

NORTH CAROLINA, CARTERET COUNTY  
The foregoing certificate(s) of Notary Public(s) is/are  
certified to be correct. This instrument and this certifi-  
cate are duly registered at the date and time and in  
the Book and Page shown on the first page hereof.

Melanie Arthur 18F  
CARTERET COUNTY  
JL Date 10/06/2003 Time 16:09:00  
GR 1021036 Page 1 of 18

Melanie Arthur, Register of Deeds  
By Melanie Arthur  
Melanie Arthur, Register of Deeds

Jim Thompson

Prepared by: DEVELOPER, CORAL BAY RIDGE, LLC  
Return to: M. DOUGLAS GOINES

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

**DECLARATION OF PROTECTIVE COVENANTS,  
RESTRICTIONS AND EASEMENTS  
CORAL BAY RIDGE SUBDIVISION**

**THIS DECLARATION OF PROTECTIVE COVENANTS,  
RESTRICTIONS AND EASEMENTS**, dated for purposes of reference on this 3rd day  
of October, 2003, by **CORAL BAY RIDGE, LLC**, a North Carolina Corporation  
(hereinafter "Declarant").

**WHEREAS**, Declarant is the owner of real property that is to be known as Coral  
Bay Ridge which property is currently described as Coral Bay Ridge as shown on a Plat  
recorded in Map Book 30 at Page 95, of the Carteret County Registry and property  
known as Coral Bay Village, which is depicted in a Map recorded in Map Book 30 at  
Page 96, of the Carteret County Registry. It is the intent of Declarant to treat the two (2)  
properties described on the two (2) Plats previously stated as one (1) common property  
and development known as Coral Bay Ridge Subdivision and having thirty-three (33)  
single family, residential lots plus common areas and amenities.

In order to enforce the provisions of these Protective Covenants, including but not  
limited to the architectural control standards established herein, in order to maintain  
Coral Bay Ridge in a clean and attractive condition, in order to own, manage and  
maintain the Association Properties, including all amenities, and to further provide an  
organization for the benefit of the owner of each Lot within Coral Bay Ridge, Declarant  
shall charter a North Carolina non-profit corporation named Coral Bay Ridge Owners  
Association, Inc. (the "Association"). The owner of each Lot within Coral Bay Ridge is  
and shall be a member of the Association, and the owner of each such Lot is and will be  
obligated to pay dues and assessments to the Association for the benefit of the  
Association and every owner within the subdivision. The organization and operation of

BOOK 1021 PAGE 36

18

the Association is described in these Protective Covenants and in the By-Laws of the Association.

It is the desire and intention of Declarant, for its benefit and for the benefit of the purchasers of each Lot within Coral Bay Ridge, and with the objective of preserving the value of each Lot, to restrict the utilization of property and improvements within Coral Bay Ridge in accordance with the guidelines established herein. Therefore, Declarant hereby subjects the property described hereinafter to the terms and provisions of these Protective Covenants for the use and benefit of all present and future owners of Lots within Coral Bay Ridge Subdivision.

As used herein, the word "Lot(s)" shall mean and refer to any Lot made subject to the provisions of these Protective Covenants designated for construction thereon of a residential structure as such Lot is shown on a recorded Maps previously described.

**1. DESCRIPTION.** These Protective Covenants shall run with the land and shall bind and inure the benefit of the owner of each Lot within Coral Bay Ridge made subject hereby to the terms and provisions of these Protective Covenants and any amendment hereto, and the property currently made subject to these Protective Covenants is more fully described on those Plats recorded in Map Book 30 at Page 95 and Map Book 30 at Page 96, of the Carteret County Registry which, hereinafter shall be construed as a common map and development.

**2. ADDITIONAL PROPERTIES.** Declarant reserves the right to subject additional properties to the terms and provisions of these Protective Covenants; additional properties may be made subject to these Protective Covenants. The approval or joinder of existing Lot Owners shall not be required. Any such addition of property shall be effective upon recordation of an Amendment to these Protective Covenants in the Office of the Register of Deed of Carteret County. Any property so annexed may be subject to building restrictions and limitations different than those contained herein and as made applicable to the Lots, but primary utilization of all such annexed properties must either be residential or be amenities serving the total subdivision property.

**3. SINGLE FAMILY UTILIZATION.** No Lot shall be utilized for any purposes other than residential purposes, and only one Living Unit may be constructed on any one Lot. No Living Unit constructed within Coral Bay Ridge shall be utilized for commercial purposes, except that Declarant or its assigns shall be entitled to use any structure located within Coral Bay Ridge for purposes relating to the sale of property within the subdivision or any properties annexed in accordance with paragraph 2 above. While it is not the intent of this Protective Covenant to prevent joint ownership of Lots, or ownership by a corporation, partnership, limited liability company, or trust, it is specifically prohibited that any Living Unit be utilized in the nature of a time share or use share accommodations. The Association shall have the specific authority to adopt rules prohibiting or restricting the utilization of a Living Unit by multiple families whether at the same time or in alternating time frames to the extent that such utilization has a likelihood of increasing traffic within Coral Bay Ridge or promoting utilization of a Living Unit by more than a number of persons which can reasonably be accommodated by such Living Unit in the manner of a single family residence utilized for permanent or second home residential purposes. Notwithstanding the foregoing, any Lot owned by Declarant may be conveyed to the

Association upon such terms and for such consideration as is mutually agreed, to be used as a recreation area and/or for construction of additional amenities serving the subdivision.

