron Lane Swansboro, NC 28584	(570) 439-8999	ksimencic@gmail.com		<input type="checkbox"/>
Kenneth & Jerri Suggs	107 White Heron Lane	4	13108 Meadow Ridge Drive Rougemont, NC 27572	(919) 725-2306	ksuggs1200@gmail.com	<i>Ken Suggs</i>	<input type="checkbox"/>
Rubyene Lambert	109 White Heron Lane	5	PO Box 104 Calypso, NC 28325	(919) 658-4680	ruby12@bellsouth.net	<i>Cox - Proxy</i>	<input checked="" type="checkbox"/>
Candice & Clarence Gardner Jr.	111 White Heron Lane	6	111 White Heron Lane Swansboro, NC 28584	(252) 723-2060	56stump@gmail.com	<i>Clarence &amp; Candice Gardner</i>	<input type="checkbox"/>
Aaron & Brooke Pollard	113 White Heron Lane	7	113 White Heron Lane Swansboro, NC 28584	(252) 732-5666	brookeapollard@gmail.com		<input type="checkbox"/>
Howard & Ruth Pinner	115 White Heron Lane	8	115 White Heron Lane Swansboro, NC 28584	(252) 503-9702	HAPP111@AOL.COM	<i>Ruth Pinner</i>	<input type="checkbox"/>
Shay & Susan Lorenz	117 White Heron Lane	9	117 White Heron Lane Swansboro, NC 28584	(252) 424-4367	lorenz@gmail.com; slorenz@gmail.com	<i>Shay Lorenz</i>	<input type="checkbox"/>
Rickey & Denise Suggs	119 White Heron Lane	10	1829 Cole Mill Road Durham, NC 27712	(919) 614-2367	rsuggs12@nc.rr.com	<i>Denise Suggs</i>	<input type="checkbox"/>
Darlen Teague & Amanda Baer	121 White Heron Lane	11	826 Shadowridge Road Jacksonville, NC 28546	(252) 342-2711	amanda.baer@hotmail.com		<input type="checkbox"/>
Bluewater Cove	123 White Heron Lane	12	PO Box 4340 Emerald Isle, NC 28594		bethf@bluewaternc.com	<i>Gomess - Proxy</i>	<input checked="" type="checkbox"/>
Bluewater Cove	125 White Heron Lane	13	PO Box 4340 Emerald Isle, NC 28594		bethf@bluewaternc.com	<i>Gomess - Proxy</i>	<input checked="" type="checkbox"/>

Stephen Kloth	127 White Heron Lane	14	11850 Waterstone Loop Drive Windermere, FL 34786	(843) 812-7260	stephen.klothjr@gmail.com	Gauzza - Proxy	<input checked="" type="checkbox"/>
Julia Weber	129 White Heron Lane	15	PO Box 2169 Fairfax, VA 22031		jwweber@gmail.com	Cox - Proxy	<input checked="" type="checkbox"/>
Shaun & Amy Short	131 White Heron Lane	16	131 White Heron Lane Swansboro, NC 28584	(812) 590-8734	Shaun_Short@yahoo.com, conaway_amy@yahoo.com	Shaun Short	<input type="checkbox"/>
Russell Padgett	133 White Heron Lane	17	133 White Heron Lane Swansboro, NC 28584	(252) 646-2000	padgett.home@gmail.com	Russell Padgett	<input type="checkbox"/>
Lee Ann & Scott Murray	135 White Heron Lane	18	29936 Clear Water Dr Canyon Lake, CA 92532	(252) 571-0151	slmurray1@gmail.com, leannsellshomes@gmail.com	Scott Murray	<input checked="" type="checkbox"/>
Jay & Deborah Whalen	137 White Heron Lane	19	137 White Heron Lane Swansboro, NC 28584	(732) 552-8255	suprmum0912@gmail.com, jaywhalen@gmail.com	Deborah Whalen	<input type="checkbox"/>
William & Brigid Barrett	139 White Heron Lane	20	139 White Heron Lane Swansboro, NC 28584	(530) 305-2496	Barrett1643@charter.net	Proxy Agent Scull	<input checked="" type="checkbox"/>
William & Carol Scull	141 White Heron Lane	21	141 White Heron Lane Swansboro, NC 28584	(910) 320-0360	musiclady53@gmail.com	William Scull	<input type="checkbox"/>
Michael & Jessica Sermarini	136 White Heron Lane	25	136 White Heron Lane Swansboro, NC 28584	(910) 787-3682	mikesub13@gmail.com, jlb6307@gmail.com		<input type="checkbox"/>
Mark and Lisa Johnston	134 White Heron Lane	26	134 White Heron Lane Swansboro, NC 28584	(904) 962-9063	msjohn57@gmail.com, lmayjohnston@gmail.com	Gauzza - Proxy	<input checked="" type="checkbox"/>
Philip & Paige Ellertson	132 White Heron Lane	27	132 White Heron Lane Swansboro, NC 28584	(928) 345-8103	philip.ellertson@gmail.com	Ellertson	<input type="checkbox"/>
Rand Derek Baith	130 White Heron Lane	28	130 White Heron Lane Swansboro, NC 28584	(614) 342-0596	antiarch@gmail.com		<input type="checkbox"/>
Sam & Donna C. Harrell	128 White Heron Lane	29	128 White Heron Lane Swansboro, NC 28584	(910) 545-2744	samharrell@gmail.com, dcharrell1126@att.net		<input type="checkbox"/>
Kevin & Angie Zachary	126 White Heron Lane	30	126 White Heron Lane Swansboro, NC 28584	(252) 327-4481	kzacharysonic@gmail.com		<input type="checkbox"/>
Brian & Lindsey Davis	124 White Heron Lane	31	124 White Heron Lane Swansboro, NC 28584	(252) 412-0397	brdavis9@hotmail.com	Lindsey Davis	<input type="checkbox"/>
Dan & Lorna Alderson	122 White Heron Lane	32	122 White Heron Lane Swansboro, NC 28584	(252) 725-2688	ldalderson@hotmail.com	Gauzza - Proxy	<input checked="" type="checkbox"/>

Enclosure (1)

Ed & Linda Auld	120 White Heron Lane	33	120 White Heron Lane Swansboro, NC 28584	(252) 393-7282			<input type="checkbox"/>
Mike & Becky Brown	118 White Heron Lane	34	118 White Heron Lane Swansboro, NC 28584	(252) 764-3170	beckybrown1955@gmail.com		<input type="checkbox"/>
Brian & Teresa Walker	116 White Heron Lane	35	116 White Heron Lane Swansboro, NC 28584	(919) 587-0030	wavewalker3@gmail.com, tmwalker24@gmail.com	Cox - Proxy	<input checked="" type="checkbox"/>
Steve and Debbie Hildt	114 White Heron Lane	36	114 White Heron Lane Swansboro, NC 28584	(910) 330-1159	dhildt59@hotmail.com	Proxy - Quo	<input checked="" type="checkbox"/>
Donna Barriay	112 White Heron Lane	37	9412 Palm Bay Circle Raleigh, NC 27617	(919) 880-4345	dzimmer948@aol.com		<input type="checkbox"/>
Sammy & Carrie Cassou	110 White Heron Lane	38	110 White Heron Lane Swansboro, NC 28584	(941) 932-1441	samcassou@gmail.com		<input type="checkbox"/>
Leila Robinson	201 Bluewater Cove	39	201 Bluewater Cove Swansboro, NC 28584	(252) 764-2044	lrobinson1@ec.rr.com	Leila Robinson	<input checked="" type="checkbox"/>
Chris Rosetti	203 Bluewater Cove	40	203 Bluewater Cove Swansboro, NC 28584	(609) 742-1116	cr6186@yahoo.com	Chris Rosetti	<input checked="" type="checkbox"/>
Jim & Margo Hickman	205 Bluewater Cove	41	205 Bluewater Cove Swansboro, NC 28584	(919) 618-2166	margohickman16@gmail.com	Proxy agent Suder	<input checked="" type="checkbox"/>
Megan & Donovan Cariton	207 Bluewater Cove	42	495 West Firetower Rd. Swansboro, NC 28584				<input type="checkbox"/>
Ricky Taylor	209 Bluewater Cove	43	209 Bluewater Cove Swansboro, NC 28584	(919) 801-6444	captainrick209bwc@gmail.com	Ricky Taylor	<input type="checkbox"/>
Christopher & Christine Cox	303 Duck Haven	44	303 Duck Haven Swansboro, NC 28584	(252) 503-4054	coxcm04@gmail.com		<input type="checkbox"/>
Christopher & Christine Cox	305 Duck Haven	45	303 Duck Haven Swansboro, NC 28584	(252) 503-4054	coxcm04@gmail.com		<input type="checkbox"/>
Mark & Frances Warren	307 Duck Haven	46	307 Duck Haven Swansboro, NC 28584	622 8906 (252) 764-2171	markwarren797@gmail.com	Mark & Frances Warren	<input checked="" type="checkbox"/>
Martin & Judy Harrell	309 Duck Haven	47	309 Duck Haven Swansboro, NC 28584	(252) 393-7382	marjucar@aol.com, martinharrell@gmail.com	Proxy - Gauzza	<input checked="" type="checkbox"/>
Jonathan Lennon	308 Duck Haven	48	308 Duck Haven Swansboro, NC 28584	(406) 451-6179	lennonusaf@yahoo.com	Proxy - Mark & Frances	<input checked="" type="checkbox"/>

