

**DECLARATION OF COVENANTS CONDITIONS RESTRICTIONS AND  
EASEMENTS  
OF  
CRYSTAL SHORES**

This Declaration of Covenants, Conditions, Restrictions and Easements of the "Crystal Shores" subdivision is made and entered into as of the 8th day of December, 1994, by and between Land One Development, Inc., a North Carolina corporation, and all owners and prospective owners of Lots 1 through 52 of the Crystal Shores subdivision, as shown on the map recorded in Map Book 28, Page 712, in the office of the Register of Deeds for Carteret County, North Carolina.

**WITNESSETH:**

WHEREAS, Land One Development, Inc. (hereinafter called Declarant) is the owner of the Lots and Community Use Areas constituting the Crystal Shores Subdivision in Carteret County, North Carolina, more particularly described on the map recorded in Map Book 28, Page 712 in the office of the Register of Deeds for Carteret County; and

WHEREAS, Declarant is developing Crystal Shores as a single-family residential community and intends by the recordation of this Declaration to impose the covenants, conditions, restrictions and easements contained herein (hereinafter sometimes referred to as the "Restrictions") on the property described above to the end that the Lots and Community Use Areas described therein shall be held subject to the Restrictions;

NOW, THEREFORE, Declarant does hereby declare that the Covenants, Conditions, Restrictions and Easements contained herein shall run with the Lots and Community Use Areas described herein; they shall be a burden on and a benefit to such Lots and Community Use Areas; they shall be binding on all parties having or acquiring any right, title or interest in the Lots or any part thereof and upon the Owners Association described herein; and they shall inure to the benefit of each Owner and to the Owners Association.

**I. DEFINITIONS**

As used herein:

1. "Articles" means the Articles of Incorporation of Crystal Shores Owners Association, Inc.
2. "Board of Directors" means the Board of Directors of Crystal Shores Owners Association, Inc.
3. "Bylaws" means the Bylaws of Crystal Shores Owners Association, Inc.
4. "Committee" means the Architectural Committee.
5. "Community Use Areas" means all real property and personal property, interests in real property and personal property, including without limitation all the facilities and

improvements now owned or hereafter acquired by the Owners Association for the common use and enjoyment of all of the Owners. The Community Use Areas to be owned by the Owners Association initially are the areas described in Attachment A which is attached hereto and incorporated herein by reference and the various easements described and granted herein.

6. "Declarant" means Land One Development, Inc., its successors and assigns.
7. "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements of Crystal Shores and any amendments hereto.
8. "Dwelling" means a structure located on a Lot and built in accordance with the requirements of this Declaration.
9. "Eligible Mortgage Holder" means the holder of a first mortgage or first deed of trust on a lot who has requested in writing that the Owners Association notify them of any proposed amendment to the Declaration, the Articles or the Bylaws.
10. "Lot" means a separately numbered tract of land described above or hereinafter brought within the jurisdiction of the Owners Association. At the present time, the lots are numbered Lots 1 through 52 as shown on the plat entitled "Map of Crystal Shores" recorded in Map Book 28, Page 712, Carteret County Registry.
11. "Owner" and "Owners" means the record owner(s), whether one or more persons, of a fee or undivided fee interest in a Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
12. "Owners Association" means Crystal Shores Owners Association, Inc.
13. "Person" or "Persons" means any individual, association, trust, corporation, partnership or any other entity, including any combination thereof.
14. "Recreational Areas" or "Recreation Area" means those portions of the Community Use Areas which are to provide places for Owners to engage in recreational activities and which are not necessary for ingress, egress or utilities for any Lot or Owner, including the baseball and soccer fields and the trail shown on the map recorded in Map Book 28, Page 712 in the Carteret County Registry.
15. "Subdivision" means all of the property defined herein as Lots and Community Use Areas and such additional lots and community use areas which may hereafter be brought within the jurisdiction of the Owners Association.

## II. MEMBERSHIP IN THE OWNERS ASSOCIATION

1. A corporation named Crystal Shores Owners Association, Inc. (the "Owners Association" or "Association") has been or will be formed under the direction of Declarant pursuant to

the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners. The purposes of the Association are:

- a. to own, manage, maintain, operate, improve, repair and replace as needed the Community Use Areas and all flora, structures and facilities located within the Community Use Areas;
  - b. to enforce the Restrictions contained herein and any amendments hereto; and
  - c. to make and enforce such rules and regulations not inconsistent herewith, governing the use and occupancy of Lots and Community Use Areas as it deems reasonably necessary to preserve, protect and improve the Subdivision, to fulfill the purposes of a family-oriented residential development, and to alleviate or remove nuisances, hazards and other activities which disturb or threaten to disturb the tranquility of the Owners or diminish or threaten to diminish the value of their Dwellings or Lots.
2. Each and every Owner, upon accepting a deed to a Lot, covenants and agrees with the Declarant and the Owners Association, as follows:
- a. each Owner will perform all acts necessary to remain in good and current standing as a member of the Owners Association;
  - b. each Owner acknowledges, accepts, approves and agrees to abide by these Restrictions; and
  - c. each Owner shall abide by the rules and regulations promulgated from time to time by the Owners Association.
3. Each membership in the Owners Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot. The books and all supporting documentation of the Owners Association, these Restrictions, the Articles and the Bylaws of the Owners Association, and all amendments thereto, shall be available for examination by all Owners and their lenders or their agents during normal business hours upon reasonable notice at an office within Carteret County, North Carolina.
4. The Owners Association shall have one class of members. Every Owner shall be a member and shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in a Lot, whether as tenants in common or tenants by the entirety, as in the case of husband and wife, all such persons shall hold the single membership with regard to such Lot in undivided interests. The vote of such multiple owners of a lot shall be exercised as they, among themselves, shall determine, but in no event shall any fractional vote be counted or more than one vote be cast with respect to any Lot. The Owners Association, if requested to do so by any one of the several owners

of a Lot, may require written authority when receiving a vote from two or more owners of a single Lot but, in the absence of a request from one of the owners, it will be proper to accept the representation of authority to vote and the vote from any one of such owners.

5. Notwithstanding the foregoing provision which grants to each Owner a single vote in the affairs of the Association, through the year 1997 Declarant shall have three votes for each Lot to which it has not transferred title. **Effective January 1, 1998 the Owners Association will have complete control of the Association and all lot owners will thereafter have one vote per lot. [Amended March 1, 1996]**

**5. RECOMBINATION OF LOTS.** In the event a lot owner other than the Declarant owns two or more lots which adjoin and has constructed or placed a residential structure or other improvements thereon so that use of the lots is restricted to not more than one single family lot and the remaining lots are unbuildable, or two or more adjoining lots are owned but the same are occupied by only one single family residence and the remaining lots have wetlands, soil conditions or similar conditions that prevent use of the remaining lots for separate residential use, then the Association upon written application from the lot owner may approve the recombination of the lots into one lot. Upon such approval the lot owner shall be deemed to only have one lot and only one vote for that lot under the provisions of paragraph 4 above, and shall be obligated to pay dues for the one combined lot in accordance with subparagraph 2(a) in Article VI hereafter. Provided, that in the event conditions change, one or more lots become buildable or structures are removed so that the lot owner may use more than one lot, the Association Board may terminate approval of the recombination of the lots for purposes of voting and assessments and the lot owner shall then have one vote for each lot owned and shall owe assessments for each lot owned in accordance with these Covenants as determined by the Board of Directors. [Amended October 21, 2005; note there was already a paragraph 5]

### III. MANAGEMENT

1. The management of the Subdivision shall be the primary responsibility of the Owners Association. The Owners Association shall be responsible for enforcing this Declaration, and the Bylaws and rules promulgated thereunder, and for the maintenance, management, improvement, repair and replacement of the Subdivision's roads, utilities, signs, trails, recreation areas and facilities, and the other improvements and amenities within the Community Use Areas. The management shall be carried out in accordance with the terms and conditions of this Declaration, and the Bylaws.
2. ~~During 1994, 1995 and 1996, the management of the Community Use Areas will be conducted by the Declarant as the asset manager for the Owners Association.~~ During the period 1994 through 1997, the management of the Community Use Areas will be conducted by the Declarant as the asset manager for the Owners Association. [Amended March 1, 1996] Thereafter, the Owners Association will determine whether to conduct the day-to-day management itself, with Owners as volunteers, or to contract the management functions to an outside entity.