**4. BUILDING AND SITE RESTRICTIONS.** There shall be established as a committee of the Association, an Architectural Standard Committee (the "Committee"). The Committee shall adopt building guidelines for utilization and evaluation of proposed landscaping and construction plans in order to provide additional specificity to the standards contained herein. Any such building guidelines shall be made available upon request to the owner of any Lot, and shall be considered for all purposes, incorporated within these Protective Covenants. The Committee must give prior approval to the construction of any improvements or structure on any property subjected hereto, in accordance with the procedures described in these Protective Covenants, and shall further be made subject to the following restrictions:

**A. Architectural Style.** Architectural mass and forms shall be indigenous to the Eastern North Carolina Region. Proposed designs should incorporate modern interpretations from historic applications.

**B. Garages and Outbuildings.** This Declaration prohibits the use of any temporary structures, tent, shack, or other outbuildings (except as expressly permitted by this Declaration). Detached garages and storage sheds are permitted only if pre-approved by the Architectural Committee and if architecturally compatible with the primary Living Unit to which it is appurtenant. Owners with Lots which, due to physical features, cannot reasonably comply with this provision may apply to the Committee for a hardship variance.

In no event shall there be allowed more than one (1) detached structure per lot, and no such structure shall be constructed prior to the construction of the primary Living Unit on the Lot. Carports, (defined as open-sided automobile shelters) are not permitted.

Any storage shed constructed on the subject property shall not be located in the front or side yard, and shall not exceed 180 square feet in size. If a garage, detached or otherwise, is constructed on the subject property, it shall have a minimum size sufficient to house a full-size passenger automobile and shall not exceed a size sufficient to simultaneously house three (3) full-size passenger automobiles. Any storage shed built in conjunction with a detached garage, likewise shall not exceed 180 square feet.

Both garages and storage buildings are subject to the subdivision setback requirements. Garage doors may be made of wood, fiberglass, or metal. When the garage is facing a street it should be recessed 18" from the face of the building wall. Garages are to be enclosed with siding material. Walls are to be designed as breakaway walls if required in flood zone.

**C. Type of Construction and Materials.** All Living Units must be constructed in accordance with standards for single family homes included in the North Carolina Uniform Residential Building Code. No home may be moved onto a Lot if such home has previously been occupied and used as a Living Unit elsewhere, absent Committee approval. No modular home, panelized home or mobile home (home built in accordance with manufactured home standards imposed by the Federal Construction and Safety Standards Act), or other structure

<sup>3</sup>BOOK 1021 PAGE 36

designed for transportation on attached axles and wheels shall be located on any Lot. Pre-fabricated roof and floor trusses are not included in this prohibition.

This Declaration prohibits any dwelling or other permitted structure within the subdivision to be constructed utilizing exposed cement, exposed concrete or concrete block, cement-based stucco, log construction, vinyl siding (except as specified below), aluminum siding or any type of 4" x 8" or greater sheeted siding. This provision shall not be interpreted to prohibit the use of cement or concrete block construction in any foundations, so long as not exposed, nor shall it prohibit the use of natural stone in any construction approved by the Committee. Synthetic Stucco (commonly known as "Dryvit" or "EIFS" systems) may be utilized, provided that such construction is an integral part of the architectural appearance of the residence. This Declaration prohibits construction of any dwelling on exposed stilts or exposed pilings that provide the primary support for the main dwelling; exposed pilings providing support for porches or decks are allowed, subject to Architectural Committee approval.

Siding shall be 3", 4", 6", or 8" exposure. Siding material shall be cementitious or wood horizontal siding. Also, acceptable is vinyl cedar Impressions by Certainteed or equal. No horizontal vinyl or aluminum siding is permitted. Accent wall patterns of vertical board and batten, trimmed panels and/or shingles will be limited to gables, window bays or other secondary elements or surfaces at the side elevations. The materials for these patterns may be wood or cementitious fiber material.

Any dwelling constructed in the subdivision which utilizes a concrete slab foundation shall have the concrete slab elevated a minimum of four (4) courses of standard size foundation block (about 32"), above the surrounding rough ground level. After final yard landscaping, the slab shall have a minimum of 24" of exposed foundation wall. All dwellings shall be required to have a finished foundation wall of the materials set out herein above with at least 24" of exposed foundation wall. These are minimum requirements and may not be sufficient to meet any flood insurance elevation requirements in effect at the time of construction.

Main roofs shall be a 30-year or better "Architectural" or "Simulated Architectural" dimensional asphalt shingle. Metal roofs will be allowed with Committee approval. Ridge vents shall be a rigid plastic, designed to receive shingles. Additional roof venting required shall be achieved with gable venting or square through roof vents painted to match the roof color. Gutter and downspouts shall be typical ogce profile in metal or copper. Fascia trim shall be a minimum 6" nominal dimension, a continuous minimum 2" shingle molding at the top of the trim under the edge flashing shall be used at gables and non-guttered rakes. A minimum 6" frieze board shall be present below the roof soffits. A bed or cornice molding shall be used at the soffit/frieze joint for both rake and gable conditions. Roof overhangs may vary depending on the Architectural Style used. Dormers can be of several designs depending on the Architectural Style used. All roof penetrations shall if possible be located away from the street side roof, and painted to match the roof. Flashing at building walls shall be painted to match the wall color.