Enclosure (1)

Chris & Amanda Madden	306 Duck Haven	49	304 Duck Haven Swansboro, NC 28584	(864) 376-9388	amadden22@yahoo.com, eleceng1141@yahoo.com		<input type="checkbox"/>
Chris & Amanda Madden	304 Duck Haven	50	304 Duck Haven Swansboro, NC 28584	(864) 376-9388	amadden22@yahoo.com, eleceng1141@yahoo.com		<input type="checkbox"/>
Gregory & Kelly Clarke	215 Bluewater Cove	51	722 Cedar Point Blvd PMB 317 Cedar Point, NC 28584	(703) 789-0424	kellyclarke177@gmail.com		<input type="checkbox"/>
Aric Lee Oostra	217 Bluewater Cove	52	217 Bluewater Cove Swansboro, NC 28584	(252) 728-4956	aricoostra@gmail.com	Proxy Gus	<input checked="" type="checkbox"/>
Noel Jackson	219 Bluewater Cove	53	219 Bluewater Cove Swansboro, NC 28584	(410) 310-7574	dnsbluemoonfarm@gmail.com	Proxy - Gus	<input checked="" type="checkbox"/>
Jay & Jessica Ferguson	223 Bluewater Cove	54	223 Bluewater Cove Swansboro, NC 28584	(904) 254-0301	jnjferg@hotmail.com		<input type="checkbox"/>
Tracey Watson	228 Bluewater Cove	55	228 Bluewater Cove Swansboro, NC 28584	(252) 413-8646	traywatt84@gmail.com		<input type="checkbox"/>
Gus and Cindy Gustafson	226 Bluewater Cove	56	226 Bluewater Cove Swansboro, NC 28584	(919) 690-2450	gustafson.kerlake@gmail.com		<input type="checkbox"/>
Evelyn Roberts	224 Bluewater Cove	57	417 Palace Green Cary, NC 27518	(919) 816-5772	vannaroberts@gmail.com		<input type="checkbox"/>
Jason & Carrie Hunt	222 Bluewater Cove	58	222 Bluewater Cove Swansboro, NC 28584	(252) 723-4538	carrie_hunt5617@yahoo.com, jasonh1288@gmail.com	Proxy Gus	<input checked="" type="checkbox"/>
John & Kira Boyd	220 Bluewater Cove	59	220 Bluewater Cove Swansboro, NC 28584	(252) 393-4420	jboyd@synergypnc.com		<input type="checkbox"/>
Teresa & Acacio Mello	218 Bluewater Cove	60	13 DaCosta Dr Newington, CT 06111	(860) 982-2101	tmaa10@gmail.com	Proxy Gus	<input checked="" type="checkbox"/>
Shane & Jaclyn Powell	216 Bluewater Cove	61	216 Bluewater Cove Swansboro, NC 28584	(919) 671-4978	jspowell@gmail.com, SJF0709@hotmail.com	Proxy agent Ferguson	<input checked="" type="checkbox"/>
Brenda Futral	214 Bluewater Cove	62	214 Bluewater Cove Swansboro, NC 28584		bjfutral@yahoo.com		<input type="checkbox"/>
Jeff & Anne Scott	212 Bluewater Cove	63	212 Bluewater Cove Swansboro, NC 28584	(912) 977-2271	ams1118@hotmail.com		<input checked="" type="checkbox"/>
James & Kathleen Veacock	210 Bluewater Cove	64	210 Bluewater Cove Swansboro, NC 28584		kveacock@hotmail.com		<input type="checkbox"/>

Enclosure (1)

Mike & Linda Pickard	208 Bluewater Cove	65	208 Bluewater Cove Swansboro, NC 28584	(910) 639-4164	mikelinda5052@gmail.com		<input type="checkbox"/>
Alex & Patty Wrubel	206 Bluewater Cove	66	325 Silver Landing Road Swansboro, NC 28584	(252) 393-4562	alpat@ecrr.com	Proxy - Gus	<input checked="" type="checkbox"/>
Steven & Kathy Brink	204 Bluewater Cove	67	204 Bluewater Cove Swansboro, NC 28584	(919) 971-2654	kbrink004@gmail.com		<input type="checkbox"/>
Steven & Kathy Brink	202 Bluewater Cove	68	204 Bluewater Cove Swansboro, NC 28584	(919) 971-2654	kbrink004@gmail.com		<input type="checkbox"/>
Robert Dawson, III & Michelle Dawson, Trustees	105 Lowery Lane	70	2765 Cockspur Lane Dumfries, VA 22026	(571) 234-2621	rlawson@verizon.net		<input type="checkbox"/>
Donna Barclay	111 Lowery Lane	71	9412 Palm Bay Circle Raleigh, NC 27617	(919) 880-4345	dzimmer948@aol.com		<input type="checkbox"/>
Donna Barclay	111 Lowery Lane	72	9412 Palm Bay Circle Raleigh, NC 27617	(919) 880-4345	dzimmer948@aol.com		<input type="checkbox"/>
Donna Barclay	113 Lowery Lane	73	9412 Palm Bay Circle Raleigh, NC 27617	(919) 880-4345	dzimmer948@aol.com		<input type="checkbox"/>
Josh & Teresa Lippy	115 Lowery Lane	74	115 Lowery Lane Swansboro, NC 28584	(919) 342-6870	teresalippy@gmail.com, joshlippy@hotmail.com		<input type="checkbox"/>
William Mason	117 Lowery Lane	75	117 Lowery Lane Swansboro, NC 28584	(252) 646-0186	commonsenseengineer@hotmail.com	proxy agent/Scott	<input checked="" type="checkbox"/>
Rowland & Kimberly Waters	119 Lowery Lane	76	118 Lowery Ln Swansboro, NC 28584	(423) 956-7291	rowlandh2os@aol.com	Proxy Scott	<input checked="" type="checkbox"/>
Kevin & Shannon Miller	121 Lowery Lane	77	121 Lowery Lane Swansboro, NC 28584	(910) 330-2591	Ksm52@icloud.com, kevinm@futurehomesnc.com		<input type="checkbox"/>
Jeffrey & Teresa Brewer	123 Lowery Lane	78	123 Lowery Lane Swansboro, NC 28584		jeff_brewer_nc@windstream.net, teresakbrewer@gmail.com		<input type="checkbox"/>
Andrew & Judith Gauzza	125 Lowery Lane	79	125 Lowery Lane Swansboro, NC 28584	(914) 503-3747	pbpresidentg@aol.com		<input type="checkbox"/>
Dale & Lucy Suder	127 Lowery Lane	80	127 Lowery Lane Swansboro, NC 28584	(240) 508-4879	dalesuder@verizon.net, cocadinha@aol.com		<input type="checkbox"/>
Lee Ann & Scott Murray	129 Lowery Lane	81	29936 Clear Water Dr Canyon Lake, CA 92532	(252) 571-0151	smurray1@gmail.com, leeanmsellshomes@gmail.com		<input checked="" type="checkbox"/>

Enclosure (1)

(1) Enclosure

**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swansboro, NC 28584  
[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

March 11, 2023

Re: 2023-2024 Fiscal Year Budgetary Summary

Dear Member,

The Board has finished budgetary planning for fiscal year 2023-2024 (May 1, 2023 – April 30, 2024). Below you will find a summary of the enclosed 2023-2024 fiscal year budget as adopted by the Board on March 11, 2023 and scheduled to be considered for ratification on May 6, 2023.

**Income:**

- **Annual Assessments** – Increased 10% from \$900 to \$990 per lot.
- **Septic System Assessment** – Remained \$300 per home for the (14) residences utilizing the shared septic.

**Expenses:**

- **Planned Reserve Funding** – Remains \$10,000.
- **Administrative Expenses** – Increased from \$18,400 to \$24,508. This increase is due to a Reserve Study being conducted in 2023 as well as increases in legal expenses associated with documentation maintenance, liens and pending foreclosure.
- **Repairs & Maintenance** – Increased from \$4,800 to \$12,750. This increase is primarily due to the Landscape Improvement & Repair line item being moved to Repairs & Maintenance, and the added cost of hiring a cleaning service to maintain the clubhouse twice a month when the pool is open and once a month when the pool is closed.
- **Septic System Expenses** – Have been reduced from \$4,500 to \$4,200. \$2,700 is budgeted for operating the system, and \$1,500 has been allocated for contingency repairs.
- **Grounds Expenses** – Have been reduced from \$39,200 to \$32,852. This expense funds the swimming pool and landscape contracts.
- **Utilities** – Increased from \$7,400 to \$8,000 because of overall monthly rates in 2022-2023.

**In summary,**

- **Total Revenue** has increased \$8,010
- **Total Operating Expenses** have increased \$7,410
- **Planned Reserve Funding** has remained the same at \$10,000 with an additional \$1,500 if no contingency repairs are needed for the shared septic system.