3. The Declarant will appoint an initial Board of Directors to complete the organization of the Owners Association and to provide management of the Association's affairs until replaced. Starting with the annual meeting of the Association in 1995, a Board of Directors consisting of five persons who are Owners will be elected by the membership. ~~The members of the Board will serve staggered terms of three years in order to achieve continuity; and to establish the staggered terms, there will be one and two year terms for directors elected in 1995.~~ The members of the Board will serve staggered terms of two years in order to achieve continuity. [Amended May 29, 2024] The election of at least one member of the Board will be conducted each year at the annual meeting of the Owners Association which is to be conducted at such time and place within Carteret County as the Board directs. The Bylaws will determine the remaining details of the organization and service on the Board.
4. The Owners Association shall also be responsible for the making and enforcement of rules governing Owners and all other persons within the Subdivision, whose conduct would either violate or threaten to violate these Restrictions, or who create or threaten to create a nuisance to any Owner(s), or damage, waste or threaten to damage or waste any personal or real property which is or is to become part of the Community Use Areas or is otherwise the property of the Owners Association.

The Owners Association Board of Directors is authorized and empowered to adopt and enforce reasonable rules and regulations not in conflict with these restrictions and covenants regarding the use, appearance, and enjoyment of the private streets, community use areas and recreational areas, subject to these rights of a majority of the lot owners to make changes to the same from time to time. Copies of such rules and regulations shall be furnished to all lot owners by the Board promptly following adoption of the same. The Board is also authorized to adopt and enforce rules and regulations regarding the placement of trash cans, the parking of vehicles, boats and recreational vehicles on or near streets, the cutting, removal or sprucing up of trees, shrubs and vegetation on or near streets or community areas, and other such measures designed to enhance the "curb appeal" of the subdivision and the appearance of the streets, community areas, recreational areas and lots within the subdivision.

The Board of Directors shall be responsible for enforcing the rules governing lot owners and other persons within the Subdivision, whose conduct would either violate or threaten to violate these Restrictions, or who create or threaten to create a nuisance to any Owner(s), or damage, waste or threaten to damage or waste any personal or real property which is or is to become part of the Community Use Areas or is otherwise the property of the Owners Association. [Amended October 21, 2005]

5. The initial Board of Directors of the Owners Association will adopt a set of Bylaws not inconsistent herewith which will govern the officers, directors and activities of the Association. Whenever a procedural matter is not resolved by this Declaration or the Bylaws, it shall be resolved in accordance with Roberts Rules of Order. Substantive matters not resolved by this Declaration or the Bylaws will be resolved by the Association membership as by law provided.

6. The Owners Association will indemnify and hold harmless the officers and directors of the Association from any liability arising out of their service, except for intentional wrongdoing. The Board is authorized to obtain insurance to fund such indemnity at the expense of the Association.

#### IV. COMMUNITY EXPENSES

The community expenses of the Subdivision will be borne by the Owners Association, to wit:

1. All amounts needed to manage, maintain, repair, replace and improve the Community Use Areas including, but not limited to, the portions thereof which are for athletic and recreational uses;
2. All amounts expended for insurance regarding the ownership or use and any damage or injury to persons or property, of, on, regarding, or affecting the Association or the Community Use Areas and all the facilities therein.
3. All amounts expended by the Association for legal, management, engineering and architectural fees;
4. All other costs and expenses which may be incurred by the Association from time to time in performing duties and functions described in this Declaration;
5. All amounts expended by the Owners Association to enforce these Restrictions, or its Bylaws and rules promulgated thereunder; and
6. Any property taxes and assessments which may be levied from time to time by any governmental authority upon the Community Use Areas.

#### V. ANNUAL BUDGET AND CAPITAL IMPROVEMENT FUND

1. The Board of Directors of the Owners Association shall establish an annual budget in advance for each year beginning with the year 1996. The budget shall project all expenses for the Owners Association and the Community Use Areas, including a reasonable allowance for contingencies. The budget shall take into account the projected income. The Board of Directors shall keep separate accounts for the items relating to the management and maintenance of the Association and Community Use Areas, and those relating to capital improvements. Upon adoption of the annual budget by the Board of Directors, copies of the budget will be delivered to each Owner and, for years beginning with 1997, the general assessment for each year shall be established, subject to the restrictions and limitations provided herein, based upon such budget; however, the non-delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for such assessment.

2. Upon the formation of the Owners Association, a Capital Reserve Fund will be established to pay or help to pay for the future repair and replacement of capital improvements in or to the Community Use Areas. One source of funding for the Capital Reserve Fund will be a transfer fee payable each time a Lot or Dwelling is sold (including sales by Declarant). Initially, the amount of the transfer fee will be \$200.00. ~~The Board may vary the amount of the transfer fee under the same restrictions as are applicable (and set forth below) to increase in the amount of Special Assessments.~~ The Board may vary the amount of the transfer fee by vote of a majority of the Directors serving, but shall not increase the transfer fee by an amount greater than 15% of the amount in the previous year unless the proposed increase is approved by a vote of a majority of the members voting in person or by proxy at a duly called regular or special meeting at which a quorum is present provided notice was duly given that such an increase would be considered at such meeting.-[Amended May 29, 2024] Each seller of a Lot or Dwelling will be responsible for the transfer fee, which will be due and payable at the closing of every sale, but the seller may require the buyer to pay the fees. The Capital Reserve Fund will be kept in a separate account and interest earned on the account will belong to the Fund.

## VI. ASSESSMENTS

1. The Owners Association, as herein provided, is authorized to impose and enforce general assessments, special assessments, delinquency special assessments and lot transfer fees.
2. There will be general assessments established and paid to the Owners Association by the Lot Owners in accordance with the following provisions.
  - a. The annual budget shall be divided by the number of Lots subject to the general assessments at the time of the annual meeting of the members and the quotient shall be the general assessment per Lot for the succeeding fiscal year.
  - b. Subject to the limitations provided herein, the Declarant and each Owner of any Lot by acceptance of a deed for same (whether or not it shall be so expressed in such deed) agrees and is deemed to agree to pay to the Owners Association periodic general assessments as herein provided. The general assessments, together with interest, costs and reasonable attorneys' fees, shall be a continuing lien upon all Lots. Furthermore, each general assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of each person who was an Owner (alone or with others) of a Lot at the time when the assessment fell due. Notwithstanding the lien on each Lot for delinquent assessments which shall continue as such until paid from Owner to each successive Owner or Owners, the personal obligation for delinquent general assessments shall not pass to a successor in title to a Lot unless expressly assumed by the successor.