Any construction, which utilizes a fireplace, shall have the exterior portion of the fireplace, (the chimney or chase) finished in brick, stone, synthetic stucco or other allowed material as used on the dwelling's foundation curtain wall or exterior siding as approved by the

Committee. Chimneys that occur in the roof facing the street must be detailed and will be considered by the Committee on a case-by-case basis.

**D. Signs.** No sign shall be allowed on any Lot so as to be visible from any street right of way or any adjoining property, except the following signs, which shall be allowed:

(1) one (1) sign per Lot, no greater than six square feet in size, specifying the general contractor actually constructing a Living Unit on such Lot. Such sign must be removed upon issuance of a certificate of occupancy for the Living Unit;

(2) one (1) sign per Lot identifying the property upon which such sign is placed only by the name of the owner and a street number. Such sign must be constructed at a size, and to be located in a place specified by the Committee, provided that a "911" required house number shall be displayed on every house;

(3) one (1) or more project signs erected by Declarant, providing information concerning Declarant and Coral Bay Ridge including, but not limited to: identification, information to assist in sales and directional information;

(4) one (1) sign per Lot no greater than six (6) square feet in size which includes only the words "For Sale", the name of the selling agent and the telephone number of said agent. Each such sign must be located a minimum of ten (10) feet from the nearest right-of-way of the adjoining street right-of-way. No such sign may be installed or erected (unless stating "For Sale By Owner") until such time as the Lot has been listed by written agreement for sale with the agent named thereon.

(5) street and directional or informational signs erected by Declarant or by the Association;

(6) any sign constructed by any governmental agency;

(7) identification and informational signs constructed by Declarant or the Association, the purpose of which is to assist Declarant or the Association in identifying the project and the location of Lots, Living Units, sales offices, amenities, sales models or other uses within Coral Bay Ridge; and

(8) temporary signs denoting a particular event, such as an open house or social event, subject to such rules and regulations concerning the utilization of such signs as may be adopted from time to time by the Association.

All permitted signs, except those constructed by a governmental entity, shall be in a location established and approved by the Committee.

**E. Setback Requirements.** There are no absolute building setback requirements other than those that may be imposed by a local government or those shown on a recorded plat of Coral Bay Ridge. However, the following setbacks shall be presumed applicable unless the Committee determines that a variance from these presumed setbacks is appropriate, based upon

BOOK 1021 PAGE 36



the criteria set out hereinafter. Notwithstanding any presumed setback, the Committee shall have complete authority to determine the appropriate building site on each and every Lot. This approved building site may exceed any presumed setback if the standards for approval as set out in paragraph 5B hereinafter are more completely met by increasing such setbacks.

The presumed minimum setbacks are as follows:

- (1) 15 feet from any front line, (street right-of-way);
- (2) 20 feet from the street right-of-way not deemed by the Committee to be the front street right-of-way, as to all corner Lots;
- (3) 7 feet from each side Lot line;
- (4) There shall be a 35 foot buffer zone adjacent to Salter Path Road.

Furthermore, the Committee shall have the right to reduce any setbacks set out herein or on any recorded plat for good cause shown, upon petition submitted in writing by the owner of a Lot, to the extent that such reduction does not violate applicable zoning ordinance.

The Committee shall never be obligated to grant a variance. The Committee shall not issue a variance if, in the opinion of the Committee, such variance would have a substantial adverse impact upon the value of any adjoining Lot(s). The owner (s) of immediately adjoining Lots shall be given notice of the request for a variance in writing, by the owner of the Lot seeking the variance, at least five (5) days prior to the consideration of a variance by the Committee.

Notwithstanding the restriction of these Covenants purchasers understand that other regulations regarding setbacks, vegetative buffer, setback from the high water mark may be imposed by various agencies of the Federal Government and the State of North Carolina. Buyer understands that he must abide by those regulations as well.

**F. Height Restrictions.** The maximum height of any structure, measured from the finish slab garage level to the mid-point of the main roof height shall be 35 feet. Ground floors shall have a minimum elevation of 3'0" above grade (refer to Flood Zone A6 Requirements). No ceiling height may be less than 9'0" on the first floor and 8'0" on the second floor in the main building. Garage doors shall have a ceiling height of 8'0"

Height increase is possible if approved by the Committee and by the Atlantic Beach Board of Adjustments Process.

**G. Fences.** Fences on any Lot are subject to the jurisdiction of the Committee. As used herein, the term "Fences" shall include walls, barricades, shrubbery, or other impediments to reasonable mobility and visibility.

Approved Fencing materials are wood or PVC. There are several fence designs to be approved by the Committee. Fencing at the front portion of the side yard when adjacent to the street should be a continuation of the front yard fencing. The fencing may change to 60" tall solid design at the back of the main structure. Fencing in the front yard shall be between 30" and 36" tall with an open picket design. Fencing in the side and rear yards may be a maximum of 60" tall with a solid screening design.

**H. Satellite Dishes.** No satellite receiving dish, radio antennae or other similar device shall be allowed on any Lot except that satellite receiving dishes no greater in size than eighteen (18) inches in diameter, shall be allowed, but only upon approval by the Committee as to the size and location of such satellite receiving dish, and only if it is located in a way to minimize the visibility of such satellite receiving dish from any street or adjoining property. The Committee may impose screening requirements by vegetation or otherwise as deems appropriate.