**Pursuant G.S. 47F-3-103 section (c) the following notice is given:**

This budget is scheduled to be considered for ratification during the Associations Annual Meeting of Members to be held at 9 a.m. on May 6, 2023 at the Bluewater Cove Community Clubhouse. Per the statute, a quorum is not required to be present at the meeting to ratify proposed budgets. The budget is ratified unless at the Annual Meeting a majority of all lot owners in the association or any larger vote specified in the declaration rejects the budget.

Any questions pertaining to this matter can be directed to the Bluewater Cove Board at [BWCB@BluewaterCoveHOA.org](mailto:BWCB@BluewaterCoveHOA.org). We look forward to seeing you on May 6, 2023 at 9 a.m. in the Community Clubhouse for the Annual Meeting of Members.

Cordially,

Board of Directors  
Bluewater Cove Homeowners Association, Inc.

Enclosure (2)

Susan Goines	131 Lowery Lane	82	131 Lowery Lane Swansboro, NC 28584	(252) 728-0063	sgoines2000@gmail.com	<i>Susan Goines</i>	<input type="checkbox"/>
Tony & Stephanie Fox	130 Lowery Lane	83	130 Lowery Lane Swansboro, NC 28584		skfox1099@yahoo.com	<i>PROXY AGENT Susan Goines</i>	<input checked="" type="checkbox"/>
Holly & James Altman Jr	128 Lowery Lane	84	141 Junius Drive Newport, NC 28570	(252) 286-9585	haltman2@live.com		<input type="checkbox"/>
Russell & Angela Padgett	126 Lowery Lane	85	133 White Heron Lane Swansboro, NC 28584	(252) 646-2000	padgett.home@gmail.com	<i>Angela Padgett</i>	<input type="checkbox"/>
Susan Goines	124 Lowery Lane	86	131 Lowery Lane Swansboro, NC 28584	(252) 728-0063	sgoines2000@gmail.com	<i>Susan Goines</i>	<input checked="" type="checkbox"/>
Kevin McCann	122 Lowery Lane	87	163 Midessa Dr Middletown, DE 19709	(302) 376-7490	kmmccann01@gmail.com	<i>Kevin McCann</i>	<input checked="" type="checkbox"/>
Matthew & Christine Pugh	120 Lowery Lane	88	321 Catamaran Rd Swansboro, NC 28584	(334) 595-1179	christinepugh0802@gmail.com; valorp@gmail.com	<i>Christine Pugh</i>	<input type="checkbox"/>
Rowland & Kimberly Waters	118 Lowery Lane	89	118 Lowery Ln Swansboro, NC 28584	(423) 956-7291	rowlandh2os@aol.com	<i>PROXY AGENT Sader</i>	<input checked="" type="checkbox"/>
Zachary & Lynn Wallace	116 Lowery Lane	90	116 Lowery Lane Swansboro, NC 28584	(910) 330-9813	lynn.wallace@onslow.k12.nc.us	<i>Proxy Gus</i>	<input checked="" type="checkbox"/>
Scott & Holly Walker	114 Lowery Lane	91	114 Lowery Lane Swansboro, NC 28584	(252) 947-0142	shmcwalker@hotmail.com	<i>Holly C. Walker</i>	<input type="checkbox"/>
Jason & Elizabeth Wimer	112 Lowery Lane	92	112 Lowery Lane Swansboro, NC 28584	(910) 750-2726	ewimer6636@gmail.com; mom2ccgi@gmail.com	<i>Elizabeth Wimer</i>	<input type="checkbox"/>
Mary Burke	104 Lowery Lane	93	112 White Heron Lane Swansboro, NC 28584	(919) 369-5211	lliquidet28@live.com	<i>Mary Burke</i>	<input checked="" type="checkbox"/>

Bluewater Cove HOA  
Fiscal year 2022 - 2023 Budget  
May 1, 2023 - April 30, 2024

Grounds Expense  
Shoreline Maintenance (6722)  
Landscape Contract (6745)  
Landscape Improvements & Repairs (6754)  
Pool Maintenance (6810)  
Pool Supplies (6814)  
Total Grounds Expense

-  
16,752.00  
-  
16,100.00  
-  
32,852.00

Utilities  
Pond Fountain Electric (6220)  
Streetlights/Gates/Sign Electric (6221)  
Clubhouse Electric (6222)  
Internet/Phone (6235)  
Water/Sewer (6236)  
Total Utilities

1,100.00  
1,200.00  
2,750.00  
1,550.00  
1,400.00  
8,000.00

Income Taxes  
Income Taxes (6000)  
Total Revenue - Fees

Total Operating Expense  
Operating Net Total

-  
82,310.00

Reserve Income  
Revenue - Assessments  
Reserve Funding (4010)  
Total Revenue Assessments

10,000.00  
10,000.00

Reserve Net Total  
Net Total

10,000.00  
-

Operating Income  
Revenue - Assessments  
Assessment Income (4000)  
Septic System Assessment (4007)  
Less Monthly Reserves (4009)  
Total Revenue - Assessments  
Total Operating Income

88,110.00  
4,200.00  
(10,000.00)  
82,310.00  
82,310.00

Operating Expense  
Administrative Expenses  
Review/Audit & Tax Prep (5000)  
Reserve Study

500.00  
4,788.00  
1,250.00  
-

Administrative Expenses (5004)  
Bad Debt Expense (5020)  
Bank Service Charges (5022)  
Insurance (5040)  
Legal Expense (5056)

350.00  
7,020.00  
9,000.00  
-

Management Fees (5060)  
Postage & Supplies (5072)  
Clubhouse Events (5088)  
Condolences (5089)  
Tax - Property (5095)

1,000.00  
500.00  
100.00  
-

Total Administrative Expenses

24,508.00

Repairs & Maintenance Expenses

General Maintenance (5400)  
Clubhouse Operations (5410)  
Gate Repairs/Maintenance (5439)  
Signage Repair (5478)

9,500.00  
2,500.00  
500.00  
250.00

Total Repairs & Maintenance

12,750.00

Septic System Expense

Septic System - Annual Inspection (5500)  
Septic Electric, Pumps A/B (5501)  
Septic Contingency for Repairs (5502)

1,500.00  
1,200.00  
1,500.00

Total Septic System Expense

4,200.00

**ASSOCIATION RESOLUTION FOR THE OPERATION AND  
MAINTENANCE OF AN ASSOCIATION RESERVE ACCOUNT FOR  
EMERGENCY AND NON-BUDGETED INFRASTRUCTURE RELATED  
REPAIRS AND EXPENSES**

**RESOLUTION 2023-002 OF BLUEWATER COVE HOA**

RE: OPERATION AND MAINTENANCE OF AN ASSOCIATION RESERVE ACCOUNT FOR EMERGENCY AND NON-BUDGETED INFRASTRUCTURE RELATED REPAIRS AND EXPENSES

WHEREAS, the Association is a North Carolina corporation duly organized and existing under the laws of the State of North Carolina;

and


WHEREAS, the members desire that the corporation shall act in full accordance with the laws of the State of North Carolina and the Governing Documents of the Association

NOW, THEREFORE, the members hereby adopt the following resolution by and behalf of the Association:


RESOLVED, that a bank account established to house Reserve Funds may continue to be operated, maintained and contributed to by the Association from the operating budget to be used for emergency and non-budgeted infrastructure related repairs and expenses as approved by the membership.

This resolution is adopted and made part of the minutes of the meeting dated 6 May 2023.

BY:

  
Andy Gauza (May 9, 2023 14:04 EDT)  
President

ATTESTED:

  
C.M. Cox (May 9, 2023 18:15 EDT)  
Secretary

Enclosure (4)

**ASSOCIATION RESOLUTION FOR REVENUE RULING 70-604 ELECTION  
EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S  
ASSESSMENTS**

**RESOLUTION 2023-001 OF BLUEWATER COVE HOA**

RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS  
REVENUE RULING 70-604

WHEREAS, the Association is a North Carolina corporation duly organized and existing under the laws of the State of North Carolina;

and

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service

NOW, THEREFORE, the members hereby adopt the following resolution by and behalf of the Association:


RESOLVED, that any excess of membership income over membership expenses for the year ended 2022-2023, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-504.

This resolution is adopted and made part of the minutes of the meeting dated 6 May 2023.

BY:

  
Andy Gauza (May 9, 2023 12:38 EDT)  
President

ATTESTED:

  
C.M. Cox (May 9, 2023 12:58 EDT)  
Secretary

Enclosure (3)









Aaron D. Arnette  
aarnette@ndlawyers.com

April 26, 2023  
Via First Class Mail

Michael Lincoln  
8204 Emerald Dr., Unit 5  
Emerald Isle, NC 28594

RE: Bluewater Cove Homeowners Association, Inc.  
Our File No. 101048.02

Dear Mike:

I represent Joseph Lippy and Jeff Brewer, both of whom own lots in the Bluewater Cove Subdivision ("Subdivision"), which is depicted on the map recorded in Book 30, Page 23 of the Carteret County Registry. Lots located within the Subdivision are encumbered by the Declaration of Covenants, Restrictions, and Easements recorded in Book 923, Page 684 of the Carteret County Registry ("Covenants"), which have been amended on numerous occasions. I understand that you represent the Bluewater Cove Homeowners Association, Inc. ("Association"). My clients have asked me to reach out to you regarding certain proposals the Association intends to bring up for vote at the membership meeting scheduled for May 6, 2023.