- c. Notwithstanding any other provision hereof, there will be no general assessments during 1994 or 1995 and for the year 1996 the general assessment per Lot shall be \$240.00.
- d. Declarant shall be responsible for paying all costs associated with the management, maintenance and repair of the Community Use Areas through December 31, 1995. For the calendar year 1996, with respect to such maintenance and repair but not with respect to management, Declarant will pay up to half of all such costs and expenses to the extent that the general assessments payable by Lot Owners is insufficient to pay all thereof; and, to the extent that the receipts from general assessments are insufficient to pay even half of such costs and expenses, Declarant will advance the remainder of the funds required for the Community Use Areas, which advances will be reimbursed out of the general assessments payable in 1997. After 1996, the Owners Association will be fully responsible for all such costs and expenses.
- e. After 1996, the general assessment shall not be increased by an amount greater than 15% of the amount in the previous year, unless the proposed increase is approved by a vote of a majority of the members voting in person or by proxy at a duly called regular or special meeting at which a quorum is present provided notice was duly given that such an increase would be considered at such meeting.
- f. Once the general assessment has been set, notice of the general assessment shall be given to all Owners by hand delivery or by placing written notice in the U.S. Postal Service with postage prepaid to the last address shown on the Owners Association's records. After such notice of the assessment, no bills for such assessment need be sent to any Owner or member but such assessment thereafter shall be due and payable quarterly or less often as determined by the Board of Directors.
- g. Notwithstanding any other provisions contained herein, until the first quarter of 1997 Lots owned by the Declarant shall not be subject to the general assessments due on Lots; provided, however, this exemption shall cease and terminate as to a particular Lot upon the Lot being conveyed by the Declarant to a purchaser for value. Upon termination of the exemption on a particular Lot due to the conveyance of the Lot to a purchaser for value, the Lot shall become subject to the general assessment then being levied on other lots beginning on the first day of the month following conveyance, which shall be deemed complete when the deed has been delivered to the purchaser. **If as and when the laws or governmental regulations applicable to the Subdivision prohibit any advantage obtained by the Declarant as a result of the foregoing exception to the assessment process in favor of the Declarant, then in the calculation of the sums payable by the Declarant to the Owners Association there will first be deducted from assessments payable, all of the costs of maintaining Common Areas during the period 1994 through 1996 which were paid by the declarant to third parties plus the reasonable value of such maintenance performed by the Declarant without prior charge to the Association.**

[Amended March 1, 1996] The Declarant will be responsible for the Lot Transfer Fee being collected on original sales of Lots.

- h. Written notice of any regular or special meeting which will consider an increase of more than 15% in the general assessments shall be sent to all members not less than 30 days, nor more than 70 days, in advance of the meeting. At the first such meeting called, the presence of members and/or proxies entitled to cast 60% of all of the votes of the members entitled to vote on the matter shall be required for and shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to a second written notice to all members not less than seven days prior to the second meeting, and the required quorum at the second meeting shall be reduced to 40% of all the members entitled to vote on the matter present in person or by proxy. No such second meeting shall be held more than 35 days following the first meeting.
- i. The general assessments provided for herein shall commence on January 1, 1996. The general assessments shall be payable quarterly or less often, but not less than annually, as determined by the Board of Directors. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Owners Association within 30 days of the due date for such payment. When in default, the delinquent assessment shall bear interest at the rate of 10% per annum, or the lesser maximum rate permissible by applicable law, if such rate is less than 10% per annum, until such delinquent assessment and all interest due thereon has been paid in full.
- j. The Owners Association shall, upon request of an Owner and for a reasonable charge, furnish a certificate signed by an officer of the Owners Association setting forth whether the Owner's general assessments on a specified lot have been paid to date and, if not, the balance owed. A properly executed certificate of the Owners Association as to the status of general assessments on a Lot is binding upon the Owners Association as to a purchaser from the Owner or a mortgagee who relies upon its accuracy as of the date of its issuance, but shall not be binding as to the Owner during whose ownership arrears were accumulated.
- k. Except for a mortgage or deed of trust given to a selling Owner to secure a balance of purchase money note, the lien of the general assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust, and to any other mortgage or deed of trust senior in time of recordation to the time of default. Private sale or transfer of any Lot shall not affect the general assessment lien. The sale or transfer of any Lot pursuant to foreclosure of a first mortgage, first deed of trust, or any other mortgage or deed of trust senior in time of recordation to the time of default, or any proceeding in lieu thereof, shall extinguish the lien (but not the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due) of such monthly general assessments as to payments which became due prior to such sale or transfer. The Owners Association shall have a lien upon the Owner's proceeds

from any sale of a Lot after payment of first and senior indebtedness; which lien may be perfected by the recordation of notice in the public registry or by written notice of the lien and the amount it secures to the closing agent. No sale or transfer shall relieve such Lot from liability for any general assessments thereafter becoming due or from the lien thereof.

3. Starting in 1997, special assessments may be levied whenever the funds in the Capital Improvement Fund are deemed insufficient to pay for immediately needed or foreseeable repairs or replacements of any roads, utilities, structures, fixtures, facilities or equipment constituting a part of the Community Use Areas. Such special assessments may be levied either as stated herein in the following Subsection, or as hereafter stated in the Bylaws, provided that all special assessments must be subject to approval by the Association.
4. Subject to approval by a majority vote of the members present and entitled to vote on the issue in person or by proxy, at a duly called regular or special meeting at which a quorum is present after written notice of the issue as provided below in Subsection 7 of this Section, the Board of Directors may levy and impose special assessments on all the Lots in the Subdivision.
5. In addition, delinquency special assessments may be assessed against a specific Lot to pay for or reimburse the Owners Association for paying the cost of curing a violation of the Restrictions, including such things as, for example, a failure of an Owner to maintain a Lot and to remove any unsightly accumulation of weeds or underbrush (other than on undeveloped lots), debris, wreckage, garbage or rubbish from the Lot. Such delinquency special assessments may not be levied without a majority of the Directors serving on the Board of Directors voting in favor of same, but delinquency special assessments shall not require membership approval.
6. All special and delinquency special assessments, together with interest, costs and reasonable attorneys' fees, shall be a continuing lien upon each Lot against which such assessment is made. Furthermore, each such assessment, together with interest, courts costs, and reasonable attorneys' fees, shall be the personal obligation of each person who was an Owner of the subject Lot at the time when the assessment fell due. The personal obligation for such assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, such assessments shall continue to be a lien upon such Lot.
7. Written notice of any regular or special meeting of the Owners Association which will consider levying and imposing special assessments shall be sent to all members entitled to vote on the issue not less than 30 days, nor more than 70 days, in advance of the meeting. At the first such meeting called, the presence of members and/or proxies entitled to cast 60% of all the votes of the members entitled to vote on the issue shall be required for and shall constitute a quorum. If the required quorum is not present, a second meeting may be called to take place after seven days' written notice of the issue, and the required quorum at the second meeting shall be 40% of the members entitled to vote on the issue

present in person or by proxy. No such second meeting shall be held more than 35 days following the first meeting.

8. Special assessments shall be fixed at a uniform rate for all Lots, except that Lots owned by the Declarant shall not be subject to special assessments until the first quarter of 1997 and subject to Declarant first receiving any reimbursement payable pursuant to Section VI Subsection 2.d. Delinquency special assessments shall not exceed the costs and damages incurred or to be incurred by the Owners Association to third parties, plus \$100.00 for administration.
9. The Owners Association shall, upon request of an Owner, and for a reasonable charge, furnish a certificate signed by an officer of the Owners Association setting forth whether the special assessments on a specified Lot have been paid. A properly executed certificate of the Owners Association as to the status of special assessments on a Lot is binding upon the Owners Association, as to a purchaser from the Owner, or a mortgagee, as of the date of its issuance, but is not to be binding as to the Owner. A single such certification may be used to include both general, special and delinquency special assessments.
10. Except for a mortgage or deed of trust given to a selling Owner to secure the payment of a balance of purchase money note, the lien of the special and delinquency special assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust, and any other mortgage or deed of trust senior in time of recordation to the time of default. Sale or transfer of any Lot shall not affect the lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first or senior mortgage or deed of trust or any proceeding in lieu thereof, shall extinguish the lien (but not the personal obligation of the person or persons who owned the Lot at the time the assessment fell due) of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer or foreclosure sale shall relieve any Lot from liability for any assessments thereafter becoming due or from the lien thereof.
11. When in default, assessments of all kinds shall bear interest at the rate of 10% per annum or the maximum rate permissible by applicable law if such rate is less than 10% per annum until such delinquent assessment and all interest due thereon has been paid in full.
12. All funds collected by the Owners Association shall be treated as the separate property of the Owners Association and may be applied by the Owners Association to the payment of any expense of operating and managing the Owners Association, or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws, except that funds placed in or earned in the Capital Improvement Fund shall be used only for the specified purposes of the Fund. As money for assessments is paid into the Owners Association by any Owner, the same may be commingled with money paid by the other Owners for the same purposes. Although all funds, including other assets of the Owners Association, and any increments thereto or profits derived therefrom or from the leasing or use of Community Use Areas, shall be held for the benefit of the members of the Owners Association, no member of the Owners Association shall have the right to assign, hypothecate, pledge or in any manner transfer