**I. Porches.** At front entries, an entrance door is required to face the street. The door should be covered by a porch overhead. A side entrance is acceptable if accessed by a front porch. Front porches and façade will be of a minimum depth of 7'-0". Porches are required on the elevation facing the water. 50% minimum on the first floor. Front porches shall be of wood construction with painted wood plank floors, pre-finished pre-manufactured plank systems, or 2x6 decking. Front porch ceilings shall be beaded planks, T & G bead board, or beaded plywood. Porch ceilings of beaded plywood must have a pattern of trim joints or false beams that simply and tastefully divide the ceiling into symmetrical and equal sections. Light fixtures and fans shall be placed in the center of these sections. Porch columns should be equally spaced between 7' and 9' on center and a minimum of 7' tall. Columns can be wood or fiberglass. The porch beam should be trimmed with a minimum of a 10" material in a traditional configuration. A minimum small crown trim shall be used at the porch ceiling to beam/wall joint.

**J. Shutters.** Shutters may be wood or fiberglass, in a louvred, slat or paneled design. Shutters must be of an appropriate size to cover the window when closed. Shutters are not required to continue to non-street elevations when used on the front (street) elevation and exposed corner elevations. Shutters must be mounted with hinges and traditional hardware.

**K. Vents.** Gable vents may be wood, vinyl, or fiberglass. They must be in an appropriate size and style for the Architectural Style.

**L. Windows and Doors.** Windows may be a wood, vinyl, or clad wood product. They may be pre-finished or field painted. Window operating styles may be casement, double or single hung with or without transoms. Large fixed windows can occur only in combination with operable windows. Small fixed accent windows are acceptable. Doors may be made of wood or fiberglass. Window and door trim shall be dimensional wood with a minimum of 4" nominal dimension. Windows shall have the proportions of a vertical rectangle in the range of 3:1 to 2:1 height to width. Windows may be configured in the building wall singularly or in horizontal groups. In two-story building walls, windows should be stacked or otherwise arranged in a regular and symmetrical pattern.

Door trim can be flat or ribbed with a base block. Doorbells are to be mounted centered in jamb trim.

**M. Vehicles.** No vehicles shall be allowed to be parked on any front or side-yard of a Lot or upon any Association Property, or on any street right-of-way, which is determined by the Association to be of a type, because of size or weight, not appropriate for overnight parking within a residential subdivision. As an example, tractor/trailer trucks or heavy construction equipment shall be determined inappropriate. Licensed Boats and boat trailers, utility trailers, campers and recreational vehicles shall be allowed, provided that they shall be parked or stored only in the rear yard or on the driveway of a Lot. No unlicensed or inoperable motor vehicles, boats, or trailers are permitted in the subdivision. No unlicensed motorcycles, dirt bikes, go-carts, or ATV's shall be operated on the subdivision streets.

**N. Nuisances.** No activity, whether active or passive, that is reasonably considered a nuisance by the Association shall be allowed within Coral Bay Ridge. This prohibition includes any activities within any structure, on any Lot or on any street or Association Property. The Association is specifically authorized by Section 14 of these Protective Covenants to adopt rules regarding conduct and use of such properties; however, the Association may find any conduct or use of a Lot to be a nuisance notwithstanding the fact that such conduct is not specifically prohibited by these Protective Covenants or by an adopted rule. If any conduct is deemed by the Association to be a nuisance, and to the extent that such conduct is not specifically prohibited by the provisions of these Protective Covenants or by an adopted rule, the Association shall give written notice to the offending owner specifying the nature of the nuisance, and requesting that such nuisance be terminated. If any nuisance is not terminated within a reasonable time thereafter, the Association may pursue any legal or equitable remedy, and may collect in any such action all attorneys' fees incurred.

This Declaration prohibits the keeping of any animal, fowl, livestock, or barnyard animals on any property subject to this Declaration, excepting only normal household pets that customarily reside in homes. Household pets shall not be allowed to run loose.

**O. Environmental.** It is encouraged that in the fertilization or use of pesticides or herbicides on any Lot's lawn or yard that liquid fertilizers (not time-release fertilizers) be utilized, so as to minimize the nutrient runoff from yards and lawns into surrounding bodies of water, and that pesticides and herbicides not be used so as to adversely affect adjoining properties, bodies of water or wildlife. No discharge of drainage or waste water (such as gutter down spouts, water softeners, air conditioner drainage) from the property into the subdivision streets or water bodies is allowed.

**P. Color.** Wood and cementitious siding will be painted in accordance with an approved color scheme prepared by the applicant. Accent colors are generally used on the shutters, front door, the porch ceiling, and porch flooring. All soffits, friezes, and fascia are considered trim and get the trim color. Muted color variations of whites, beiges, yellows, blues, grays, and greens are encouraged to be selected for siding colors.



**Q. Rental Restriction.** No Living Unit may be leased or rented for a rental term of less than one (1) week.

**R. Maintenance of Unimproved Lots.** All of the unimproved subdivision Lots shall be regularly mowed and maintained in a slightly condition by the Declarant at its expense, prior to the establishment of the Association. Upon its creation, the Association shall assume the responsibility for Lots which have been sold and shall have the right and authority, which is specifically acknowledged by the owner of each Lot, to go upon each Lot which is unimproved, and cause any or each of such unimproved Lots to be mowed, and trash and debris located thereon to be removed. To compensate the Association for this expense, the purchaser/owner of each unimproved Lot shall pay to the Association, as Supplemental Dues, a sum equal to the actual cost to the Association of causing this work to be accomplished. The Association shall establish regular mowing cycle.