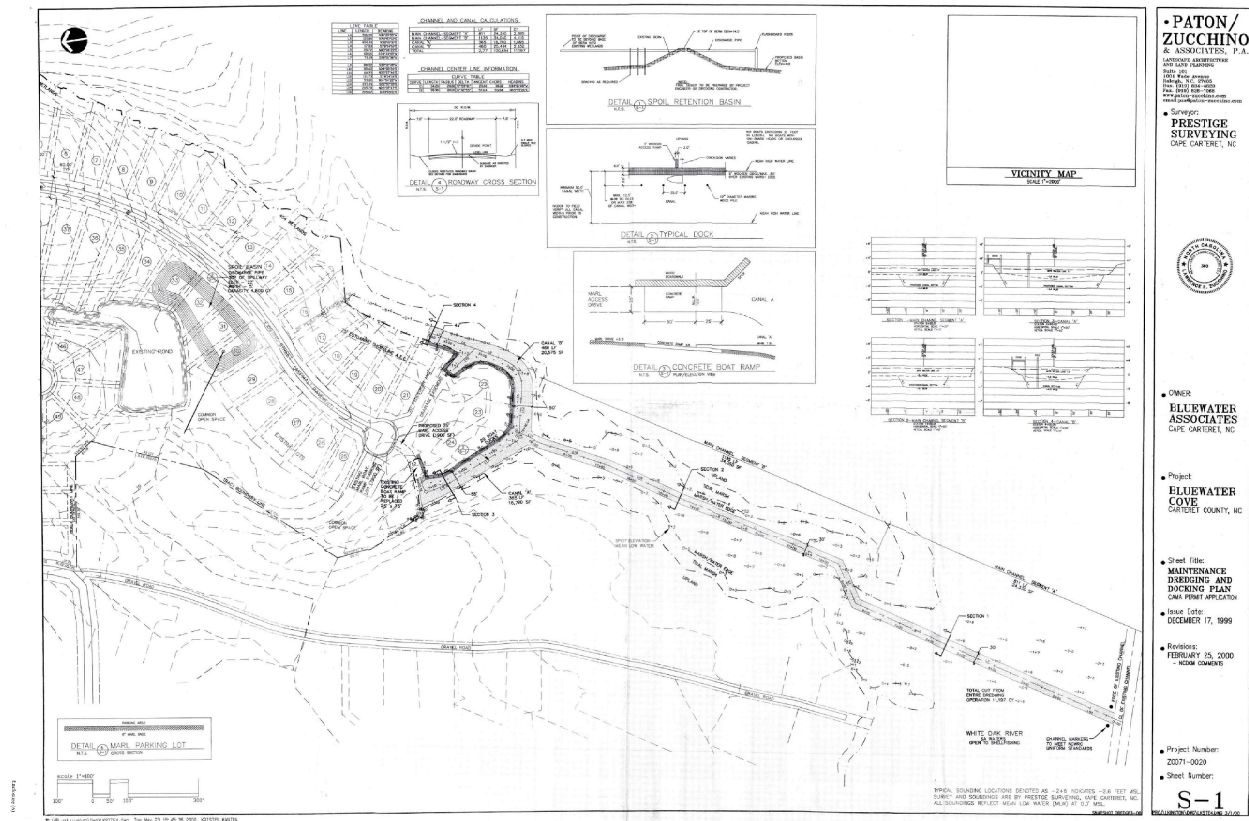
My clients provided me with a copy of a lengthy presentation entitled "State of the Infrastructure: Findings and Recommendations for Bluewater Cove" ("Proposal"), which evaluates the state of the infrastructure located within the Subdivision. The Proposal identified five (5) items in need of maintenance and/or replacement: (1) Storm Water Management / Erosion Control at the cost of \$177,000, (2) dredging at the cost of \$13,000, (3) day dock at the cost of \$91,000, (4) road maintenance at the cost of \$280,000, and (5) storage area 2 at the cost of \$48,000 for a grand total of \$609,000. The Proposal concludes by recommending that the Association generate (through annual or special assessments) funds sufficient to cover \$451,000 of the total \$609,000 anticipated expense.

The Association does not have bids or timelines for each of these projects, and, by its own admission, some of the projects will take numerous years and several phases to complete. The Proposal specifically notes that the road maintenance project would be completed in 2024 or 2025. The Association has indicated that a significant portion of the funds generated by the special assessment will be used to increase the Association's reserve account. My clients are concerned that the Association is planning to seek membership approval for a special assessment at the May 6, 2023, meeting in the amount of \$451,000 in a manner that violates the terms of the Declaration and the Planned Community Act (Chapter 47F of the N.C. General Statutes).

416 Pollock Street  
P.O. Drawer 889  
New Bern, NC 28563  
252-633-3131 (Office)  
800-272-5169 (Toll Free)  
252-633-3507 (Fax)

Sumrell Sugg, P.A.  
www.ndlawyers.com

Enclosure (7)



years to complete. The Declaration contemplates that special assessments may only be imposed for projects applicable to the year in which the assessment is imposed. Accordingly, the Declaration prohibits a proposal to assess the owners approximately \$400,000 for multiple projects that will span numerous years, especially when some of them won't begin for several years.

**Inability to use Special Assessments to Increase Reserve Accounts:**

As noted above, the authority to impose special assessments is contractual in nature, not statutory. Accordingly, the Association must operate within the strict confines of the authorizing authority set forth in the Declaration when imposing special assessments, which may only be imposed for the limited purposes specifically enumerated in the Declaration. Paragraph 5(d) of the Declaration provides that the Association may impose **special assessments** "...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 Common Properties, including fixtures and personal property..." In contrast, paragraph 5(a)(i) of the Declaration provides that the Association may impose **"annual assessments** for the daily and routine operations of the Association and the establishment of reserve [a] account." (emphasis added). Accordingly, if the Association wishes to increase its reserve account, it may only do so by increasing the annual assessment, not by imposing special assessments.

In addition, Section 47F-3-114 of the Planned Community Act also provides that "...any surplus funds of the association remaining after payment of or provision for common expenses, the funding of a reasonable operating expense surplus, and any prepayment of reserves shall be paid to the lot owners in proportion to their common expense liabilities or credited to them to reduce their future common expense assessments." While this statute certainly contemplates the Association's authority to accumulate a surplus/reserve, it must be reasonable in amount. However, an assessment for hundreds of thousands of dollars, especially when the majority of those funds won't be used during the year of assessment, is not reasonable.

Finally, the Proposal indicates that the Association plans to open a dedicated bank account for special assessment funds. The rules and limitations regarding reserve accounts as described in the paragraph above apply regardless of the name the Association attaches to the account (e.g., capital fund, special assessment fund, reserve account, etc.).

**Inability of the Board to Bind Future Boards:**

References have been made in the Proposal to the Board's intent to have the membership approve a resolution for the purpose of binding future Boards with respect to the manner in which special assessment funds will be spent in the future. Unless the Board enters into a binding and legally enforceable contract with a vendor or contractor, it has no ability or authority to bind or otherwise override the decision-making authority and discretion of a future Board. A resolution adopted by one Board will not bind a future Board.

While my clients appreciate the work that has gone into investigating and creating the Proposal for the benefit of the entire community, they want to ensure that appropriate legal steps

Enclosure (7)

**Impermissible Payments Plans, Discounts, and Interest:**

The Association's Proposal includes the following option (Option 3) for increasing its reserves and funding the above referenced projects:

- \$391,000 One-Time Special Assessment
- \$47,000 Contribution from Reserves to reduce Special Assessment
- \$13,000 Contribution from Reserves to pay for dredging

This option calls for the special assessment to be paid by owners over varying durations with varying corresponding interest rates. Those who pay within thirty (30) days would receive a 5% discount on the special assessment owed. Those who pay within twelve (12) months receive no discount and pay no interest. Those who pay over twenty-four (24) months receive no discount and pay interest at the rate of six percent (6%), per annum. Those that pay over thirty-six (36) months receive no discount and pay interest at the rate of seven percent (7%), per annum. Additional payment plans over longer durations are also set out, with greater interest rates being applicable to longer durations.

The term "special assessment" does not appear in the Planned Community Act. Accordingly, the Association must rely on specific authority set forth in the Declarations when imposed special assessments, and, in doing so, it must strictly adhere to the specific authority set forth therein. Paragraph 5(f) of the Declaration provides that "[b]oth annual and special assessments must be **fixed at a uniform rate** for all Lots and may be collected on a monthly basis at the direction of the Board of Directors..." (emphasis added). A special assessment is fully due immediately upon adoption by two-thirds (2/3) of the membership, even if there is a deferral of payments or a payment plan. Paragraph 5(h) of the Declaration further provides that "[a]ny assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of twelve (12%) percent per annum." Accordingly, there is no authority for the Board of Directors ("Board") to offer a five percent (5%) discount on the special assessment for those who pay within thirty (30) days, nor is there authority to impose varying rates of interest depending on how long the owner takes to pay. There are only two permissible options under the Declaration: (1) pay the full assessment within thirty (30) days and pay no interest, or (2) pay the assessment over a period of time exceeding thirty (30) days (assuming the Board authorizes this) and incur interest at the rate of 12%, per annum. The options set forth in the Proposal are either not authorized by the Declaration and/or they violate the requirement that all assessments be fixed at a uniform rate.

