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FOR REGISTRATION REGISTER OF DEEDS
Karen S. Hardisty
Carteret County NC
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NORTH CAROLINA
CARTERET COUNTY

AMENDED AND RESTATED
DECLARATION OF CONDITIONS, RESERVATIONS AND RESTRICTIONS
OF
TIDAL BLUFFS

✓ Prepared by: Gaylor Edwards & Vatcher, P.A., Attorneys

THIS AMENDED AND RESTATED DECLARATION OF CONDITIONS, RESERVATIONS AND RESTRICTIONS (the "Declaration"), is made this ____ day of February, 2019, by HORIZONS EAST, LLC, a North Carolina limited liability company, hereinafter called "Declarant";

WITNESSETH:

WHEREAS, Declarant has heretofore caused to be recorded a Declaration of Conditions, Reservations, and Restrictions of Tidal Bluffs subdivision in Book 1607, Page 34, in the Office of the Register of Deeds of Carteret County, North Carolina (the "Prior Declaration");

WHEREAS, Article XXI of the Prior Declaration, entitled "Modification," authorizes the Declarant and owners of sixty seven percent (67.0%) of the lots in the subdivision to modify or amend the restrictions of the Prior Declaration, and entitles the Declarant to alter, modify, cancel or change the Prior Declaration during the period of Declarant's Control, without the joinder of any owner;

WHEREAS, Declarant is the owner of all of the lots in the subdivision and desires to amend, alter, and modify the Prior Declaration as hereinafter provided.

NOW, THEREFORE, the Declarant declares that the real property described in Article II hereof, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, and easements hereinafter set forth, which supercede and replace the covenants, restrictions and easements in the Prior Declaration.

ARTICLE I: DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the TIDAL BLUFFS HOA, INC., a non-profit corporation, its successors and assigns.

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(b) "Common Expenses" shall mean and refer to:

- i. the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation of the Association and its By-Laws;
- ii. all amounts expended by the Association to satisfy obligations for the stormwater system of the Properties under the Stormwater Management Permit SW8 170604, overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Properties as required by this Declaration and all amounts expended in enforcing the provisions of the Permit;
- iii. all amounts expended by the Association required to maintain compliance with the North Carolina Erosion and Sedimentation Control Permit for the Properties;
- iv. all amounts expended by the Association for the upfit, maintenance, repair and replacement of the sanitary sewer wastewater treatment and disposal systems for the off-site septic systems situated in the Septic Easement Area as shown on the recorded plat of the Subdivision described in Article II, *infra*, required to be paid by the Association under the terms of the Septic System Agreement and Deed of Easements for the Subdivision recorded in the Carteret County Registry;
- v. all amounts expended by the Association for the upfit, maintenance and repair of any Common Area, including, but not limited to, the upfit, maintenance, repair, replacement and re-construction of the pier, boat dock and boat slips.

(c) "Common Area" shall mean all real property, personal property, fixtures and appurtenances owned by the Association for the common use, benefit and enjoyment of the Owners and designated as "Common Area" on any recorded subdivision map of any portion of the Properties, together with the pier and boat docks presently constructed extending from the Common Area, as shown on the recorded plat of the Subdivision, into Pettiford Creek Bay.

(d) "Lot" shall mean and refer to any plot of land shown on the Subdivision Plat (as defined in Article II, *infra*) of the Properties, with the exception of the Common Area, streets and roadways, and any other numbered lot which may be shown on any recorded plats of the Subdivision.

(e) "Owner" shall mean and refer to the legal or equitable owner, whether one or more persons or entities, vested with title to any Lot, whether such ownership be in fee simple title or as land contract vendee, but excluding any person or entity vested with title solely as security for the performance of an obligation of the Owner.

(f) "Properties" and/or "Subdivision" shall mean and refer to all lands described in Article II hereof, as are subject to this Declaration or any Supplemental Declaration, and any property annexed in accordance with Article XX.

(f) "Architectural Control Committee" ("ARC") shall initially mean and refer to the Declarant, or such other entity or individual as Declarant may appoint, until the end of the Declarant Control Period. Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights as Architectural Control Committee to any other person, entity or committee. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (a) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated, and (b) Declarant's right to veto any decision which Declarant determines, in its sole and exclusive discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Declaration, the jurisdiction of any other person, entity or committee shall be limited to such matters as are specifically delegated to it by Declarant.

Upon delegation by Declarant or upon expiration of the Declarant Control Period, the Association, acting through an Architectural Review Committee appointed by the Board, shall assume jurisdiction over architectural matters. The ARC shall consist of at least three, but not more than seven, Lot owners who shall serve and may be removed and replaced at the Board's discretion.

(g) "Annexation Declaration" shall mean an instrument recorded at the Carteret County Registry that subjects additional land to this Declaration.

(h) "Board of Directors" or "Board" shall mean the executive board of the Association, as defined by the Planned Community Act and as created by the Bylaws.

(i) "Declarant Control Period" shall mean the period of time during which Declarant holds a fee interest or contractual right in any portion, however small, of the Properties, whether now subject to this Declaration or subjected hereto later by annexation or Annexation Declaration.