**S. Pre-Construction Work.** No significant clearing or landscaping of any Lot shall be undertaken more than thirty (30) days prior to the commencement of construction on said Lot of the living Unit to be located thereon. No tree with a base trunk diameter of 6" or more may be removed, absent the Committee's approval. This provision shall not preclude the removal of underbrush or damaged or diseased trees, nor shall this provision preclude the clearing of an actual building site, installation of a driveway, or water access walkway.

**T. Docks/Piers.** No dock or pier shall be allowed to be constructed.

**U. Mailboxes.** Mailboxes are to be as approved by Declarant.

**V. Landscape.** The Front Yard is required to be sodded with centipede-type grass once the house is complete. Irrigation systems are encouraged. Owners shall submit their landscape plan to the Committee for approval. Plantings indigenous to the region are encouraged to be used for planting design.

**W. Parking/Trash.** At least two parking spaces shall be provided, surface parking or garage parking under house. All Lot driveways must be concrete with a minimum 10' deep apron of stamped/colored concrete at road. The pattern is to be the Coral Bay Ridge standard design. Trash containers shall be placed within enclosed areas at one side of the house. Containers must be enclosed, screened, and planted. These enclosures may not be located on the street front.

**X. Square Footage Requirements.** For all lots in the development the minimum heated square footage shall be 1600 square feet for any residential home built in the development (exclusive of garage area).

**Y. Ditches and Swales.** Filling or piping of any vegetative conveyances (ditches, swales, etc.) within Coral Bay Ridge with the exception of average driveway crossings, are prohibited.

**Z. Utilities.** Declarant and the Association, each independently of the other, are specifically authorized to allow any regulated public utility, to install underground electric cables for the purpose of providing street lighting. The development is served by a private utility company and the property owner agrees and understands that they shall comply with the rules and regulations of said utility company.

All wire, cable, and pipe shall be located underground. Each Lot will be served by an individual well and septic system. Above-ground gas storage tanks will be permitted provided they are appropriately screened in from view. No window unit air conditioners will be permitted.

**AA. Base Treatment.** Any exposed wood piling structure must be covered with horizontal and vertical board skirt surround or lattice insets design (no diagonal designs). Encourage an alternating size of boards and a separate color from the main body of the house when horizontal trim is used.

**BB. Time for Completion of Construction.** Any construction commenced on the property shall be completed within a twelve (12) month period from its start. For purposes of this item, the commencement of construction shall be the issuance date of the building permit or the actual commencement of improvements, whichever is later. Completion shall include finishing of the building exterior, landscaping, finish painting, driveway construction, final trash and construction debris removal, issuance of a certificate of occupancy and installation of permanent electric service. Extensions shall be granted by the Committee for circumstances outside the Lot owners' control and for acts of God.

During the construction of improvements on any Lot, the owner shall be responsible for insuring that his designated contractor and subcontractors maintain at all time the following standards and conditions:

1. toilet facilities on site; and
2. the adjacent street right-of-way in a good and clean condition; and
3. a good and clean construction site, with a trash bin or dumpster located thereon at all times; and
4. that all stormwater runoff is maintained in accordance with good land use practices and all legal requirements; and
5. that no trash burning shall be allowed on site.

Variances to the standards may be granted by the Committee on the basis of Architectural Merit and existing landscape conditions. In instances where the Guidelines are in conflict with local codes, national and regional codes and regulations, the more stringent code shall prevail.

**5. ARCHITECTURAL CONTROL COMMITTEE PROCEDURES.**

**A. Submittal of Plans.** At least thirty (30) days prior to the anticipated commencement of any landscaping or construction of any structure or improvement on any Lot, the owner of such Lot (or his duly appointed agent) shall submit to the Chairman of the Committee a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the location of all proposed and existing structures or improvements, including driveways, patios, decks, and walkway. There shall be further provided to the Committee sufficient building elevations and landscape plans, including a statement of exterior building materials and proposed exterior colors, to allow the Committee to appropriately and accurately evaluate what is proposed for construction on the Lot. The location of the proposed well and septic tank system shall also be delineated. The owner of the lot shall also submit a review fee of \$500.00 to the Committee and which shall be retained by the Committee. The survey, building elevations, and landscape plans shall be of reasonable professional quality, although there is no specific requirement for plans being drawn by an architect. There shall be submitted two copies of all information required to be submitted.

The owner of each Lot shall notify the committee of the identity of the general contractor proposed for construction of any major improvements on any Lot. Major improvements shall be all improvements of a reasonable construction cost of \$10,000.00 or more. The owner of each Lot shall include with the name of the contractor a statement as to the classification of contractor's license held by such contractor and the address and telephone number of the contractor. This information shall be submitted to the Committee at least fifteen (15) days prior to commencement of construction. No primary structure may be constructed by the owner of a Lot unless said owner or his General Contractor holds a valid contractor's license applicable to such structure.

**B. Standards for Approval.** Within thirty (30) days after receipt of all required information, the Committee shall notify in writing the owner of the Lot whether or not the requested improvements are approved. Unless a response is given by the Committee within thirty (30) days, the plan shall be deemed approved. The response of the Committee may be an approval, a denial, an approval with conditions, or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approval by the owner of the Lot of the conditions imposed. No response shall be required from the Committee unless a submission contains, on its face, the information required to be submitted as more fully set out herein before.