**Inability to Impose Special Assessments for Projects to Occur in Future Years:**

Paragraph 5(d) of the Declaration provides that "...the Association may levy, in any assessment year, a special assessment **applicable to that year only**..." (emphasis added). As noted above, the Association does not yet have bids on all the proposed capital improvements; no draft contracts have been received; and, by its own admission, some of these projects will take

Enclosure (7)



**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swainsboro, NC 28584  
[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

May 6, 2023

**Re: 2023 ANNUAL MEMBER MEETING BALLOT**

Member Name: \_\_\_\_\_ Lot Number(s): \_\_\_\_\_

Member Signature: \_\_\_\_\_

**Election of Board Members**

There are (3) three seats up for election on the Bluewater Cove Homeowners Association Board of Directors. Put an **X** on the blank adjacent to the candidate you wish to vote for or write in a nomination if you so desire.

\_\_\_\_\_ Andy Gauzza

\_\_\_\_\_ Shaun Short

\_\_\_\_\_ (write-in candidate)

\_\_\_\_\_ (write-in candidate)

**Note: Do not vote for more than (3) candidates, otherwise this portion of your ballot will be deemed invalid.**

**Proposed Amendments to the Declaration of Covenants, Restrictions and Easements**

**Paragraph 3(c)**

Current Covenant: As Amended August 2020

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 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 be any sewage disposal in the Marina.

Enclosure (8)

Michael Lincoln  
April 26, 2023  
Page 4

are taken to accomplish these goals. In order to comply with the Declaration and in an effort not to set bad precedent, my clients suggest that the capital improvement projects be completed one at a time so that residents, many of whom are on fixed incomes, don't incur substantially more assessment than is necessary in a given year.

Please discuss these issues with the Association prior to the membership meeting scheduled for May 6, 2023. My clients also intend to inform the Board and membership of these issues. Of course, I'm happy to discuss these matter in further detail with you in hopes that we can identify a workable solution.

Sincerely,

Aaron D. Arnette

ADA/ttb

LSS:146571

Enclosure (7)

(i) Boats, Personal Watercraft and Jet Skis. One recreational non-commercial boat twenty-six (26) feet in length or less, personal watercraft or jet skis that are in good repair, operational and with current registration, may be parked to the side of the residence in the driveway, with the forward most edge of the trailer tongue no nearer the road than the front of the house. If the residence does not have a driveway extending along its side, the same may be parked in a driveway to the front of the house as close to the house as reasonably possible. Any boats, personal watercraft or jet skis stored within the Subdivision must be loaded on a trailer designed for the craft, and the trailer must also be in good repair, operational and with current registration. Accessory equipment including, but not limited to, life preservers, PFDs, coolers, fishing poles, towels, etc., shall be stowed 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.

(ii) Recreational Vehicles. One recreational vehicle that is operational, in good repair, and with current registration, may only be stored in residential driveways that extend along the side of the residence, with the forward most edge of the vehicle no nearer the road than the front of the house and nowhere else on the lot. A recreational vehicle is defined as a vehicle designed for temporary camping, traveling, or recreational use that has its own source of power or is towed and no others. Habitation of a Recreational Vehicle as a dwelling within the Association is prohibited.

(iii) Utility Trailers, Empty Boat or Watercraft Trailers and Other Personal Property. Except as provided herein, no utility trailer, empty boat, watercraft trailer or other personal property will be allowed to be stored within the Subdivision unless the same is kept in an enclosed garage or storage area provided for such storage within the Subdivision and in accordance with paragraph 10 of these Covenants.

Put an **X** on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES \_\_\_\_\_ NO

**Paragraph 10**

Current Covenant: As Amended 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.

Initials \_\_\_\_\_  
Enclosure (8)

3

**Proposed Amendment:**

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 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 discharge or dispose of any sewage in the Marina. Boat length within the Marina must be in compliance with any valid CAMA permit unless otherwise expired.

Put an **X** on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES \_\_\_\_\_ NO

**Paragraph 8(I)**

Current Covenant: As Amended September 2009

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.

**Proposed Amendment:**

Parking and Storage. All parking and storage within the Subdivision must be done in a manner that maintains harmony and avoids visual blight. Parking or storage of boats, personal watercraft, jet skis, recreational vehicles or other personal property on any undeveloped lot, the side of the road on a lot, or any other location not prescribed herein is prohibited. Only one recreational non-commercial boat twenty-six (26) feet in length or less, personal watercraft, or jet skis may be parked in a residential driveway in accordance with the below subparagraph i. Only one recreational vehicle may be parked in a residential driveway in accordance with the below subparagraph ii. The parking or storage of more than one of any of the aforementioned items in a residential driveway is not allowed.

2  
Initials \_\_\_\_\_  
Enclosure (8)



**Reserve Allocation Authorization for Proposed Dredging of Raymonds Gut**

Carteret County has requested Dirt2Dreams and Bluewater Cove contribute to the planned dredging project they are conducting within Raymond's Gut. The scope of the project is based off Project number: Z0071-0020 (Maintenance Dredging & Docking Plan, CAMA Permit Application) dated December 17, 1999 and updated February 25, 2000. The amount to be allocated from the Association Reserves is \$12,500. The intent is to initiate dredging within 4-months of payment submission to Carteret County (~September 2023). The County requires funds in hand before submitting the application. A CAMA General permit authorizes the removal of up to 1,000 cubic yards of material which enables this dredging to occur anytime throughout the year and is not subject to seasonal restrictions.

**A "Yes" Vote means:** You approve and support the allocation and expenditure of \$12,500 from the Association Reserves to contribute to the dredging of Raymond's Gut.

**A "No" Vote means:** You do not approve or support the allocation and expenditure of \$12,500 from the Association Reserves to contribute to the dredging of Raymond's Gut.

Put an **X** on the blank corresponding to whether **YES** you agree to and support and approve this measure, or **NO** you do not agree to nor do you support this measure.

\_\_\_\_\_ YES \_\_\_\_\_ NO

5

Initials \_\_\_\_\_

Enclosure (8)

**Proposed Amendment:**

**Storage Areas:** Storage Area 1 is located South of the area labeled "Reserved for Septic System and all components and Cemetery Access" as shown on the Bluewater Cove Subdivision Revised Final of Phase One, Revised Final for Phase Two Plat. Storage Area 2 is labeled "Septic Repair Area and Temporary Boat Storage Area for Phase Three" as shown on the Final of Phase Three The Oaks at Bluewater Cove Subdivision Plat. Storage Area 1 may be used by all lot owners for the storage of recreational non-commercial boats twenty-six (26) feet in length or less, personal watercraft, jet skis and enclosed cargo trailers. Storage Area 2 may be used by all lot owners for the storage of empty boat trailers, empty watercraft trailers, and utility trailers. Upon removal of trees from Storage Area 2, this area may also be used by all lot owners for the storage of Recreational Vehicles and enclosed cargo trailers. Items stored in either area must be in good repair, operational and with current registration. In the event Carteret County Health Department or other appropriate government agency deems Storage Area 2 as being necessary to utilize for septic system purposes, all items located in Storage Area 2 shall immediately be removed by the owning member. Storage Area 1 shall then be expanded to accommodate storage for all lot owners. Any boat, personal watercraft or jet skis stored must be loaded on a trailer designed for the craft, and the trailer must also be in good repair, operational and with current registration. Each lot is granted one space within one of the two storage areas on a first come, first served basis. The storage of any other items, to include passenger vehicles or any other personal property, is not allowed in either storage area. Any item stored within either storage area that is not in compliance, considered abandoned, or causing visual blight is subject to removal by the Association at the members expense thirty (30) days after notification of violation has been given in accordance with the Associations By-Laws if the violation is not resolved.

Put an **X** on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES \_\_\_\_\_ NO

4

Initials \_\_\_\_\_

Enclosure (8)

**2023-24 Fiscal Year Special Assessment for Capital Improvements and Infrastructure Repair**

As presented during the 11 March 2023 Board meeting and contained within Members Annual Meeting notification packets, funding has been proposed to complete the below Capital Improvement and Infrastructure Repair projects that are planned to commence in fiscal year 2023-24. Projects are prioritized in the order they are listed. Bluewater Cove was incorporated in 2003. To date, comprehensive and in-depth maintenance/repairs have not been conducted. Furthermore, inadequate annual Reserve contributions by the Association have resulted in the community not building the necessary savings to fund these core infrastructure items without considering alternative funding such as a Special Assessment.

**Capital Improvements and Infrastructure Projects:**

- Storm Water Management / Erosion Control
- Day Dock replacement
- Road maintenance Phase 1 (to include sealcoating of Phase 2 roadway )

The total estimate to fund the installation, repair and/or replacement of these items is \$438,000.