(j) "Limited Common Area" shall mean the six (6) boat slips being a portion of the constructed pier and boat dock.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

All that certain real property situated in Carteret County, North Carolina and more particularly shown and described on a plat entitled "Final Plat of: Tidal Bluffs," dated 10/30/17, prepared by Bell & Phillips Surveying, PLLC, and recorded in Map Book 33, Page 597, in the Office of the Register of Deeds of Carteret County, North Carolina, the "Subdivision Plat".

ARTICLE III: RESIDENTIAL USE

All lots as described in the Subdivision Plat shall be limited to single family residential and related purposes only, provided that Declarant, the Association and/or builders approved by Declarant may maintain a business or management office within the Community, and provided that Declarant and/or any brokers or builders approved by Declarant may maintain information centers, model homes and sales offices within the Subdivision. Furthermore, a lot may be dedicated by the Declarant for a street or roadway connecting portions of the Subdivision to other portions of the Subdivisions or connecting the Subdivision to adjacent or other property.

ARTICLE IV: CONSTRUCTION STANDARDS

Only site-built residential dwellings shall be allowed. All dwellings shall have a minimum enclosed heated living area of 1,800 square feet. Garages, decks, terraces, open porches, basements and like areas shall not be included in the computation of the square footage for the purpose of this Article. Once construction of any structure located within the Subdivision has begun, construction must be pursued diligently and must be completed within twelve months of its commencement, unless otherwise approved in writing by Declarant.

No mobile home, trailer, modular home or manufactured housing shall be located on any Lot. No structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed on any Lot. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, manufactured homes, trailers, modular houses, relocatable houses or similar type structures on the Property, except that the Declarant may grant permission to use any such type structure for a sales/rental model or as an office, construction site facility or for the storage of materials during construction.

ARTICLE V: SETBACK LINES

No building shall be located on any Lot nearer to the front line than the minimum set back lines shown on the recorded plat. No building shall be located any closer to a side or rear property line than eight (8) feet. However, a 10% variance is allowed, exclusive of open porches or attached garages. For the purposes of this covenant, eaves, steps and open porches shall not be a part of a building; provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

The Declarant reserves the right and the authority to allow encroachment by any Owner into the front setback lines, interior or rear lot lines or other setback lines, Common Area, Septic Basement Area, or any drainage or utility easement described in this Declaration as amended and supplemented or as shown on any recorded plat of the Subdivision or further plat of the Property, provided said variances are in compliance with the ordinances and regulations of Carteret County or other governing entity. Such variance may be granted prior to construction or after

the commencement or completion of construction. In addition, the Declarant may also vary any provisions of this Declaration regarding the height or size of structures to be placed on Lots or in the Common Area.

ARTICLE VI: ARCHITECTURAL CONTROL COMMITTEE

Section 1. The purpose of the Architectural Control Committee is to assure that the installation, construction, or alteration of any building, wall, fence or other structure or improvement ("Structures") on any Lot is in accordance with the standards set forth in this Declaration as interpreted and determined by the Architectural Control Committee. To the extent necessary to carry out such purpose, the Architectural Control Committee shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

Section 2. To preserve the architectural appearance of the Properties, no construction or placement of any Structure, or improvement of any nature whatsoever, shall be commenced or maintained by any Owner, family member of an Owner, tenant, visitor, guest, servant, agent or employee with respect to any Lot or any portion thereof, including without limitation, the construction or installation of any building or part thereof, garage, porch, gazebo, shed, driveway, sidewalk, greenhouse or bathhouse, playhouse, covered or uncovered patio, swimming pool, tennis court, fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, driveway, temporary or permanent living quarters or any other temporary or permanent improvement or landscaping (other than planting or pruning of flowers and shrubs) on such Lot, nor shall any exterior addition, change or alteration thereof be made, unless and until the plans and specifications showing the nature, color, type, shape, height, materials and the location of the same shall have been submitted to and approved, in writing, as to the harmony of external design, location and appearance in relation to the surrounding Structures and topography by the Architectural Control Committee. The Architectural Control Committee shall have the sole discretion to determine whether the plans and specifications submitted for approval are acceptable and in compliance with the total scheme of the Properties. If such plans or specifications are not approved or disapproved within thirty (30) days from the date of receipt thereof by the Architectural Control Committee, then same shall be deemed approved by default.

Section 3. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint, or redecorate the interior of a dwelling located on his or her Lot without approval; provided that modifications to the interior of a dwelling visible from outside the structure shall be subject to approval.

Section 4. This Article shall not apply to Declarant's activities or to the Association's activities during the Declarant Control Period. During Declarant's Control Period, Declarant, or its assigns, shall serve as the Architectural Control Committee.

ARTICLE VII: UTILITIES AND EASEMENTS

The Properties are subject to a contract with Carteret-Craven Electric Membership Corporation for the installation of electric utilities and installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to said utility company by each Lot Owner for a pro rata share of the installation and maintenance expenses. The Declarant shall be entitled to reimbursement from each Lot Owner for any water and/or sewer permits, tap fees or meters which have been obtained at the Declarant's expense.