his membership interest therein, except as an appurtenance to his Lot. When the owner of a Lot shall cease to be a member of the Owners Association by reason of his divestment of ownership of such Lot, by whatever means, the Owners Association shall not be required to account to such Owner for any share of the funds or assets of the Owners Association, including any monies which such Owner may have paid to the Owners Association.

#### VII. NOTICE OF LIEN FOR ASSESSMENTS

1. General, special and delinquency special assessments, together with interest at the rate specified herein, costs of collection, court costs, and reasonable attorneys' fees, shall constitute liens against the Lots upon which such assessments are levied. If any assessment is not paid within 30 days after the date such assessment is due, the Owners Association may record a Notice of Lien on the subject Lot in the Office of the Clerk of Superior Court of Carteret County, and then or thereafter may file an action to collect such assessments and charges and to enforce the lien by a sale of the subject Lot. The Notice of Lien will contain a legal description of the subject Lot, the name of the Owner, a description of the assessment secured by the lien and the amount thereof, and be signed by two officers of the Owners Association. Without the written joinder of the Owners Association, executed by two of its officers, no Owner is empowered or authorized to release, waive or otherwise diminish the liability of anyone for the assessments provided for herein.

#### VIII. REMEDIES FOR NON-COMPLIANCE

1. In the case of failure of an Owner to comply with the terms and provisions contained in these Restrictions, or in the Articles or the Bylaws of the Owners Association, the following relief shall be available as remedies for such violation or default.
  - a. The Owners Association shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as the law permits.
  - b. If, after the written demand signed by Owners of at least ten Lots, the Board of Directors of the Owners Association fails to authorize and take action to cure a default hereof, such ten or more Owners may, as joint or representative plaintiffs, promulgate and prosecute any such action on behalf of the Owners Association. Such ten or more Owners shall bear all the costs of such action including attorneys' fees, subject to reimbursement out of the action if there are net proceeds sufficient to pay same after paying all other costs and expenses for which any claim could be made against the Association. Such ten or more Owners will indemnify and hold the Owners Association harmless from any and all losses, damages and expense claimed or incurred in or as a result of such action.
  - c. In case of a health or safety hazard the Board deems an emergency, or a continuing nuisance that the Board finds is preventing any Owner (who did not

cause or contribute to the nuisance) from the peaceful enjoyment of a Dwelling or any of the Community Use Areas, the Board of Directors may take self-help measures to allay the emergency or nuisance. The board in such instances will give reasonable notice to the Owners whose Lots or property are involved in such action before taking such measures, if feasible, otherwise but within two business days thereafter. If such emergency or nuisance is caused or contributed to by an Owner, the costs of such measures will be assessed as a delinquency special assessment against the offending Owners and their Lots.

- d. For all other such failures, defaults and violations, upon compliance with the notice and hearing requirements set forth below, and in accordance with any additional applicable provisions of the Bylaws, the Board of Directors shall take such action as it deems necessary to remove or terminate any continuing default or violation, and to assess the costs thereof as a delinquency special assessment to the offending Owner(s) and their Lots.
- e. If a default or violation is the nonpayment of any general, special or delinquency special assessment, upon compliance with the notice and hearing provisions specified below, and in accordance with any additional applicable provisions of the Bylaws, the Board of Directors shall have the right to suspend the offending Owner's voting rights in addition to all other remedies herein described, until the subject assessment is paid or found to be erroneous.
- f. The remedies provided by this Article are cumulative and are in addition to any other remedies provided by law.
- g. The failure of the Owners Association to enforce any restriction contained in these Restrictions, the Articles or Bylaws shall not be deemed a waiver of the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.
- h. (1) Notice. In the event of a violation of these Restrictions or the Bylaws or rules of the Owners Association, the Board of Directors shall serve the Owner with written notice personally delivered or sent by certified mail return receipt requested and the Owner (at the Lot address or at any other address or addresses that the Owner may have designated to the Owners Association in writing), which shall contain:
  - i. the nature of the alleged violation;
  - ii. the remedy and action to be taken, and any proposed sanction to be imposed;
  - iii. a statement that the Owner may challenge the fact of the occurrence of a violation, the proposed sanction, or both;

- iv. the name and address of a person to notify in writing to challenge the proposed action; and
- v. a statement that the action will be taken and the proposed sanction shall be imposed as contained in the notice unless a written challenge is received by the Board of Directors as specified in the notice within the time period specified therein, which period shall be 14 days or more from the date of the notice. However, if 80% of the members of the Board of Directors find and declare in a resolution that the violation is an emergency or otherwise presents a health or liability hazard, or a nuisance to any other owner who is not a participant in the nuisance, or a continuing unlawful act in violation of applicable laws, the Board of Directors may take immediate action to remedy the problem. If a challenge is not delivered to the Board, the action and sanction shall be deemed accepted and any challenge waived.

(2) **Hearing.** If the alleged violator challenges the proposed action within the time period allowed, a hearing before the Board of Directors shall be held affording the alleged Owner-Violator a reasonable opportunity to be heard. The hearing shall be set and notice of the time, date (which shall not be less than 14 days from the giving of notice unless the violation presents an existing or threatened emergency or otherwise presents a health, safety or liability hazard, or a nuisance to any other Owner who is not a participant in the nuisance, or continuing unlawful conduct (in which case the notice shall be as reasonable as possible under the circumstances), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged Owner-Violator. The effectiveness of any action or sanction hereunder will require proof of notice being entered in the minutes of the meeting. Such proof shall be deemed adequate only if a copy of the notice, together with the return receipt from the Postal Service or an affidavit of personal delivery is submitted to the Board of Directors at the beginning of the hearing. The notice requirement shall be deemed satisfied if the Owner-Violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the action taken or sanction (delinquency special assessment), if any, imposed.

- i. The remedies and enforcement rights herein reserved to the Board of Directors and the Owners Association are delegable by the Board to a Manager except that requirements of an 80% vote of the Board of Directors, or the execution of documents by an absolute majority of the Board, and the conduct of hearings, are mandatory actions by the Board, itself.

## IX. EASEMENTS

The following easements are granted, all of which shall be appurtenant to and run with the lands described herein, the Lots, and the community Use Areas, pass with the title to every Lot,

whether or not such easements are referred to in any deed; and such easements shall be a burden and a benefit to all such lands and to every Owner, and to the Owners Association.