The Board of Directors presented (5) five funding options to the community within the State of the Infrastructure presentation on 11 March 2023. Based on member feedback, the option selected for member consideration and vote during the 2023 Annual Meeting of Members is comprised of a \$391,000 Special Assessment and a \$47,000 contribution from the Association Reserves.

Any Special Assessment approved by the membership for issuance during fiscal year 2023-24 will be administered in accordance with the Declaration. Amounts due will be levied proportionality on each Lot at the time of approval. Any Special Assessment approved will be due within the fiscal year that it is issued. Payments made beyond the fiscal year of issuance will be considered "late" and subject to interest in accordance with the Declaration. The current per annum interest rate for late payments is 12%. Figure 1 depicts what members should anticipate if they are not able to pay lumpsum or within the fiscal year of issuance. Any Special Assessment passed will be due 1 June 2023. Members are encouraged to inform the Association Treasurer no later than 15 May 2023 if they anticipate they will not be able to pay in full or within the fiscal year of issuance and provide an estimate of how long it will take them to pay any Special Assessment in full that has been adopted by the membership. In addition, to reduce the amount of the overall Special Assessment, \$47,000 will be allocated from the Association Reserves for Capital Improvements and Infrastructure Repair projects.

Total Assessment	Number of Lots	Assessment per Lot	Total Interest Paid	Total Paid
\$ 391,000.00	89	\$ 4,393.26		
Paid Within 30 Days	\$4,393.26	Assessment is due within the year it is passed	\$0.00	\$4,393.26
Paid Over 12 Months	\$366.10	Assessment is due within the year it is passed	\$0.00	\$4,393.26
Paid Over 24 Months	\$189.11	No Discount, Interest at 12% per annum	\$145.38	\$4,538.64
Paid Over 36 Months	\$132.59	No Discount, Interest at 12% per annum	\$380.06	\$4,773.32
Paid Over 48 Months	\$104.96	No Discount, Interest at 12% per annum	\$644.87	\$5,038.13
Paid Over 60 Months	\$88.69	No Discount, Interest at 12% per annum	\$927.94	\$5,321.20
Paid Over 72 Months	\$78.03	No Discount, Interest at 12% per annum	\$1,225.23	\$5,618.49
Paid Over 84 Months	\$70.57	No Discount, Interest at 12% per annum	\$1,534.93	\$5,928.19
Paid Over 96 Months	\$65.10	No Discount, Interest at 12% per annum	\$1,856.05	\$6,249.31


Figure 1


Initials \_\_\_\_\_

**THIS PAGE INTENTIONALLY LEFT BLANK**


Initials \_\_\_\_\_




 Signer treasurer@bluewatercovehoa.org entered name at signing as Shaun Short  
2023-05-16 - 12:25:08 PM GMT- IP address: 4.16.128.132


 Document e-signed by Shaun Short (treasurer@bluewatercovehoa.org)  
Signature Date: 2023-05-16 - 12:25:10 PM GMT- Time Source: server- IP address: 4.16.128.132

 Document emailed to secretary@bluewatercovehoa.org for signature  
2023-05-16 - 12:25:12 PM GMT

 Email viewed by secretary@bluewatercovehoa.org  
2023-05-16 - 12:53:42 PM GMT- IP address: 69.133.137.189

 Signer secretary@bluewatercovehoa.org entered name at signing as C. M. Cox  
2023-05-16 - 12:56:03 PM GMT- IP address: 69.133.137.189

 Document e-signed by C. M. Cox (secretary@bluewatercovehoa.org)  
Signature Date: 2023-05-16 - 12:56:05 PM GMT- Time Source: server- IP address: 69.133.137.189- Signature captured from device with phone number XXXXXXXX4054

 Agreement completed.  
2023-05-16 - 12:56:05 PM GMT


## 2023 Annual Meeting Minutes

Final Audit Report


2023-05-16


Created:	2023-05-15
By:	Christopher Cox (christopher@productprotectionsolutions.com)
Status:	Signed
Transaction ID:	CBJCHBCAAABA08H9Z4JWB0EDdNWESWZouJ_9FLuip


### "2023 Annual Meeting Minutes" History

 Document created by Christopher Cox (christopher@productprotectionsolutions.com)  
2023-05-15 - 3:47:20 PM GMT- IP address: 69.133.137.189


 Document emailed to president@bluewatercovehoa.org for signature  
2023-05-15 - 3:48:19 PM GMT


 Email viewed by president@bluewatercovehoa.org  
2023-05-15 - 5:53:14 PM GMT- IP address: 174.210.74.186


 Signer president@bluewatercovehoa.org entered name at signing as Andy Gauzza  
2023-05-15 - 5:54:18 PM GMT- IP address: 174.210.74.186

 Document e-signed by Andy Gauzza (president@bluewatercovehoa.org)  
Signature Date: 2023-05-15 - 5:54:20 PM GMT- Time Source: server- IP address: 174.210.74.186


 Document emailed to vicepresident@bluewatercovehoa.org for signature  
2023-05-15 - 5:54:23 PM GMT

 Email viewed by vicepresident@bluewatercovehoa.org  
2023-05-15 - 6:35:40 PM GMT- IP address: 54.227.156.145

 Signer vicepresident@bluewatercovehoa.org entered name at signing as Mark Johnston  
2023-05-15 - 6:36:26 PM GMT- IP address: 54.227.156.145

 Document e-signed by Mark Johnston (vicepresident@bluewatercovehoa.org)  
Signature Date: 2023-05-15 - 6:36:28 PM GMT- Time Source: server- IP address: 54.227.156.145

 Document emailed to treasurer@bluewatercovehoa.org for signature  
2023-05-15 - 6:36:31 PM GMT

 Email viewed by treasurer@bluewatercovehoa.org  
2023-05-16 - 12:19:35 PM GMT- IP address: 4.16.128.132





**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swansboro, NC 28584

[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

March 23, 2024

Re: 2024-2025 Fiscal Year Financial Summary

Dear Member,

The Board has finished budget planning for fiscal year 2024-2025 (May 1, 2024 – April 30, 2025). Below you will find a summary of the enclosed 2024-2025 fiscal year budget as adopted by the Board on March 9, 2024, and scheduled to be considered for ratification on May 4, 2024.

**Income:**

- **Annual Assessments** – Increased 10% from \$990.00 to \$1,089.00 per lot.
- **Septic System Assessments** – Remained \$300.00 per home for the (14) residences utilizing the shared septic.

**Expenses:**

- **Planned Reserve Funding** – Increased from \$10,000.00 to \$12,500.00.
- **Administrative Expenses** – Decreased from \$24,508.00 to \$22,072.00.
- **Repairs & Maintenances** – Increased from \$12,750.00 to \$12,790.00.
- **Septic System Expenses** – Remain \$4,200.00.
  - \$1,500.00 will be contributed to the reserves if no contingency repairs are required.
- **Grounds Expenses** – Increased from \$32,852.00 to \$39,151.00. This expense funds the swimming pool, pool supplies and landscape contracts to include maintenance and repairs.
- **Utilities** – Increased from \$8,000.00 to \$8,230.00 because of overall monthly rates in 2023-2024.

**In summary,**

- **Total Revenue** increased by \$6,633.00.
- **Total Operating Expenses** increased by \$4,135.00.
- **Planned Reserve Funding** has increased to \$12,500.00 with an additional \$1,500.00 if no contingency repairs are needed for the shared septic system.

***Pursuant G.S. 47F-3-103 section (c) the following notice is given:***

*This budget is scheduled to be considered for ratification during the Associations Annual Meeting of Members to be held at 9 a.m. on May 6, 2023 at the Bluewater Cove Community Clubhouse. Per the statute, a quorum is not required to be present at the meeting to ratify proposed budgets. The budget is ratified unless at the Annual Meeting a majority of all lot owners in the association or any larger vote specified in the declaration rejects the budget.*

Any questions pertaining to this matter can be directed to the Bluewater Cove Board at [BWCBoard@BluewaterCoveHOA.org](mailto:BWCBoard@BluewaterCoveHOA.org). We look forward to seeing you on May 6, 2023 at 9 a.m. in the Community Clubhouse for the Annual Meeting of Members.

Cordially,

Board of Directors  
Bluewater Cove Homeowners Association, Inc.