The Declarant reserves for itself, its successors or assigns, an easement and right at any time in the future to grant to public utility companies easements, deemed necessary or desirable by the Declarant, its

successors or assigns, in its sole discretion, for utilities along the front, side, and rear lines of all Lots for the construction and perpetual maintenance of conduits, pipes, poles, wires, and fixtures for electric lights, telephones, drainage, gas, water, sewer and other public and quasi-public utilities and to trim any trees which at any time may interfere or threaten to interfere with the maintenance of such services, with right of ingress to and egress from and across said premises to employees of said utilities.

Easements for installation, upfit and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten (10) feet and side eight (8) feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation, upfit and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement areas of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

ARTICLE VIII: NUISANCES, TRASH STORAGE, AND LOT MAINTENANCE

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no un-attractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No Lot shall be used in whole, or in part, for the storage of trash or rubbish of any character, other than as herein after provided. Trash, garbage or any other waste material shall be kept in sanitary containers. Equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Storage of any property or materials which detract from the appearance of the neighborhood, or emit foul or obnoxious odors is prohibited. All trash and storage shall be stored in the rear of the dwelling or within an enclosed facility and in such a manner so as not to be viewed from the streets or neighboring Lots. No elevated tanks of any kind shall be erected, placed, or permitted on any part of the Properties, except as approved by the Declarant, or the Association. Any tanks approved shall be adequately concealed from view from the streets and neighboring Lots. Declarant reserves, for itself and for the Association, the right to enter upon and cut grass, weeds or undergrowth and remove any prohibited property or materials on any Lot or easement, but shall be under no obligation to do so. The Declarant, or the Association, may contract for, and assess the Lot Owner, any upfit, maintenance or repair expenses incurred to enforce this covenant.

ARTICLE IX: MOTOR VEHICLES RESTRICTIONS

Any motor vehicle parked on any Lot shall have a current license plate, registration and inspection sticker. No motor vehicles, other similar vehicles or equipment shall be repaired or placed on blocks or stands, except in an enclosed garage or carport. No motor vehicles shall be parked between the front of the dwelling and any adjoining street, other than in the driveway. No more than two (2) boats, trailers, motor homes or campers, or combination thereof, shall remain parked between the front of a dwelling and the front lot line. Any additional boat, trailer, motor home or camper must be parked behind the main dwelling. Except when used during and as a part of the construction of a dwelling on the Lot, no trucks or buses (other than pickup trucks of one-ton capacity or less, small vans or small trailers) shall be parked overnight on any Lot, except in an enclosed garage.

ARTICLE X: FENCES

Other than as hereinafter set forth, fences shall only be constructed between a line extending from the mid-point of the side of the primary dwelling to each side lot line and the rear property line. The design, material

and height of all fences must have the prior approval of the ACC. The finished sides of any fence allowed must face toward: (i) the front property line for that portion extending from the mid-point of the side of the primary dwelling to each side lot line, (ii) the side lot line for that portion on or immediately adjacent to a side lot line and (iii) the rear property line for that portion on or parallel to the rear property line. No fence shall be erected between a line extending from the mid-point of the side of the primary dwelling to each side lot line and the street right of way, provided however, a decorative fence of complimentary architectural design not exceeding a height of three (3) feet may be located nearer to the front property line than described above.

ARTICLE XI: ANIMALS

No animals, livestock or poultry of any kind shall be raised or kept on any lot except as follows: dogs, cats or other household pets, may be kept, provided that they shall not be kept or maintained for any commercial purpose. Any and all pets shall not be allowed off the Owner's Lot, unless same are leashed, under the direct physical control of the Owner or a family member at all times, and are not creating a nuisance to, or threat to the safety of, the other residents, or guests of residents, in the Subdivision. Pets shall not be restrained on Lots by any chains, ropes or other leash type device anchored or fastened to a temporarily or permanently immovable object or structure. Any violation of the provisions set forth in this Article shall subject the Lot Owner to a fine, and/or a directive for the Owner's animal to be permanently removed from the Subdivision, as determined in the reasonable discretion of the Declarant, or the Association, in accordance with North Carolina General Statutes Section 47F-3-102(12).

ARTICLE XII: SIGNS AND MAILBOXES

No billboard, sign or advertising device of any character shall be erected, placed, permitted, or maintained on any Lot, except one sign of not more than one (1) foot square with name and address of owner, other than a "for sale" or "for rent" sign by the owner or his agent of not more than three (3) square feet.

Mailboxes shall be located no nearer to the paved portion of the public road abutting each lot than 12 inches. Mailboxes shall also be of a type, size, and design as that which is originally approved by the Declarant. No brick or stone mailboxes shall be permitted.

ARTICLE XIII: STORMWATER MANAGEMENT

A. The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 170604, as Issued by the Division of Energy, Mineral and Land Resources (the "Division") under NCAC 2H.1000.

B. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

C. These covenants are to run with the land and be binding on all persons and parties claiming under them.

D. These covenants pertaining to stormwater listed in this Article may not be altered or rescinded without the consent of the Division.

E. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division.

F. The maximum built-upon area is 2,319 square feet per lot. This allotted amount includes any built-upon area constructed within the lot property boundaries and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt,

concrete, gravel, brick, stone, slate, coquina, driveways, and parking areas, but does not include open wood decking or the water surface of swimming pools.

G. For those lots within the CAMA Area of Environmental Concern, where the DCM calculates a different maximum lot built-upon area, the governing maximum lot BUA shall be the more restrictive of the two amounts.

H. Filling in or piping any vegetative conveyances (ditches, swales, etc.) associated with the development, except for average driveways crossings, is strictly prohibited by any persons.

I. For those Lots adjacent to surface waters, each Lot will maintain a minimum 50 foot wide vegetated buffer adjacent to such surface waters.

J. A 50-foot wide vegetative setback must be provided and maintained adjacent to all surface waters, measured horizontally from the normal pool elevation of impounded structures, from the top of bank of each side of streams or rivers, and from the mean high waterline of tidal waters, perpendicular to the shore.

K. All roof drains shall be released as dispersed flow no closer than at the edge of the 50-foot vegetated setback. At no time shall stormwater runoff be piped into or through the setback.

L. Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.

M. Any individual or entity found to be in noncompliance with the provisions of a stormwater management permit or the requirements of the stormwater rules is subject to enforcement procedures as set forth in NCGS 143, Article 21.

ARTICLE XIV: ASSESSMENTS AND MEMBERSHIP

Section 1. Purpose of Assessments. The Association has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Nonprofit Association Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of the Lots. Its purposes are to: (1) oversee, inspect, maintain, repair and replace the Stormwater Management Facilities constructed on the Lots pursuant to the Permit; (2) enforce the provisions of the Permit as to the Lots; (3) enforce each Lot owner's obligations with respect to the Stormwater Management Facilities pursuant to this Declaration; (4) enforce each Lot owner's obligations with respect to all applicable North Carolina Sedimentation and Erosion Control Permits; said authority to be exercised, if and only if, and when and only when, Declarant transfers the Permit to the Association; (5) maintenance of the streets in the Subdivision, until accepted for maintenance by the NC Department of Transportation; (6) pay all fees, costs and expenses for the use and enjoyment of the Common Area, including but not limited to, the cost of upfit, maintenance, repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, providing for security to the Subdivision, the procurement and maintenance of insurance in accordance with this Declaration, or the Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants, and other professionals for the Association when necessary, and such other needs as may arise. The Association shall have no authority with respect to the Lots located in the Properties until such time as Declarant transfers such rights to the Association.

Section 2. Future Annexation. The Declarant shall have the right, but not the obligation, to annex into the Properties and this Declaration additional property now, or in the future, owned by Declarant. From and after the date of such annexation by Annexation Declaration, the Declarant may subject the annexed Lots to the jurisdiction of the Association and if so, the owners of the annexed lots shall become members of the Association.

Section 3. Membership in Association. Each owner of a Lot within the Properties shall be a member of the Association. The Declarant, by this Declaration, and the owners of each individual Lot, by their acceptance of a deed thereto, covenant and agree with respect to the Association:

(1) that for so long as each is an owner of a Lot within the Properties, each will perform all acts

necessary to remain in good and current standing as a member of the Association;

(2) that any unpaid assessment, whether general or special, levied by the Association in accordance with this Declaration, the Articles of Incorporation (herein called the "Articles") or the Bylaws of the Association (herein called the "Bylaws") shall be a lien upon the Lot upon which such assessment was levied and also shall be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due.

(3) each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from the ownership of said Lot. The books and all supporting documentation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Lot owners, and their lenders or their lenders' agents during normal business hours at the principal office of the Association.

Section 4. Classes of Membership. The Association shall have two (2) classes of voting membership, as follows:

Class A: Initially, the Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Person shall be members. Provided, however, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. If multiple owners of a Lot cannot provide written verification of the authority of a designated individual to cast their vote, then no vote may be cast by that particular Lot Owner. Any Class A member may assign its voting rights to the Declarant, whether or not the Declarant owns any other Lot.

Class B: The Declarant shall be the sole Class B Member. Class B membership shall be a full voting membership and, during its existence, the Class B Member shall be entitled to vote on all matters or issues before or considered by the Association. The Class B Member shall be entitled to one (1) vote for each Lot it owns, plus one (1) vote for each Lot owned by a person or entity other than the Declarant. The Class B membership shall cease and shall be converted to Class A membership upon the expiration of the Declarant Control Period.