1. Every Owner of a Lot shall have a non-exclusive perpetual easement over and upon the Community Use Areas for each and every purpose or use by Owners to which such Community Use Areas were intended as determined by their type or which such Community Use Areas generally are used, subject to limitations contained herein, including but not limited to, the following provisions.
  - a. The Owners Association shall have the right to make reasonable rules and regulations for safety, health and maintenance purposes respecting the use of the Community Use Areas.
  - b. The Owners Association shall have the right to restrict and assign parking in the Community Use Areas and to make reasonable rules respecting parking in the Community Use Areas.
  - c. The Owners Association, by resolution, with the written consent (in recordable form) of 80% of the Owners (determined as in the determination of votes, one vote for each Lot, and one signature of multiple owners of a Lot being sufficient unless a written request from one of several owners of a Lot would prevent the formation of a vote for a Lot by less than all of its owners), and subject to applicable ordinances, laws and regulations, may:
    - i. dedicate the roads in the Subdivision to the municipal or county government or authority having jurisdiction thereof.
  - d. With the written consent of all the owners of all the Lots in the Subdivision, and subject to applicable laws and regulations, Community Use Areas may be sold, assigned or transferred freely, subject only to the easements for roads and public utilities herein or hereafter granted.
  - e. The Owners Association, by resolution, may grant or modify easements under, on or over Community Use Areas for public utilities. During 1995 and 1996, Declarant reserves the right to grant such easements without the necessity of any action by the Owners Association.
  - f. Owners may consent to the use of the Community Use Areas by family members and tenants who reside in the Subdivision and by temporary house guests. All persons granted such use by an Owner must abide by these Restrictions, the bylaws, and the rules governing the use of the Community Use Areas, and be informed thereof by the consenting Owner, and the consenting Owner will be responsible to and indemnify the Owners Association for whatever loss, damage or liability the Owners Association suffers by reason of the conduct of such third persons or the consenting Owner.

2. Easements for the installation, maintenance, repair and replacement of utilities and drainage facilities servicing the Subdivision are hereby reserved and retained by Declarant through the year 1996 and thereafter by the Owners Association. Without limiting the generality of the foregoing, Declarant (through 1996) and the Owners Association shall have a non-exclusive perpetual easement 5 feet in width along all Lot lines for drainage and utility purposes. No structure, fence, planting, or other material which may interfere with the excavation, installation or maintenance of drainage surfaces or channels, or of utilities, or which may change the direction of flow of water on or in drainage channels or excavation in the easements, or which may obstruct or retard or increase the flow of water through drainage channels in the easements may be placed in the easement areas without prior approval by the Architectural Committee. Structures, fences, plantings and other materials which have been approved by the Committee may be placed in the easement areas and maintained by the Owner. The Committee may deny placement of structures, fences, plantings or other materials in the easement areas if they would adversely affect the drainage or utilities of the Subdivision or, if they appear likely to cause an expense to the Owners Association.
3. Declarant reserves the right to subject all of the Lots and the Owners Association to a contract with Carteret-Craven Electric Membership Corporation or any other public utility or municipality for electricity and lighting to the Lots, including the installation of underground electric cables, which contract may require an initial payment and/or continuing monthly payments to Carteret-Craven Electric Membership Corporation or any other public utility or municipality by the Owner of each Lot. Such expense, including both initial and continuing monthly payments, shall be an individual cost to be borne by each individual Lot Owner and is not covered by the general assessments.
4. This Declaration will subject all the Lots and the Owners Association to a contract with Carteret-Craven Electric Membership Corporation or any other public utility or municipality for lighting in the Community Use Areas, which contract may require an initial payment and/or continuing monthly payments to Carteret-Craven Electric Corporation or any other public utility or municipality. Such expense may be chargeable either to the Owners directly, or indirectly through general assessments.
5. Each Owner, as an appurtenance to his Lot , shall have and is hereby conveyed a perpetual, non-exclusive right of way and easement for the purposes of ingress and egress to and from said Lot upon all the roads in the Subdivision.
6. An easement is granted to the Owners Association, its employees and designees, to make any reasonable entry onto any Lot without notice to the Owner thereof in the event of any emergency such as may occur in case of fire, flood or windstorm.
7. Declarant through 1997, and thereafter the Owners Association, by resolution, reserves the right to easements on, over, and under any Community Use Areas in the Subdivision, and within 15 feet of the perimeter of any Lot, to any person, firm, or corporation, or any government or government agency, for the purpose of installing, maintaining, or providing water, sewer, storm sewer, drainage, electricity, lighting, telephone, cable

television, or other similar utility services to the Subdivision or Lots, or to any adjoining property.

8. RESERVED

9. All wetlands areas which exist or are hereafter defined on the Lots are subject to a perpetual non-exclusive easement which runs to the benefit of all other Lots and areas in the Subdivision for the drainage of surface water from the Lots through the wetlands areas located on the Lots; provided, however, such easement shall not allow the drainage of surface water which would result in additional areas becoming "wet" or which substantially interferes with the enjoyment of any Lot by the Owner or occupant. Substantial interference includes, but is not limited to, causing erosion on the Lot which threatens support pilings of structures or the base or surface of driveways or roads.

10. Declarant has or will grant to Western Carteret Water Corporation a nonexclusive easement over, under and upon the streets shown and depicted on the recorded plats for the purpose of installing, maintaining and repairing underground water lines to provide water service to the Lots and property in the Subdivision area.

11. Declarant has granted (or will grant) easements to:

- a. Carolina Telephone and Telegraph Company for telephone service;
- b. Western Carteret Water Company for water service;
- c. Carteret-Craven Electric Membership Corporation for electrical service; and
- d. Television cable service.

12. Such services to be provided to all Lots and Community Use Areas in the Subdivision, the easements to be on, under and over all the roads and Community Use Areas, and within 15 feet of the right-of-way of the roads, and within the set-backs and side-yard applicable to Lots in the Subdivision, to install, maintain, repair and replace the lines, poles, conduit, pipes and all other devices, equipment and facilities which are used by them to provide the said public utility services.

13. All Lots except Lots number 2 through 8, 12 through 15, 27 through 29, 41 through 46 and 52 adjoin the trail which meanders through and around most of the Subdivision. The trail varies between 15 and 20 feet in width and is variously described on the Subdivision map first referred to above as "nature trail," "Trail," or "Access". A negative easement is hereby granted and imposed on all Lots adjoining the trail as follows:

- a. No trees or foliage may be disturbed, and no excavation of any kind may be undertaken on Lots 1, 9, 10, 11, 16, 17, 24, 25, 26, 30, 31, 32, 39, 40, or 47 through 51 within fifteen (15) feet of the edge of the trail abutting those Lots; and

- b. No trees or foliage may be disturbed, and no excavation of any kind may be undertaken on Lots 18 through 23, or Lots 33 through 38, within sixty-five (65) feet of the edge of the 20' nature trail abutting those Lots, and as to Lots 23 and 38, within fifteen feet of the edge of the 15' nature trail also abutting those two Lots.

The Committee will have the authority to vary the foregoing in case of economic loss or hardship, but after 1997, Board approval will be required for any such variance.