# Bluewater Cove HOA

## Planned Budget (Fiscal Year 2024 - 2025)

10% Increase

May 1, 2024 - April 30, 2025

		2024 - 2025 Budget
<b>Operating Income</b>		
<b>Revenue - Assessments</b>		
Assessment Income (300000.00)		\$ 94,743.00
*Annual Assessment \$1,089 x (87)		
Septic System Assessment (300010.00)		\$ 4,200.00
** Septic Assessment \$300 x (14)		
Less Reserve Contribution (350000.00)		\$ (12,500.00)
<b>Total Revenue - Assessments</b>		<b>\$ 86,443.00</b>
<b>Total Operating Income</b>		<b>\$ 86,443.00</b>
<b>Operating Expense</b>		
<b>Administrative Expenses</b>		
Management Contract: CSM Accounting Engagement (400000.00)		\$ 4,500.00
Administration & Postage (400001.00)		\$ 1,750.00
Percentage of Late Fees to Mgmt (400002.00)		\$ -
Legal Fees (400004.00)		\$ 4,500.00
Tax Preparation/Audit (400005.00)		\$ 500.00
Bad Debt Expenses (400006.00)		\$ -
Social Events (400007.00)		\$ 500.00
Insurance (400009.00)		\$ 7,722.00
Tax - Property (400010.00)		\$ -
Condolences (400017.00)		\$ 100.00
Clubhouse Operation (400008.00)		\$ 2,500.00
<b>Total Administrative Expenses</b>		<b>\$ 22,072.00</b>
<b>Repairs &amp; Maintenance Expenses (400003.00)</b>		
General Maintenance		\$ 12,290.00
Gate Repair/Maintenance		\$ 250.00
Signage Repair/Maintenance		\$ 250.00
<b>Total Repair &amp; Maintenance</b>		<b>\$ 12,790.00</b>
<b>Septic System Expense (400015.00)</b>		
Septic System - Annual Inspection		\$ 1,500.00
Septic Electric, Pumps A/B		\$ 1,200.00
Septic Contingency for Repairs		\$ 1,500.00
***If no repairs are made, this amount is contributed to the Reserves.		
<b>Total Septic System Expense</b>		<b>\$ 4,200.00</b>
<b>Grounds Expense (400016.00)</b>		
Landscaping Contract		\$ 16,751.00
****Contract will be up for renewal in FY25-26.		

Landscape Improvements & Repairs	\$ 3,000.00
Pool Maintenance	\$ 16,100.00
*****Contract will be up for renewal in FY25-26.	
Pool Supplies	\$ 500.00
Pond Maintenance	\$ 2,800.00
<b>Total Grounds Expense</b>	<b>\$ 39,151.00</b>

#### **Utilities**

Electric (400012.00)	\$ 5,200.00
*****Pond Fountain, Streetlights, Gates/Signage, Clubhouse	
Security Cameras (400014.00)	\$ 200.00
Internet/Phone (400013.00)	\$ 1,600.00
Water (400011.00)	\$ 1,230.00
<b>Total Utilities</b>	<b>\$ 8,230.00</b>

#### **Income Taxes**

Income Taxes	\$ -
<b>Total Revenue - Fees</b>	<b>\$ -</b>

**Total Operating Expense** **\$ 86,443.00**

#### ***Reserve Account***

Forwarding Reserve Balance	\$ 35,000.00
FY 24-25 Reserve Contribution	\$ 12,500.00
Less FY 24-25 Expenditure	\$ (7,500.00)
<b>Year End Reserve Balance</b>	<b>\$ 40,000.00</b>

**Total Reserve Balance** **\$ 40,000.00**

#### **NOTES:**

\*\*\*\*This budget includes a 10% increase to Annual Assessments over FY23-24

Total FY24-25 planned Reserve contribution is \$12,500



**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swansboro, NC 28584  
[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

March 13, 2024

Mr. Eugene Foxworth  
Planning Director, Carteret County  
402 Broad Street  
Beaufort, NC 28516

Re: Request for Status Update on the Dredging of Raymonds Gut to Bluewater Cove HOA Members

Dear Mr. Foxworth,

We hope this letter finds you well. On April 28, 2023, you took the time to meet with members of Bluewater Cove to provide an overview on the proposed dredging of Raymonds Gut. After that meeting, community members voted during the Annual Meeting of Members to authorize the contribution of \$12,500 to the project. It was the community's understanding that this project was to commence on or about September 2023. Due to external factors, it is understood that the application process was delayed and resulted in the subsequent shift in commencement date.

As the community is approaching its next Annual Meeting of Members on May 4, 2024, and the project has yet to commence, the Board is requesting an update, in person or in writing, from your office or the appropriate representative as to the status of this project. We are requesting information on the estimated commencement date and confirmation of the area to be dredged so we can accurately inform the members as to the status of dredging during the Annual Meeting of Members.

We are requesting a response be provided to the Association with all requested information by April 26, 2024, which will allow the Board enough time to prepare prior to the Meeting of Members.

Thank you in advance for your time, assistance and all the work you and your staff have committed to this matter.

Cordially,

Bluewater Cove Homeowners Association, Inc.



## Bluewater Cove Homeowner's Association, Inc.

147 White Heron Ln

Swansboro, NC 28584

[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

March 23, 2024

Re: Board of Directors Seat Vacancies & Self Nomination Form

Dear Member,

This letter is to inform you that there will be (4) four open seats available for election to the Bluewater Cove HOA Board during this year's Annual Meeting.

Current Board Members and remaining terms:

- Andy Gauzza: Term expiring May of 2025
- Chris Cox: Term expiring May 2024
- Jessica Ferguson: Term expiring May of 2024 (mid-year 2023 appointment by the Board)
- Carrie Cassou: Term expiring May 2024 (mid-year 2023 appointment by the Board)
- Glenda Terry: Term expiring May 2024 (mid-year 2023 appointment by the Board)

The community is in dire need of members willing to serve. In the event members do not volunteer, the Association will have no choice but to consider once again seeking the full services of a management company to support the administrative actions conducted by members with expiring terms.

If you are interested in serving on the Board, please complete the self-nominating form included with this letter and e-mail to [BWCBoard@BluewaterCoveHOA.org](mailto:BWCBoard@BluewaterCoveHOA.org) or physically mail to Bluewater Cove Homeowners Association Inc., 147 White Heron Ln, Swansboro, NC 28584 **to be received no later than 5:00 p.m. on Friday, April 19, 2024.**

We look forward to seeing you on May 4, 2024, at 9 a.m. in the Community Clubhouse for the Annual Meeting of Members.

Cordially,

Board of Directors

Bluewater Cove Homeowners Association, Inc.

**BLUEWATER COVE HOMEOWNERS ASSOCIATION, INC.**

**BOARD OF DIRECTORS**  
**SELF-NOMINATING FORM**

The Annual Meeting date is **Saturday, May 4, 2024**. The Membership will be electing **(4) Four Directors** by written secret ballot at the Annual meeting.

If you are interested in being on the roster of candidates for consideration by the Membership, please complete this Self-Nominating Form and return to the email or address below **before 5:00 PM on Friday, April 19, 2024**. Please note, to be eligible to run for a position on the Board of Directors your monthly and special assessments must be current and you must be a unit owner of record. If elected, I understand the appointed position will require serving for a minimum period of (2) two years.

I am willing to serve on the Board of Directors for Bluewater Cove Homeowners Association, Inc., if elected.

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Reason for Serving on the Board or Area of Interest:

\_\_\_\_\_  
\_\_\_\_\_

How you will use your experience for the betterment of the Association:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Return this completed form to the BWC Board of Directors no later than 5:00 pm on Friday, April 19, 2024, to be included on the ballot at the Annual Meeting.**

**You may return your form via email to [BWCBoard@BluewaterCoveHOA.org](mailto:BWCBoard@BluewaterCoveHOA.org) or by mail to Bluewater Cove Homeowners Association, Inc.**



**Bluewater Cove Homeowner's Association, Inc.**

147 White Heron Ln  
Swansboro, NC 28584

[www.BluewaterCoveHOA.org](http://www.BluewaterCoveHOA.org)

---

March 23, 2024

Re: Proxy and Ballot for Annual Meeting of Members

Dear Member,

This letter is to inform you that voting by Proxy Agent is available if you cannot attend this year's Annual Meeting. It is highly encouraged that you assign a Proxy Agent if you are unable to attend the meeting in person and provide your representative with both your Proxy and Ballot.

The attached Proxy and Ballot are provided for the May 4<sup>th</sup> Annual Meeting. If you cannot attend or would like to designate a Proxy Agent, please complete the included Proxy and Ballot, and give them both to your chosen representative.

Proxy Agents **MUST** be property owners in Bluewater Cove or listed on the deed of a property within Bluewater Cove.

You may also appoint the Board as your Proxy Agent and give your completed Proxy and Ballot to a current Board member, e-mail to [BWCBoard@BluewaterCoveHOA.org](mailto:BWCBoard@BluewaterCoveHOA.org), or physically mail to Bluewater Cove Homeowners Association Inc., 147 White Heron Ln, Swansboro, NC 28584. All documentation **must be received before 5:00 p.m. on 26 April 2024.**

As all Board Members except for the President have terms expiring this year, a roster of candidates will be provided to the membership once any self-nomination forms are received from members desiring to serve on the Board. The deadline for members desiring to submit their self-nomination form is prior to **5:00 p.m. on April 19, 2024.**

We look forward to seeing you on May 4, 2024, at 9 a.m. in the Community Clubhouse for the Annual Meeting of Members.

Cordially,

Board of Directors  
Bluewater Cove Homeowners Association, Inc.