The Committee shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the Committee:

(1) that the improvements sought to be constructed will not have negative economic impact on any other property with Coral Bay Ridge; and

(2) that all required specific building standards and other conditions contained within the Protective Covenants and other applicable legal documents have been met; and

(3) that the improvements are architecturally compatible with proposed or constructed improvements on other properties within Coral Bay Ridge; and

(4) that the natural features of the Lot have been retained to the maximum extent feasible; and

(5) that the impervious surface limitation coverage proposed on each Lot is consistent with the requirements of the North Carolina Division of Environmental Management, Coastal Stormwater Regulations as more fully set out hereinafter.

Notwithstanding the procedures contained within this Section, review of proposed minor construction or proposed improvements to existing structures, or minor landscaping, may be delegated to a subcommittee and may be reviewed in accordance with abbreviated procedures adopted and published by the Committee from time to time.

**C. Right of Appeal.** Any owner disagreeing with the findings of the Committee may appeal the decision to the Board of Directors of the Association by giving written notice of the appeal to the President of the Association within fifteen (15) days following receipt of notice of denial (or notice of imposition of conditions unacceptable to said owner). The Board of Directors of the Association shall then review the plans, giving the Chairman of the Committee the opportunity to present to the Board of Directors of the Association specific reasons why the plans were denied, in the presence of the owner or his agent, and the owner or his agent may present information challenging the findings of the Committee. The decision of the Committee shall only be overridden by unanimous vote of the Board of Directors of the Association.

**D. Notices.** All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested, to Coral Ridge Home Owners Association, 2304 Wesvill Court, Suite 380, Raleigh, NC, 27607 (or to such other address as may be later given by written notice to the owners), and the Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Committee and the other shall be returned to the applicant.

## 6. ASSOCIATION.

**A. Membership.** The owner or owners of every Lot shall be a voting member of the Association. However, only one vote shall be allowed per Lot. To the extent that there is more than one owner of any one Lot, said owners shall determine among themselves, and designate, one voting member, which voting member shall cast the vote allocated. If the owners cannot agree amongst themselves, the Board of Directors of the Association shall determine and designate a voting member from among the owners. The Association shall be governed by a Board of Directors, selected in accordance with the By-Laws of the Association, and the Association shall operate and do business in accordance with the terms of its By-Laws. The

Board of Directors of the Association shall select the Architectural Review Committee in accordance with the By-Laws.

**B. Streets.** Declarant shall construct all streets within Coral Bay Ridge to standards specified by the State of North Carolina for minor, residential streets, as approved by the Carteret County Planning Department, provided that said streets shall be private and after being deeded by Declarant to the Association, the maintenance of the streets in good and passable condition shall be the responsibility of the Association.

**C. Association Property Ownership and Maintenance.** The Association shall have the responsibility of maintaining in good condition all Association Property and improvements thereon when and if conveyed to the Association in accordance with the provisions of these Protective Covenants, and thereafter shall be responsible for adopting rules and regulations governing utilization of such Association Property (subject to the limitations contained herein). To the extent deeded to the Association, the Association shall be obligated to accept ownership of all Association Property and/or Recreation Areas designated on any recorded subdivision plat of any portion of Coral Bay Ridge subject to the terms and provisions of these Protective Covenants, including, but without limitation, the rights of way of all streets and the Water Access, including any dock or pier extending therefrom.

There shall be a continuing restriction on the 20' Water Access prohibiting the cutting or removal of trees within the access area, unless the same require removal due to damage or disease. A walkway area no wider than 10' shall be clearcut and maintained by the Association; the remaining areas shall be maintained in a well-kept but natural state.

**D. Services and Assistance of the Association.** To the extent necessary, the Association may employ personnel necessary to perform its obligations or needed to benefit the owners of Lots within Coral Bay Ridge. The Association shall have the obligation to provide for itself and for the benefit of each owner all necessary professional services to promote the proper maintenance of all Association Properties and to provide the smooth, proper and legal administration of the Association. These services may include the services of an engineer, lawyer, accountant, or other professional. The Association is specifically authorized to provide such other incidental services for the benefit of Coral Bay Ridge and in the management of the Association as deemed reasonably necessary by the Board of Directors of the Association. The Association shall maintain specific Association Properties in accordance with standards established by the Declarant in any amendment to these Protective Covenants or in any deed of conveyance to the Association.

The Association shall have the optional authority to provide any service it believes desirable, including, but not limited to cable television, waste collection or utility service. Such services may be provided by the Association directly, by a subsidiary owned by the Association or by contract with a third party. Assessments may be collected from Lot owners to pay for the provision of such services. Such services must be for the benefit of owners of Lots.



**E. Reserves.** The Association shall maintain a capital reserve fund for private street repair, maintenance, and replacement, and for repair, maintenance and replacement of the dock in the event that such maintenance and/or replacement becomes necessary. However, reserve funds for improvements or structures located on Association Properties need not be maintained until such time as such improvements have been constructed and conveyed to the Association. Following such construction and conveyance, the Association shall maintain reasonable reserves for replacement of depreciable tangible assets. The determination by the Board of Directors of the Association as to the reasonable reserves to be maintained shall be binding on the owners of all Lots.