14. Declarant owns development rights for a 23-acre tract (more or less) of undeveloped land which adjoins the Subdivision on the west. Declarant, for itself and for the owners and successors in ownership of said 23-acre tract, hereby reserves: (i) a perpetual easement along the westerly right-of-way lines of the Subdivision roads known as Casey Court and Shoreline Drive, to construct intersections for from one to five new roads to be constructed on said 23-acre tract, said intersections to be located anywhere along said westerly-right-of-way line, each such easement to have a 50 foot width along the mouth of the new road where it intersects with Casey Court or Shoreline Drive; and (ii) a perpetual easement also along the westerly right-of-way lines of said Casey Court and Shoreline Drive to connect driveways, to be constructed on residential lots formed in any subdivision of the 23-acre tract, with Casey Court or Shoreline Drive; and (iii) a perpetual easement along, over and under the westerly 15 feet of the right-of-way of said Casey Court and Shoreline Drive to install and maintain utilities services such as electricity, water, wastewater, telephone and television, serving any subdivision of the 23-acre tract; and, (iv) a perpetual right of way over Casey Court and Shoreline Drive for users of any such new roads and driveways, and for persons and vehicles involved in the installation and maintenance of any such utilities, to afford them free access to Highway 24 and from Highway 24 to said new roads, driveways, and utilities; and (v) if any such easement and right-of-way is used, the owner(s) of the 23-acre tract shall be responsible for paying or arranging for the payment of the entire cost of such use, including a pro-rata portion of the cost of maintaining Casey Court and Shoreline Drive, such portion to be determined periodically but not more often than tri-annually, by an appraisal of the relative usage of Casey Court and Shoreline Drive by the owner(s) of the 23-acre tract, and the Owners of Lots in the Subdivision, with each paying their pro-rata share of the entire cost, such shares to be payable in advance in quarterly increments based on a budget determined by the Board of Directors of the Subdivision, and adjusted annually for shortage and overpayment.
15. Declarant, for itself and the owner(s) and successors in title to the said 23-acre tract, further reserves the right, at any time through the year 2010, subject to applicable laws, to merge into the Crystal Shores Subdivision, any subdivision(s) formed within the 23-acre tract which is (or are) anywhere contiguous with any part of the Crystal Shores Subdivision, and thereupon to record a new subdivision map combining the two (or more) subdivisions into one. If any such merger occurs, then on the effective date thereof all owners of each newly merged subdivision will thereupon become subject to this Declaration, become members of the Crystal Shores Homeowners Association Inc., and have the same access and right to use the Community Use Areas, and have the same

duties and responsibilities including becoming immediately subject to the assessments hereunder, prorated to such effective date, as they would have had and been subject to had their unit, lot or other ownership interest formed in the 23-acre tract been included within the Crystal Shores Subdivision on the date of recordation of this Declaration in its original form. As a part of any such merger: (i) if the ownership interests of the new members are the fee simple ownership of single-family residential lots having substantially (within 7%) the same average square footage as the average square footage of Lots 1-52 of the Subdivision, then the assessment obligations of the new members will be the same as the obligations of the preexisting members of the Association; but (ii) if the ownership interests are not as described in the preceding subsection (i), the assessment obligations of the newly admitted members will be determined by negotiation, with each group being represented by three of its members; however, if either of the groups declares the negotiations at an impasse, the matter will be submitted to the American Arbitration Association, Charlotte, North Carolina, for a binding arbitration under the commercial arbitration rules then existing, with the Association advancing the cost of the arbitration exclusive of attorneys fees and discovery expenses, but the loser to pay and reimburse all such costs, together with the other side's attorneys fees and discovery expenses. The term "assessments" as used herein includes general, special, and delinquency special assessments and also Lot Transfer Fees. No provision hereof will be deemed to impose any restriction, covenant, condition or easement on the aforesaid 23-acre tract unless the subdivision merger rights herein reserved and granted to the Declarant and the owners and successors in title to the 23-acre tract are exercised.

#### X. ARCHITECTURAL COMMITTEE AND RESTRICTIONS

1. There will be an Architectural Committee ("Committee") for the Subdivision the purpose of which will be to enforce the standards set forth below on all excavations, landscaping, homes and other structures, additions and changes in the Subdivision from its natural or improved state.
2. The Architectural Committee shall be comprised of 3 persons. Any natural person may serve as a member of the Committee. Until January 1, 1999, Declarant shall have the right to appoint and remove the 3 members of the Committee with or without cause. After January 1, 1999, the Board of Directors shall have the right to appoint the Committee members and to remove them with or without cause.
3. General Purpose & Policy: The Subdivision is intended to accommodate single-family dwellings and provide the land and facilities required for healthful athletic and recreational activity, in an atmosphere that preserves much of the original natural beauty of the region.
4. Architecture – Dwellings: Dwellings may be constructed in traditional, modern or post-modern styles, style being a choice reserved to each Owner. Mixed styles in one dwelling are to be avoided if that circumstance is to be visible to surrounding Owners. Windows and outside trim are to be consistent with the architectural style and not inconsistent among themselves. Narrow overhangs that logically follow an architectural style are

acceptable but broad overhangs are preferable. Structural outcroppings, such as stairways and walls, are to follow architectural style and not be inconsistent with the lines of the dwelling they serve. Roof pitch, design and materials criteria will be established by the Committee based on the architectural style being used for a dwelling, on consistency in appearance of each dwelling, on the degree of inconsistency with other roofs, on function, and with a view toward the safety of other dwellings due to fire, wind and storms. ~~Pre-manufactured dwellings are prohibited.~~ Pre-manufactured dwellings are prohibited unless approved by the Committee; and effective February 1, 1996, such approval may be granted, but only in strict compliance with Section 7, Subsections a. through e. [Amended March 1, 1996]

Mobile homes, trailers, pre-manufactured dwellings, modular homes, tents and all other structures of a temporary character are prohibited from being placed, put or maintained on any lot at any time, except those that contractors or builders may use shelters during construction, repairs or alterations of buildings or structures on a lot so long as the same is not used as a residence and the same are immediately removed following completion of construction. As used herein "mobile home" and "manufactured home" shall have those meanings and definitions set out in GS 41-2.5, GS 143-143.9(6) and GS 143-145(7). The width and length of manufactured homes or mobile homes is irrelevant and inapplicable as it is the intent of these covenants to prohibit all manufactured homes, modular homes and mobile homes of all sizes regardless of length or width. Only "stick built on site" dwellings and structures shall be permitted and modular homes consisting of rooms, sections or large house components built off site and brought to the lot and erected, placed or installed are prohibited. However, nothing herein shall prohibit the use of premanufactured floor or roof trusses, beams, cabinetry, window or door units and similar small components. [Amended October 21, 2005]

5. Architecture – Landscaping: The landscape of each Lot begins with its natural state on the date of this Declaration. Landscaping preferences are reserved to the Owner of each Lot, but subject to the following limitations:
  - a. Changes in the landscape of a Lot which destroy any part of its natural condition, either by clearing trees and bushes or by excavations, are to be avoided and the Committee may require an Owner to replace trees or bushes with the same or similar kind of trees or bushes or with other foliage, and to replace or substitute for unnecessarily destructive excavations.
  - b. Clearing trees and bushes and excavating are allowed to the extent reasonably necessary to accommodate a Dwelling, or to accommodate any other change in the landscape approved by the Committee to improve the usefulness of a Lot to its Owner. ~~In no event will any tree with a diameter of six inches or more within five feet of the earth surface.~~ Otherwise, in no event will any tree having a diameter of six inches or more measured at a point four feet above the earth's surface be removed or harmed without the approval of the Committee. [Amended March 1, 1996]