Section 5. Obligations for Stormwater Management Facilities. The Declarant shall, at its sole cost and expense, initially construct all Stormwater Management Facilities required to be located upon the Lots and Properties or upon any property annexed into the Properties by the Declarant to the standards required by the applicable Permit. Upon completion of the construction of said Stormwater Management Facilities located in the Properties, the Declarant shall transfer the applicable Permit to the Association and the Association shall accept the transfer of the applicable Permit from the Declarant upon the earlier to occur of: (i) the date the North Carolina Department of Environment and Natural Resources allows such transfer to occur; or, (ii) the date upon which at least fifty percent (50%) of the Lots in the Properties are conveyed to owners, other than Declarant. Prior to any such transfer, the Stormwater Management Facilities for the Properties, including any property annexed by Declarant into the Properties, shall be certified, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the holder of the Permit occurring after Declarant tenders transfer of the Permit to the Association following the approval of such transfer by the North Carolina Department of Environment and Natural Resources and the certification of compliance as set forth above. The Declarant, as agent of the Association and without further documentation or consent of the Association, shall have the right to accept the transfer of the applicable Permit on behalf of the Association and shall have the right to execute any and all documents required for the acceptance and transfer of the Permit on behalf of the Association. Further, Declarant may bring an action for specific performance of the obligations of the Association pursuant to this paragraph. From and after the transfer of the Permit from the Declarant following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the Permit shall be the sole responsibility of the

Association. The Association's duties with regard to the Permit shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, the Bylaws and the Permit. The Association hereby is granted and conveyed an easement over, under and upon each Lot and future lots in the Properties for the purpose of access to and inspection, upfit, maintenance, repair and replacement of all Stormwater Management Facilities located upon each Lot and future subdivided lot. In the event, the Declarant annexes additional property into the Properties and transfers the applicable Permit to the Association, the Association shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed Lot for the purpose of access to and inspection, upfit, maintenance, repair and replacement of all Stormwater Management Facilities located upon each annexed lot.

Section 6. Expenses of the Association. The expenses of the Association shall include:

(1) All amounts expended by the Association in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities and Sedimentation and Erosion Control facilities located within the Properties as required by this Declaration; all amounts expended to maintain the access easements in a neat and orderly manner, including clearing of undergrowth, rubbish, debris, weeds or grass, and mowing of same; all amounts expended by the Association in enforcing the provisions of this Declaration, as may be amended; all amounts expended by the Association in the performance of its duties hereunder from and after the time Declarant transfers the Permit; and all amounts expended by the Association in legal, engineering or architectural fees and all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by this Declaration.

(2) All amounts expended by the Association in carrying out any duty or obligation as may be required or allowed by this Declaration, the Articles or the Bylaws.

(3) All amounts expended by the Association overseeing, inspecting, maintaining, and repairing any non-state maintained street, including landscaped areas within the street right of way, which provides access for any Lot constituting a portion of the Properties to a state maintained right of way.

(4) All amounts expended by the Association for the upfit, maintenance, repair and reconstruction of the pier, boat dock and boat slips, together with any improvements constructed thereon, or extending therefrom.

Section 7. Payment of Assessments. Each purchaser or grantee of any Lot in the Properties, which has been improved by the construction of a single family residence thereon and occupied by such purchaser or grantee, individually or by his/her/their tenants or assigns, by acceptance of a deed for same (whether or not is shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association annual general assessments and special assessments and charges as hereinafter provided. The annual general assessments, together with late payment penalties, interest, costs and reasonable attorneys' fees, shall be a separate charge and lien on the land and, subject to the limitations set forth herein, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessments, together with late payment penalties, interest at the maximum legal rate, costs, and reasonable attorneys' fees, shall also be the personal obligations of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot, unless expressly assumed by them, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

(1) Until January 1, 2020, the annual general assessment shall be (\$300.00) per Lot.

(2) From and after January 1, 2020, the annual general assessment may be increased upon the vote of a majority of the Board of Directors of the Association by no more than twenty percent (20%) of the annual general assessment, for the preceding year.

(3) Any increase of the annual general assessment, exceeding twenty percent (20%) of such assessment for the preceding year must be approved by the members of the Association with at least two-thirds (2/3) majority vote, who are voting in person or by proxy at a meeting called for this purpose.

(4) Once the annual general assessment has been set, notice of the annual general

assessment shall be given to all Lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner, but such assessment thereafter shall become due and payable as provided by the Board of Directors.

(5) As provided in the Bylaws, and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Stormwater Management Facilities, the North Carolina Sedimentation and Erosion Control Permits, the upfit, maintenance, repair, replacement and reconstruction of the pier and boat dock, the maintenance and repair of non-state maintained streets, and the Association, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. Upon adoption of such Annual Budget by the Board of Directors, copies of the Budget shall be delivered to each owner together with a statement of the applicable assessment(s) for each Lot as provided herein, based upon such budget; however, the non-delivery of a copy of said Budget shall not affect the liability of any owner for such assessment(s). The Annual Budget for the annual general assessment shall be divided by the number of Lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per Lot for the succeeding fiscal year.

(6) All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the Association to the payment of any expense of operating and managing the Association or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws. As monies for any assessment are paid into the Association by any owner, the same may be commingled with monies paid to the Association by the other owners. Although all funds and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer said owner's membership interest therein, except as an appurtenance of said owner's Lot. When the owner of a Lot shall cease to be a member of the Association by reason of said owner's divestment of ownership of such Lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, including any monies which said owner may have paid to the Association, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Association.