**F. Dues and Assessments.** In order to fund the Association's obligations, the owner of every Lot is obligated and bound, whether or not expressly stated in any instrument of conveyance, to pay the Association the following:

- (1) annual charges or dues, including Supplemental Dues; and
- (2) special assessments; and
- (3) fees, charges or deposits as specifically authorized by these Protective Covenants, including but not limited to Pre-construction Deposits.

All such assessments, dues and fees, together with any interest thereon, shall be a charge on the Lot and shall be a continuing lien upon the property against which such charges are made. Liens shall be filed in the manner of a mechanic's or materialmen's lien under North Carolina General Statutes. The due date shall be the first day of the fiscal year of the Association, as to Annual Dues and Supplemental Dues; and the date established for payment of a special assessment, as more fully set out hereinafter. Any such lien may be enforced in the manner of a deed of trust with power of sale, as allowed by North Carolina General Statutes, through a foreclosure proceeding. This instrument shall be deemed to give to the President of the Association, or his designee, said power of sale.

Annual dues shall be in an amount determined by a majority vote of the Directors of the Association. Supplemental Dues shall be determined as specified by these Protective Covenants and amendments hereto. The initial annual dues for each unimproved or improved Lot shall be \$35.00 per month payable in a manner and place to be determined by the Board of Directors. The pro-rata dues shall be paid by the purchaser of a Lot as of the closing date. The annual dues may be altered for any fiscal year of the Association beginning with the fiscal year commencing January 1, 2004. Contribution to reserve shall be a component of the Annual dues.

Any particular charge or expense incurred by the Association due to the actions or inactions of a particular owner, such as, but not limited to, the obligation of the Association to clean or clear any Lot as allowed by these Protective Covenants, following failure of the owner of such Lot to do such required action, may be assessed as Supplemental Dues against the owner of said Lot, and utilizing all processes and procedures as allowed for the collection of Annual Dues.

Prior to the commencement of any construction on a subdivision Lot, (other than minor construction), a Pre-construction Deposit in the amount of \$1,000.00 (in addition to the \$500.00 application fee) shall be paid to the Architectural Review Committee for the Association, to

cover any damage to or destruction of Association property, including, but not limited to the subdivision streets, caused by such construction. At the time of completion of construction, upon application of the Lot owner, and no damage having been incurred by the Association, the Committee shall refund all of the Pre-construction Deposit.

A special assessment may be levied from time to time by vote of a minimum of 70% of the total votes cast in any regular or special meeting, called in accordance with the By-Laws. A special assessment may be made for any purpose for which expenditures are allowed in accordance with this Declaration. The resolution approving a special assessment shall specify the date payable. All special assessments shall be assessed equally against all lot owners.

**7. ENFORCEMENT.** These Protective Covenants, including any amendment hereto, may be enforced by any individual Lot owner; by the Association, upon approval by its Board of Directors; or by Declarant, as long as Declarant owns any property within Coral Bay Ridge. Appropriate remedies shall include, but are not limited to, specific performance. In any action to enforce these Protective Covenants, including any action to collect dues or assessments, whether regular, special or supplemental, or to foreclose upon any real property for non-payment of such dues for assessment, all costs associated with said collection, including court costs and reasonable attorney's fees, shall be collected as an additional charge. In addition, interest at the rate of eighteen percent (18%) per annum shall be collected from the due date of any dues or assessment, until paid in full.

The State of North Carolina is given specific authority to enforce these Protective Covenants to the extent necessary to cause compliance with the impervious surface limitations imposed by the North Carolina Coastal Stormwater Regulations. The remedies available to the State of North Carolina include, without limitation, the remedy of specific Performance. None of the impervious surface limitations contained herein may be altered without the prior approval of the State of North Carolina.

**8. SETBACKS.** All setback and building restriction areas, and allowable building areas, as shown on any subdivision plat of any lot within Coral Bay Ridge shall be incorporated herein by reference. The setback and building restriction areas may be varied by the Committee for good cause, except that no setback imposed by the Town of Atlantic Beach, County of Carteret or the State of North Carolina can be waived by the Committee without there first being granted a variance by the appropriate governmental authority.

**9. AMENDMENTS.** These Protective Covenants shall continue in full force and effect until 12:00 noon on December 31, 2024, at which time they shall automatically extend for additional successive periods of ten (10) years, unless a document terminating or modifying these Protective Covenants is recorded in the office of the Register of Deeds of Carteret County, which amendment shall require approval by the owners of sixty-seven percent (67%) of the Lots subjected to these Protective Covenants (including any amendments hereto). No amendment shall alter the rights or obligations of Declarant without Declarant's written consent. No amendment shall become effective until recorded in the office of Register of Deeds of Carteret County. Notwithstanding these limitations, Declarant, without joinder of any party and without approval of either the Association or any owner of any Lot, may correct any obvious error,

including clerical or typographical error, contained in these Protective Covenants by recording a Corrected Declaration in the office of the Register of Deeds of Carteret County.

**10. BINDING EFFECT.** All covenants, restrictions, reservations, easements and privileges contained herein shall run with the land and the grantee, by accepting any deed to any portion of such land subjected hereto, accepts the same subject to these Protective Covenants and its terms and conditions and agrees for himself, his heirs, successors and assigns, to be fully bound by each and all of the terms and conditions of these Protective Covenants, jointly, separately, and severally.