**BLUEWATER COVE HOA, INC.**  
**2024 ANNUAL MEMBER MEETING PROXY**

---

**PART I: PROXY SOLICITED BY THE BOARD OF DIRECTORS**

The undersigned hereby appoints Andy Gauzza, as Proxy Agent and Attorney-in-fact, with power of substitution, to vote in the place and stead of the undersigned as a Member, at the **Annual Meeting of the Members of Bluewater Cove Homeowners Association, Inc. to be at the Bluewater Cove Clubhouse, Saturday, May 4, 2024 at 9:00 am**, any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled, on all matters as may properly come before said meeting.

☐

To vote as said Proxy Agent and Attorney-in-Fact at the Annual Meeting

---

**PART II: ALTERNATE PROXY**

The undersigned hereby appoints \_\_\_\_\_ (fill in the name of the person who will attend the meeting and vote in your place and stead as a Member) as Proxy Agent and Attorney-in-fact, with power of substitution, to vote in the place and stead of the undersigned as a Member, at the **Annual Meeting of the Members of Bluewater Cove Homeowners Association, Inc. to be at the Bluewater Cove Clubhouse, Saturday, May 4, 2024 at 9:00 am** any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled, on all matters as may properly come before said meeting.

☐

To vote as said Proxy Agent and Attorney-in-Fact at the Annual Meeting

---

**PART III: PROXY FOR BALLOT CASTING AND QUORUM ONLY**

The undersigned authorizes the use of this Proxy for Ballot casting as I have voted and Quorum purposes only and does not appoint a Proxy Agent or Attorney-in-fact, for the **Annual Meeting of the Members of Bluewater Cove Homeowners Association, Inc. to be at the Bluewater Cove Clubhouse, Saturday, May 4, 2024 at 9:00 am** any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled.

☐

For Ballot casting and Quorum purposes only

---

THIS PROXY IS LIMITED TO THE ANNUAL MEETING OF MEMBERS TO BE HELD ON MAY 4, 2024, ANY ADJOURNMENTS THEREOF, AND ANY SUBSTITUTE MEETING IF THE ANNUAL MEETING IS CANCELED AND MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED BY NOTICE IN WRITING OR BY PROPER PRESENTATION OF A PROXY WITH A SUBSEQUENT DATE DELIVERED TO THE SECRETARY.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
STREET ADDRESS

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_ I/We will attend the meeting

\_\_\_\_\_ I/We will not attend the meeting

PLEASE NOTE THE LOT NUMBER(S) YOU OWN: \_\_\_\_\_



**BLUEWATER COVE HOA, INC.**  
**2024 ANNUAL MEMBER MEETING BALLOT**

Date: \_\_\_\_\_

Member Name: \_\_\_\_\_

Lot Number(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

Member Signature: \_\_\_\_\_

**Election of Board Members**

There are (4) four seats up for election on the Bluewater Cove Homeowners Association Board of Directors. Put an X on the blank adjacent to the candidate you wish to vote for or write in a nomination if you so desire.

\_\_\_\_\_ (write-in)

\_\_\_\_\_ (write-in)

\_\_\_\_\_ (write-in)

\_\_\_\_\_ (write-in)

**Note: Do not vote for more than (4) candidates, otherwise this portion of your ballot will be deemed invalid.**

---

**Amendments to the Covenants**

There are (8) eight proposed amendments to the Covenants and a request for the membership to vote whether they would like the Covenants to be fully amended and re-stated incorporating all approved amendments into their correct locations.

**Paragraph 5(a, ii)**

**Current Covenant:**

Special assessments for capital improvements and unforeseen expenses;

**Proposed Amendment:**

Special assessments for capital improvements, funding or replenishment of association reserves and for unforeseen expenses;

Put an X on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES

\_\_\_\_\_ NO

---

**Paragraph 5(d)**

**Current Covenant:**

Special Assessments 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 capital improvement upon the Common Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 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.

**Proposed Amendment:**

Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of funding Reserves or defraying, in whole or in part, the cost of any construction, re-construction, repair, or replacement of capital improvement upon the Common Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 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. Any excess funds from a special assessment passed by the membership due to a project coming in under budget may either be returned to the members or contributed to the Association's Reserve account for future expenses. The membership shall vote on these options at the same meeting where any special assessment is being voted on by the Members with the same

Int: \_\_\_\_\_

requirements established for the passage of any special assessment. Any special assessment provided for in this paragraph shall adhere to paragraph 5(f).

Put an X on the blank corresponding to whether YES you agree to and support the proposed Amendment, or NO you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

---

**Paragraph 5(f)**

**Current Covenant:**

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.

**Proposed Amendment:**

Uniform Rate of Assessment. Upon issuance, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or offered deferred payment terms. Deferred payment terms for annual assessments, that are paid in full within the year of issuance, shall not bear interest. Deferred payment terms for special assessments may be charged an interest rate that can be graduated from zero (0%) percent but not to exceed twelve (12%) percent per annum. Special assessments may be given a discount not to exceed five (5%) percent of the amount owed if paid within 30-days of issuance and upon approval 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 of the members duly held in accordance with the provisions of the By-Laws. The assessments provided for in paragraph 5. (c) (iii) shall be uniform for each Lot assessed thereunder.

Put an X on the blank corresponding to whether YES you agree to and support the proposed Amendment, or NO you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

---

**Paragraph 5(h)**

**Current Covenant:**

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 a 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 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 or abandonment of his Lot.

**Proposed Amendment:**

Effect of Non-Payment of Assessments and Remedies of the Association. Any annual assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of twelve (12%) percent per annum. Any special assessment not paid within thirty (30) days after the due date may bear interest from the due date at a rate of up to twelve (12%) percent per annum as approved by the membership at the same meeting where any special assessment is being voted on by the Members with the same requirements established for the passage of said special assessment. 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 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 or abandonment of his Lot.

Put an X on the blank corresponding to whether YES you agree to and support the proposed Amendment, or NO you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

---

Int: \_\_\_\_\_

**Paragraph 6(e)**

**Current Covenant:**

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.

**Proposed Amendment:**

Deposit. A One Thousand and 00/100 (\$1,000.00) Dollar deposit, or 2% of the overall project cost if greater, 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 owner, 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 or surrounding areas.

Put an X on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES          \_\_\_\_\_ NO

---

**Paragraph 7(a, ii)**

**Current Covenant:**

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 in corner Lots. For corner Lot's, 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 by 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 on said lots utilizes both lots for such 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.

**Proposed Amendment:**

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 single family home 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 in corner Lots. For corner Lot's, 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 by the Architectural Control Committee. Setback requirements for the construction of any garage or accessory building as allowed by this Declaration shall be no closer to the property line than thirty (30') feet on the front (being any road) side, five (5') feet on the back or rear Lot line, and five (5') feet on either side Lot line, except in corner Lots. For corner Lot's, there shall be a fifteen (15') foot setback requirement from any side street. If there are any other setback restrictions which supersede this Declaration, those restrictions shall take precedence. 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 on said lots utilizes both lots for such 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.

Put an X on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES          \_\_\_\_\_ NO

---

**Paragraph 8(a)**

**Current Covenant:**

Residential Use. All Lots shall be used, improved, and devoted exclusively for residential use. Nothing contained herein,

Int: \_\_\_\_\_

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 rental will be allowed.

**Proposed Amendment:**

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 initial lease period of one (1) year with the ability to rent month-to-month to the tenant after the initial period. No other monthly or weekly rentals will be allowed.

Put an **X** on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

---

**Paragraph 9(a)**

**Current Covenant:**

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 also 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 Declarant.

**Proposed Amendment:**

Easements were granted by the Declarant for the 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 was 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 also shall be five (5') feet in width over the Lots along every other boundary line. Members applying to install any plantings, structures or decorative items within an easement area that would penetrate the ground shall obtain confirmation of utilities, above ground or underground, and include this information in any application to the Architectural Control Committee for approval. The easements over Common Properties were located at the discretion of Declarant.

Put an **X** on the blank corresponding to whether **YES** you agree to and support the proposed Amendment, or **NO** you do not agree to nor do you support the proposed Amendment.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

---

**Proposal to Fully Amend and Re-state the Declaration of Covenants, Restrictions and Easements**

There are currently (7) seven Amendments that have been recorded for the Associations Declaration of Covenants, Restrictions and Easements. The Board would like to ask the membership to consider authorizing the Association to fully amend and restate this document to allow for the consolidation of all approved Amendments, to include any Amendments passed by the membership during this years Annual Meeting of Members, into their correct locations to simplify use and reference for the members, committees, and the Board.

Put an **X** on the blank corresponding to whether **YES** you agree to and support fully amending and re-stating the Covenants, or **NO** you do not agree to nor do you support fully amending and re-stating the Covenants.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

Int: \_\_\_\_\_

### Fish Cleaning Station

During installation of the seawall, a waterline was discovered that previously supplied a yard hydrant in the vicinity of the area circled in the below image. Some members recommended installing a fish cleaning station in this area. There was a survey published to the community, and general interest was shown in having such an amenity installed. The estimated cost of the station is \$1,000 and it would be funded from the Association Reserves.



Put an X on the blank corresponding to whether YES you wish to fund the installation of a fish cleaning station from the reserves to be installed in the area shown in the above image, or NO you do not wish for a fish cleaning station to be installed in the area shown in the above image.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

Int: \_\_\_\_\_