(7) Written notice of any meeting called for the purpose of taking any action requiring a meeting shall be sent to all members not less than twenty (20) days, or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast ten percent (10%) of the votes of all members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Uniform Rate. Annual general assessments, and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots.

Section 9. Commencement of Assessments. The assessments provided for herein shall commence on the date of recordation of the deed to the Owner for such Lot in the Office of the Register of Deeds of Carteret County, North Carolina and shall be prorated on a calendar year basis from the date of such recordation. Provided, however, the Declarant shall not be obligated to pay any assessment. The annual general assessments shall be assessed for each calendar year thereafter and shall be payable annually, or more frequently, with the due date for such payments and payment frequency, being as established by the Board.

Section 10. Certificates of Payment.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 11. Special Assessments.

General special assessments, and specific special assessments maybe levied against Lots for such reasons as are provided in this Declaration, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the Directors and a two-thirds (2/3) vote of the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose, the Association may levy and impose special assessments. The purposes for which special assessments may be levied are limited to providing funds to pay for the oversight, inspection, upfit, maintenance and repair of the Stormwater Management Facilities, to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit and all applicable North Carolina Sedimentation and Erosion Control Permits, the upfit, maintenance, repair, replacement and reconstruction of the pier, boat dock and boat slips, and non-state maintained streets to be maintained and repaired as set forth in this Declaration, which exceed the general assessment funds, then on hand to pay same and to provide a contingency fund for capital improvements and extraordinary expenses. General special assessments shall be levied at a uniform rate for all Lots to which such assessments may be charged as set forth in this Declaration. Specific special assessments may be assessed against the owner of a Lot after written notice has been given by the Association to the owner of said Lot at the address of the owner appearing upon the records of the Association by United States mail, postage prepaid, that the Stormwater Management Facilities located on said Lot have been damaged by the act or negligent failure to act of said owner or that said owner has failed to comply with all applicable North Carolina Sedimentation and Erosion Control Permits and such Stormwater Management Facilities are in need of repair or replacement in order to comply with the Permit or actions must be taken in order to comply with the applicable North Carolina Sedimentation and Erosion Control Permits and the owner of said Lot has not taken the necessary action to bring the Stormwater Management Facilities located on said owner's Lot into compliance with the Permit or to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits within thirty (30) days after the mailing of said notice. If said owner commences the necessary action to repair or replace the Stormwater Management Facilities located on said owner's Lot and to bring the Stormwater Management Facilities into compliance with the Permit or to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits, within the thirty (30) day period set forth above, the imposition of a specific special assessment shall be deferred by the Association for the period during which said owner diligently pursues to completion the repair or replacement of the Stormwater Management Facilities located on said Lot or compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. Specific special assessments shall be limited to the amount of funds actually expended, or in the discretion of the Board of Directors, the amount of funds reasonably estimated by the Board of Directors will be expended, by the Association to repair or replace the Stormwater Management Facilities located upon the Lot or to comply with the applicable North Carolina Sedimentation and Erosion Control Permit upon which the specific special assessment is assessed. Special assessments, either general or specific, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to the provisions set forth in this Declaration, shall be a continuing lien upon the Lot against which each such assessment is made. The personal obligation of an owner of a Lot for delinquent special assessments, whether general or specific, or limited common assessment, shall not pass to a successor in title to a Lot, unless expressly assumed by the successor, but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

Section 12. Liens for Non-Payment of Assessments.

Any annual general assessment, annual limited common assessment, if any, general special assessment, or specific special assessment, if not paid within thirty (30) days after the date such assessment is due, shall be subject to a late payment charge, and shall bear interest at the maximum legal rate of per annum thereafter. The Association may record a claim of lien against the Lot for such delinquent assessments and charges, together with costs of collection, court costs, and reasonable attorneys' fees in the Office of the Clerk of Superior Court of Carteret County in accordance with Section 47F-3-116 of the North Carolina General Statutes, or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, bring an action at law against the owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Property. The lien of any assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No owner may waive or otherwise escape liability for the assessments provided for herein.

Section 13. Amendments.

In the event the Articles of Incorporation and/or Bylaws of the Association are amended to expand the rights and duties of the Association, those amendments shall have no effect on the Lots or the Properties unless, by recorded amendment to this Declaration, joined in by Declarant.

ARTICLE XV: PROVISIONS RELATING TO WETLANDS

All of the properties subject to these Covenants and Restrictions shall also be subject to the following Special Provisions Relating to Wetlands. The Department of the Army Corps of Engineers restricts and prohibits any future filling or other detrimental activities in the wetland areas, which presently exist within the identified areas of certain Lots. Accordingly, all wetlands shown and delineated on the Subdivision Plat of the Properties set forth in Article II hereof, shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall perform any of the following activities on such conservation area: (a) fill, grade, excavate or perform any other land disturbing activities; (b) cut, mow, burn, remove or harm any vegetation; (c) construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles or towers or any other permanent or temporary structures; (d) drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation area; (e) dump or store soil, trash, or other waste; (f) allow animal grazing or watering or use for any other agricultural or horticultural purpose on such conservation areas. This covenant is intended to ensure continued compliance with the mitigation condition of authorization issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, and therefore may be enforced by the United States of America. This covenant is to run with the land and shall be binding on the Declarant, the owner of any lot in the Properties and all persons or entities claiming under them.