**11. RESERVATION OF RIGHTS.** Any utility easements reserved as shown on any recorded plat shall be available for utilization by Declarant, authorized utility companies (including the County) or by the owner of any Lot or Living Unit within Coral Bay Ridge, for the purposes of providing utility services or necessary drainage, but as to use by any Lot or Living Unit owners, only upon approval of the Association given by its Board of Directors.

**12. RESUBDIVISION.** No resubdivision of any single Lot shall be allowed, if any resulting Lot will be smaller in size than any of the Lots resubdivided, prior to resubdivision, except that nothing contained herein shall prohibit the owner of a Lot from conveying by deed or easement a portion of a Lot to an adjoining Lot owner for the purpose of curing an encroachment or setback violation. Nothing contained herein shall prohibit conveyance of more than one Lot, or portions of contiguous Lots, as long as the resulting Lot or Lots are greater than those originally subdivided. The deed of conveyance of any such resubdivided or recombined Lots shall restrict the construction thereon to one Living Unit per redivided Lot, so that the maximum number of homes which can be constructed within Coral Bay Ridge shall not increase. Upon the recombination of any Lots to reduce the total number of allowable building Lots within Coral Bay Ridge for purposes of membership in the Association and for purposes of the payment of dues and assessments, any recombined Lots shall be considered a single lot upon recordation of a plat so showing in the office of the Register of Deeds of Carteret County. Furthermore, should any Lot be determined by Declarant to be unbuildable, and should such Lot then be decded to the Association as Association Property, or dedicated by the Declarant as recreation or open space area for the benefit of the Association, all by document duly recorded in the office of the Register of Deeds of Carteret County, there shall be no further dues or assessments owed from the date of such recordation; however, any dues prepaid shall not be reimbursed.

**13. ENTRANCEWAY.** Declarant may construct or cause to be constructed signage, landscaping, fencing, or other structures. Any of such improvements shall be considered for all purposes Association Property, and shall be maintained in good and sightly condition at all times by the Association.

**14. RULES.** The Board of Dirctors may from time to time establish rules for use of any property within Coral Bay Ridge in order to protect the value of Lots, the aesthetic qualities of the Community and the tranquility of the owners. Said rules may include, but are not limited to, reasonable restrictions on pets, rental use of homes, use of the common dock and prohibitions against the parking of cars, trailers, boats, campers and other vehicles in the front yard of Lots and upon the subdivision streets. All such rules shall be effective after written notice of adoption

is mailed to the record owners of all Lots and Living Units as of the date of adoption of such rule. All such rules shall be enforceable as though set out within these Protective Covenants. It is specifically reserved to the Association the right to allocate on an equitable basis, determined solely by the Association, competing use rights for Association Property, including the right for short term and long term utilization of the common pier or dock, the right to utilize any other structures or amenities constructed from time to time on any of the Association Property. Furthermore, the Association is specifically granted the right to charge user fees for the use of any such improvements located on Association Property, including, without limitation, the right to utilize the common dock or pier, for exclusive, private functions. Any such fees may be collected as Supplemental Dues.


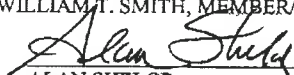
**15. UTILITY AND DRAINAGE EASEMENTS.** Are specifically reserved utility easement adjacent to street right-of-ways, which easements are shown and depicted on the recorded Plats previously described. These easements may be utilized by any public utility providing service to the development.

The owner of each Lot is further required to cause all utilities extending from any adjacent street right-of-way to be extended to said owner's Lot underground. The owner of each Lot is hereby directed to grant any utility company requesting the same the necessary easements to allow underground service to be provided to all structures on said owner's Lot.

**16. DECLARANT'S DUES.** Notwithstanding any other provision contained herein, Declarant shall not be obligated to commence paying dues on any Lot owned by Declarant, until the fiscal year commencing January 1, 2005, after which time Declarant shall pay dues on all Lots owned by it.

No amendment to these Covenants affecting in any way the dues payable by Declarant, or any rights or obligations reserved to Declarant, may be adopted as long as Declarant owns any Lot within Coral Bay Ridge, without the express, written consent of Declarant.

IN WITNESS WHEREOF, the undersigned have executed this DECLARATION under seal as of the day and year first above written.

CORAL BAY RIDGE, LLC  
BY:   
WILLIAM T. SMITH, MEMBER/MANAGER  
  
ALAN SHELOR

Alan Shelor joins in these Covenants as the owner of Lot 7 of Coral Bay Village, as the same is shown in Map Book 30 at Page 96, of the Carteret County Registry and specifically imposes these Covenants upon said Lot, which Covenant shall thereafter be appurtenant to said Lot.

17  
BOOK 1021 PAGE 36

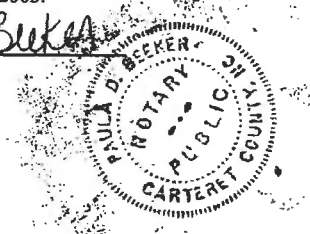
STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, a Notary Public, certify that William T. Smith, personally came before me this day and acknowledged that he is a Member/Manager of Coral Bay Ridge, LLC., a North Carolina Corporation, and that he, as Member/Manager being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 3<sup>rd</sup> day of October, 2003.

Paula D. Beeker  
Notary Public

My Commission Expires:  
2-16-08



STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, a Notary Public for said County and State, do hereby certify that Alan Shelor personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 3<sup>rd</sup> day of October, 2003.

Paula D. Beeker  
Notary Public

My Commission Expires:  
2-16-08