6. Materials and Color: The materials and the colors used on a dwelling are choices reserved to the Owner unless they appear likely to create a storm hazard, or to be obviously unsightly. Radical coloring and shabby or temporary materials the presence of which tends to devalue or endanger any of the other dwellings in the Subdivision will not be permitted. Roof shingles will be of 30-year architectural grade or better. ~~Cedar shake, slate and clay roof materials are preferable, but others will be considered based on their qualities of grade, durability in storms, and appearance.~~ Cedar shake, slate and clay roof materials are preferable, but others including metal will be considered based on their qualities of grade, durability in storms, and appearance [Amended May 29, 2024].
7. Discretion: The procedures of analysis and enforcement required in order for the Architectural Committee to function effectively, including a policy of deferential respect for the individual preferences of Owners, will be established by the Committee with the approval of the Board from time to time. However, the following procedures will govern until modifications appear necessary to the Committee and the Board.
- a. Before any lot clearing or grading, and before any structure, fence, house, building, foundation, wall, pier, bulkhead, dock, walkway, mailbox, paper box, sign, trash can holder, piling or any improvement, replacement or addition to any of same shall be commenced, erected, or replaced upon any Lot or appurtenant to any Lot, or upon any Community Use Area, and before any alteration (excluding repainting in the original color) of the exterior portion of any structure located upon the Lots of the Community Use Areas and before any disturbance or alteration of the surface of any Lot or area appurtenant to any Lot in the Subdivision shall be commenced (except as shall be undertaken by the Declarant of the Owners Association itself), the Owner desiring to take any such action shall submit and have approved by the Committee plans and specification detailing all of the structures and/or actions planned.
  - b. The plans and specifications must show in detail the design, kind, shape, height, material content and location of each structure to be built, changed or installed, and a thorough description of any land-disturbing actions. Applications to the Committee shall include 2 complete sets of the final plans and specifications and other information requested by the Committee either by its published rules, or by letter, or on its application forms and shall be *either* hand delivered to a meeting of the Board, with an entry being made in the minutes of the meeting confirming the receipt thereof *or* mailed by certified mail, return receipt requested, to the registered office of the Owners Association and marked to the attention of the Architectural Committee. The Committee shall approve or disapprove such plans within 28 days of receipt thereof except when the matters submitted include or constitute a dwelling or modification of a dwelling in which case an additional 14 days will be allowed. Within the foregoing time period, the Committee will comment in writing to the Owner or the Owner's representative regarding any aspect of the plans it cannot approve as submitted. Thereupon, if the Owner does not wish to accept the suggestions or requirements of the Committee, the Owner and the Committee will communicate in good faith and with dispatch to resolve

the items in dispute. The time period for processing the plan will be extended to permit such communications. When the items in dispute have been resolved, or the parties find that they are at an impasse, one set of the plans and specifications with the approval or disapproval of the Committee noted thereon, shall be returned to the party submitting them and the other copy shall be retained by the Committee for its permanent files.

- c. All driveway or culvert pipes must be approved by the Committee prior to their installation and, once approved, shall be installed pursuant to the method approved by the Committee. All septic tanks shall be constructed and installed pursuant to plans approved by the Carteret County Health Department. No tent, awning, netting, canopy or other lightweight shelter may be erected or placed on a Lot without the prior consent of the Committee. Driveways must either be cement concrete, or consist of permeable concrete blocks, stone, brick or similar materials, or retained gravel, but may not be dirt or loose gravel. Asphalt (and other similar dark surfaced) driveways are prohibited. **A cement concrete driveway access will be constructed by the owner of each lot being improved, to provide vehicular access to the lot from one of the roads adjoining the lot. The driveway access will form a flush edge with the asphalt road serving the lot and extend from that edge at least 25 feet into the lot and be nowhere less than ten feet in width. The owner will provide culvert sections as needed to facilitate the crossing by the driveway over intervening drainage ditches, and all of the driveway work will be consistent with good engineering practices. [Amended March 1, 1996] ~~All signs, except those erected by Declarant must be sandblasted and sized uniformly as the Committee directs from time to time. Standard real estate signs are prohibited. [Amended May 29, 2024]~~ The Owners Association may post notices on any job site stating the rules promulgated by the Committee or the Board covering the care of job sites and Community Use Areas, and the use of vehicles associated with construction. **All garages will be two-car garages unless the Committee determines that the particular dwelling which the garage is to serve is of such a size and configuration that the use of a single-car garage, or one larger than for two cars, is aesthetically consistent with the dimensions and perspective of such dwelling. [Amended March 1, 1996]****
- d. The Committee shall make its decisions approving or disapproving the plans in accordance with the policies set forth above, taking into consideration the nature and aesthetic qualities of the Subdivision, the nature and aesthetics of the proposed action as reflected in the plans, the harmony of the proposed action with the architectural style of neighboring buildings, the durability and quality of construction, relative costs, factors of storm and erosion, harmony with environmental factors, and protection of the investment of the Owners of other Lots in the Subdivision. Incomplete or inaccurate plans and specifications are not to be deemed approved under any circumstances without a written waiver of the omissions from the Committee and the Owner will not be entitled to take advantage of any such inaccuracy or incompleteness. The decisions of the Committee shall be final and not subject to appeal or review. The Committee does

not have to hold formal meetings and the decision of any two members of the Committee shall be the decision of the Committee.

- e. If the Committee fails either to approve or disapprove any plans so submitted in proper form within the time allowed, the plans will be deemed approved.
- f. Neither the Committee nor the Declarant or any agent of the Declarant shall be responsible in any way for any defect in any plans or specifications submitted, revised, rejected or approved in accordance with the foregoing provisions or any structural or other defect in any work done according to such plans and specifications.
- g. The requirements of this Article shall not constitute a lien or encumbrance on any Lot on which construction is complete, and any subsequent purchaser thereof is in no way affected by the failure of his predecessors in title to comply with the terms hereof; however, the Owner of a Lot who causes or permits any action in violation of this Section shall remove, reconstruct, or otherwise remedy the work done in violation hereof, or shall be liable to the Owners Association for the cost of remedying any such violation, including therein without limitation, architectural, engineering, construction, demolition and attorneys' fees, costs and charges.

## XI. INSURANCE

1. The Owners Association shall purchase and maintain, when available at a reasonable cost, hazard insurance against loss or damage by fire and similar perils for all improvements and fixtures owned by the Owners Association located on Community Use Areas, including personal property of the Owners Association. The insurance, if available at a reasonable cost, shall cover at least 90% of the current replacement costs of the improvements and fixtures as determined by the Owners Association with the assistance of the insurance company providing coverage or consultant selected by the Board of Directors. Coverage may exclude land, foundations, excavations, or other items that are usually excluded from insurance coverage. The insurance policy shall require that the insurer notify the Owners Association in writing at least 30 days prior to any substantial change in coverage or cancellation.
2. If any property of the Owners Association is located within a special flood hazard area, the Owners Association may purchase and maintain flood insurance in amounts it deems necessary. Any such policy shall require that the insurer notify the Owners Association in writing at least 30 days prior to any substantial change in coverage or cancellation.
3. The Owners Association shall purchase and maintain at all times a comprehensive general liability insurance policy covering all Community Use Areas and any other areas that are within the Association's possession and control. The liability insurance shall insure the Owners Association, together with the Owners and their tenants and guests and non-business invitees being additional insureds, against any liability arising out of the

ownership, operation, maintenance and/or use of the Community Use Areas, and any part thereof, and any other areas under the Owners Associations' possession and control. Such insurance policy shall, if reasonably available, contain a "severability of interest endorsement" of equivalent coverage which precludes the insurer from denying the claim of an Owner because of the negligent acts of the Owners Association or other Owners. Limits for liability shall be at least One Million Dollars (\$1,000,000) covering all claims for bodily injury and/or property damage arising out of a single occurrence. Coverage under this policy shall include, if available and economically feasible, coverage against legal liability arising out of errors and omissions of directors, officers, employees and agents of the Owners Association. The policy shall require the insurer to notify the Owners Association in writing at least 30 days before the insurer cancels or substantially changes the coverage.