This Article XV cannot be amended or modified without the express written consent of the U.S. Army Corps of Engineers, Wilmington District, or its authorized successor.

ARTICLE XVI: COMPLIANCE WITH NCDOT TRAFFIC MAINTENANCE STANDARDS

Driveway headwalls, fences, mailboxes, newspaper delivery boxes or other roadside obstructions, constructed within the right of way of any street as shown on the recorded plat of the Properties in a location or out of materials determined to be a traffic safety hazard by the North Carolina Department of Transportation, the Declarant and/or the Association, shall not be permitted. It shall be the duty of the Owner of any Lot to remove such obstruction, at the Owner's sole expense, within thirty (30) days following written notification of such objection by the North Carolina Department of Transportation, the Declarant and/or the Association. In the event

any Owner fails to remove an obstruction within the thirty (30) day period following receipt of notice of the objection, Declarant and/or the Association shall be entitled, but not obligated, to remove the obstruction and recover the expense and cost, including reasonable attorney's fees, incurred in the removal.

ARTICLE XVII: DECLARANT'S CONTROL AND DECLARANT'S RIGHTS

Section 1. Declarant Control Period. Declarant shall retain control and exclusive authority over the Association and the Subdivision, as may be expanded pursuant to this Declaration and a Declaration of Annexation, during the Declarant Control Period. Declarant reserves the right to: (i) complete improvements indicated on any plat of the Properties; (ii) exercise any development right as set forth in NCGS 47F-1-103(11); (iii) maintain sales offices, management offices, signs advertising the planned community and models; (iv) use any easements for the purpose of making improvements to the Subdivision, and (v) appoint and remove any officer or director of the Association during the Declarant Control Period.

Section 2. Right to Approve Additional Covenants. During the Declarant Control Period, no person or entity shall record any declaration of covenants, conditions and restrictions or similar instrument affecting any portion of the Subdivision without Declarant's prior written approval. Any instrument recorded without such consent shall be void and of no force and effect unless Declarant subsequently consents in a document recorded in the Carteret County Registry.

Section 3. Right to Transfer or Assign Declarant Rights. Any or all of Declarant's rights or obligations set forth in this Declaration, any amendment hereto or any supplemental declaration may be transferred in whole or in part to other persons; however, the transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or supplemental declaration. No such transfer or assignment shall be effective unless evidenced by a document recorded in the Carteret County Registry. The foregoing sentence shall not preclude Declarant from permitting other persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration or any amendment or supplement hereto where Declarant does not intend to transfer such right in its entirety. In such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

Section 4. Exclusive Rights to Use Name of Development. During the Declarant Control Period, no person or entity shall use the name "Tidal Bluffs" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Tidal Bluffs" in printed or promotional matter where such term is used solely to specify that particular property is located within the community and the Association shall be entitled to use the words "Tidal Bluffs" in its name.

Section 5. Easement to Inspect and Right to Correct. Declarant reserves for itself and such other persons as it may designate perpetual non-exclusive easements throughout the Subdivision to the extent reasonably necessary for the purposes of accessing, inspecting, testing, redesigning or correcting any portion of the Subdivision including Lots and Common Areas. Declarant shall have the right to redesign or correct any part of the Subdivision, including Lots owned by Declarant and Common Areas.

Section 6. Amendment to Declaration. During the Declarant Control Period, Declarant shall have the right to amend or rescind and restate this Declaration by a document recorded in the Carteret County Registry, without approval or joinder of the Association or any other Party.

Section 7. Fence Easement. Declarant hereby reserves an easement across any Lot which borders upon or contains a portion of any water facility, detention pond, or retention pond for the purpose of access to such facility or pond, and for the purpose of erecting any fence which is either required by the subdivision development and construction plans or governmental regulation, rule, ordinance, or plan approval requirement.

Section 8. Variances. Notwithstanding anything to the contrary contained herein, the Declarant and/or the Association or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto if the Declarant or the Association determine that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Subdivision.

Section 9. Pier, Boat Dock and Boat Slips. Declarant has constructed a pier, and boat dock with boat slips, extending from the 9,724 square foot parcel, designated Common Area, into Pettiford Creek Bay for the use and benefit of the Lot Owners and their respective families, tenants, invitees and guests, together with an access and utility easement to the boat dock over the Properties. The pier and boat dock have six (6) separate boat slips with one (1) boat slip to be assigned to each Lot Owner for the exclusive use of such Lot Owner, and the Owner's family members, tenants, invitees and guests. One (1) boat slip shall be assigned by the Declarant to each Lot Owner, for the exclusive use and enjoyment of such Owner, together with such Owner's family, tenants and guests. At the time of settlement/closing of the purchase of each Lot, the purchaser/Owner shall be entitled, on a "first come, first served" basis, to select a designated boat slip from the remaining unassigned boat slips, which shall be appurtenant to, and not separated from, ownership of such Owner's Lot. In the event the purchaser/Owner fails or refuses to designate a boat slip, the Declarant shall select and assign a boat slip to such purchaser/Owner.

The Owners, together with their family members, tenants, invitees and authorized guests, shall have the right to use the boat dock for recreational purposes. No portion of the boat dock or boat slips, or any watercraft lifts attached thereto, may be leased, rented or assigned for use by any other person or entity. All deck space and walkways shall be for the common use of all Owners, their family members, tenants, invitees and authorized guests. All use of the pier, boat dock and boat slips by the Owners, their family members, tenants, invitees and authorized guests shall be in such a manner so as not to disturb the peaceful enjoyment of the boat dock by the other Owners, their family members, tenants, invitees and authorized guests.

Any damage to the separate boat slips resulting from the negligence or intentional acts of the Owner, or the Owner's family member, tenant, invitee or guest shall be repaired, within a reasonable time, by the Owner at the Owner's sole expense. In the event any Owner fails to make, or commence, repairs within thirty (30) days following written notice from Declarant or Association, the Association may, but is not required to, make such repairs and levy a specific special assessment against the defaulting Owner for the costs of such repairs, together with a reasonable administration fee.

The Declarant and Association shall have the right, from time to time, to impose rules and regulations, including the imposition of fines for violations thereof, deemed by the Declarant or Association, in its sole discretion, reasonable or necessary for the safe, peaceful and orderly use, upfit and maintenance of the pier, boat dock and boat slips.

ARTICLE XVIII: ANNEXATION OF ADDITIONAL PROPERTY

The Declarant, for itself and its successors and assigns, hereby expressly reserves the right, but shall in no way be obligated, to expand the real property which is subject to this Declaration without the consent or joinder of any Owner or Owners of any Lot or Lots or person or entities having a lien or security interest in such Lot or Lots, by annexing, from time to time other real property now owned, or hereafter acquired by Declarant.

An amendment to this Declaration shall be made and recorded in the Office of the Register of Deeds of Carteret County, North Carolina, to include each portion of the real property which is to be subject to this Declaration, and each such portion of the real property shall constitute an addition to the Subdivision. The right of the Declarant, or its successors and assigns, to expand the Subdivision as herein provided shall expire twenty (20) years following the date of recordation of this Declaration.

ARTICLE XIX: SUPPLEMENTAL DECLARATION(S)

The Declarant shall have the right, from time to time, to record Supplemental Declarations which may

designate specific use and other restrictions within other real property annexed into the Subdivision, may create Common Areas within such other real property for the use of all owners in the Subdivision, as may be expanded, and may create a separate owners association exclusively for such other real property; and may exercise all rights reserved in this Declaration, provided however, no Supplemental Declaration shall avoid membership in the Association by Owners of Lots in said other real property, nor shall any Supplemental Declaration modify or amend the terms of this Declaration or any prior Supplemental Declaration for another tract annexed, without the required consent of Owners of all tracts of land constituting the then existing Subdivision.

ARTICLE XX: ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenant, either to restrain violations or to recover damages. In the event any proceeding is commenced to enforce the provisions of this Declaration, the non-prevailing party shall be obligated to pay, in addition to any monetary damages or other award granted by the court, the expenses and costs of such proceeding, including reasonable attorneys' fees of the prevailing party.

ARTICLE XXI: MODIFICATION

These restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole, or as to any subdivided lot or part thereof, by written document executed by the Declarant, its successors in title, or assigns, and by the owners of lots to which at least sixty seven percent (67%) of the votes in the Association are allocated, and recorded in the Office of the Register of Deeds of Carteret County, North Carolina. During the Declarant Control Period, the Declarant may alter or amend these covenants without the consent of any other owner.

ARTICLE XXII: TERM

The covenants, easements and restrictions set forth in this Declaration, as may be amended, are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date this Declaration is recorded, after which such time said Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the owners of lots to which at least sixty seven percent (67%) of the votes in the Association are allocated has been recorded, agreeing to change this Declaration, in whole or in part.

ARTICLE XXIII: SEVERABILITY

Invalidation of anyone of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN TESTIMONY WHEREOF, Declarant, has executed this instrument the day and year first above written.

HORIZONS EAST, LLC

By: _____

Jennifer Morton Ward
Manager

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a notary public of the county and state aforesaid, do hereby certify that Jennifer Morton Ward personally came before me this day and acknowledged that he is the Manager of HORIZONS EAST, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the limited liability company, he signed the foregoing instrument in its name on its behalf for the purposes set forth therein and in the capacity indicated.

Witness my hand and official seal this the 25th day of February, 2019.


Notary Public

My commission expires:

Laura Solabba
NOTARY PUBLIC
Onslow County, NC
My Commission Expires October 4, 2022