4. Fidelity bonds or insurance coverage against dishonest acts on the part of such persons (including by way of illustration and not limitation, Owners Association members, officers, directors, managers, agents, employees and volunteers) handling or responsible for funds belonging to or administered by the Owners Associations may be maintained by the Owners Association if deemed necessary. In the event the Owners Association has delegated some or all of the responsibility for handling of funds to a management agent, such bonds or insurance coverage may include officers, employees and agents of such management agent. Any such fidelity bond or insurance shall name the Owners Association as the named insured. Any such policy shall contain a provision providing that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the Owners Association.
5. Each Owner shall be solely responsible for purchasing fire and hazard insurance on the Owner's Dwelling, personal property, fixtures and appliances. Each Owner shall also be solely responsible for purchasing liability insurance covering losses occurring on his Lot and in his Dwelling.
6. If any Dwelling is destroyed by fire or other casualty, all rubbish and debris shall be removed with reasonable dispatch after the fire or other casualty. In no event shall debris or rubbish remain on the Lot longer than two months after such fire or other casualty. Provided, however, no such removal or demolition shall be required if prohibited by court order or if a legal or insurance investigation concerning such fire or casualty is ongoing and the removal of rubbish or debris or both would be likely to interfere with such investigation.

## XII. RESTRICTIONS ON USE AND OCCUPANCY

1. The division of the use of Lots is permissible by a common Owner, and by adjoining Owners, provided that the number of Lots in the Subdivision is not either increased or decreased. Such division of uses will be the subject of an easement to be approved by the Committee under the same procedures as are provided above in this Declaration for the approval of plans and specifications.

2. No Lot shall be used except for single family residential purposes and no structure shall be erected on any Lot other than one single family residence and other structures approved by the Committee which are appurtenant to the single family residence. Provided, however, the restriction on the use of the Lots for single family residential purposes shall not prohibit the use of the Lot for an "incidental home occupation" as defined herein. Incidental home occupation shall mean any use conducted entirely within a Dwelling on a Lot which:
  - a. is carried on by the occupants thereof;
  - b. is dearily incidental and secondary to the use of the Dwelling for dwelling purposes;
  - c. does not change the character of the Dwelling; and
  - d. is subject to the following restrictions:
    - (1) There is no display upon the Lot or Dwelling indicating such home occupation;
    - (2) No more than one person not a resident on the Lot is employed specifically in connection with the home occupation;
    - (3) No more than 25% of the floor area of the Dwelling is devoted to such incidental home occupation; and
    - (4) No such home occupation shall cause or be a substantial factor in causing any noise, odor or unsightly appearance.
  - e. The Board may require the cessation of any such home occupation that violates any of the foregoing requirements and restrictions either through the complaint and hearing procedure described herein above, or by a civil action.
3. Every residential dwelling constructed shall contain a minimum number of square feet of enclosed heated area (exclusive of garages and open porches), as follows: Lots 1-9 and 28-32 shall have not less than 1,900 square feet; and all other Lots will have not less than 1,600 square feet. ~~All garages will be two-car garages.~~ [Amended March 1, 1996]
4. Appurtenant structures may be permitted by the Committee subject to the limitation on square footage set forth in this Section XII, Subsection 29. The Committee may require that an appurtenant structure be of like materials, or style, or construction methods as the residential dwelling. Appurtenant structures shall not be allowed if they are made of metal or plastic. No appurtenant structures shall be permitted on a Lot until a Dwelling has been constructed on a Lot. Children's playhouses are permitted but may not be used

for other purposes. Doghouses and wire fenced pens are permitted for as many as but not more than two dogs.

5. Fences arid shrub or tree barriers shall be permitted subject to approval by the Committee; but the Committee will not deny approval of fences or barriers unless they are clearly inconsistent with the then existing neighborhood standards due to color, configuration or design, or which interfere with any view or sight line which is valuable for safety, or which diminish the value of any adjoining Lot or Dwelling.
6. An owner may lease or sublease his Lot at any time and from time to time provided that the lease agreement provides that the rights of any lessee or sublessee of the Lot shall be subject to, and each such lessee or sublessee shall be bound by the provisions set forth in this Declaration, the Bylaws and the rules and regulations of the Subdivision. nus Declaration shall not impose any direct liability on any lessee or sublessee of a Lot to pay the general or special assessments charged to the Owner; but delinquency special assessments for a tenant's defaults (other than the non-payment of general or special assessments) shall be the responsibility of the tenant as well as the Owner.
7. The Owners Association shall not grant or permit the subrogation of any insurance carrier to the Association's claim against an Owner, or an Owner's tenant, guest or non-business invitee (persons employed in an Owner's home to provide care for an Owner or an Owner's tenant, guest or non-business invitee, such as, but by no means limited to, such persons as baby-sitters, physicians, physical therapists and household servants, shall be deemed non-business invitees for the purposes of this Declaration) for negligently causing a loss or liability for a less to the Association. The Association's insurance carriers will be required to acknowledge this provision and waive the right of subrogation against any such person(s), either in a policy, rider or separate writing. Nothing herein shall diminish the liability of Owners and third persons to the Association for unreimbursed losses due to negligent or intentionally wrongful acts and omissions.
8. No dangerous activity will be carried on, and no dangerous substance will be stored, kept or used in a Dwelling, or on the Lot of a Dwelling, which will or is likely by reason of such danger to increase the premiums for liability or fire insurance, or homeowners insurance, applicable to that Dwelling, or to any other Dwelling, or to any of the Community Use Areas.
9. All motor vehicles of any type parked or stored for any period of time within the Subdivision but not within an Owner's garage, shall bear the current year's license plate and inspection certificates. The only motor vehicles which shall be allowed to park on the Subdivision road rights of way, between the hours of midnight and 6:30 A.M., are automobiles, pick-up trucks, vans, stepvans, and motorcycles that are owned by an Owner. Vehicles to be parked within the Subdivision during such hours belonging to the house-guests of an Owner shall be parked on the Lot of the Owner being visited. No vehicle will be parked on the Subdivision road rights of way for longer than twelve hours out of any twenty-four hour period. Motor homes, boats, campers, and other recreational vehicles which are owned by an Owner or the house guest of an Owner may be parked

temporarily (up to seven days out of any consecutive 21 days) on the Owner's Lot but not on the Subdivision road rights of way. Motorhomes, boats, campers and other recreational vehicles which remain in the Subdivision for longer than seven days out of any thirty-day period, shall be housed in a garage. One small boat (without keel and twenty-one feet or less in length) may be kept in a driveway if it is covered with a canvas or equivalent boat cover which is sturdy enough for normal weather including storms less than hurricane force, and is tied or otherwise secured from becoming a damaging object in storms of hurricane force. The Committee or the Board may vary these provisions temporarily in emergencies or in case of unforeseen hardship to an Owner or Owners, provided that the variance does not reduce the benefits to other Owners of the restrictions herein contained.

10. Except for vehicles used in the construction of a Dwelling, which may be left on a Lot for up to seventy-two (72) hours, no trucks or other motor vehicles in excess of a three quarter ton load capacity shall be parked or kept overnight or longer within the Subdivision.
11. Notwithstanding any provisions contained herein, no motor vehicles, boats, trailers, motor homes, campers or recreational vehicles may be parked or stored on a Lot until a Dwelling has been constructed on the Lot except for vehicles being used in construction of the Dwelling as otherwise permitted herein.
12. No disabled motor vehicle, or motor vehicle undergoing repair, and no stripped, partially wrecked, or junked motor vehicle or any part thereof shall be placed, parked or kept on any lot (unless in a garage) or on the Community Use Areas.
13. Loud noises and extended or repetitive noises emanating from tools, motor vehicles, electronic equipment, or other devices, are prohibited between the hours of 7:00 P.M. and 7:00 A.M. Engine noise from vehicles, especially from motorcycles, shall be abated to avoid disturbing occupants of the Subdivision.
14. No signs of any kind shall be displayed to the public view on any Lot except:
  - a. signs used by the Declarant or its agent to advertise the property during the construction and sales period;
  - b. the Crystal Shores entrance signs announcing entrance to the Subdivision and other signs installed or authorized by Declarant or the Board of Directors; or
  - c. one (1) sign not more than four (4) square feet in size advertising the property for sale or rent.
15. The provisions of this Article are subject to the condition that for so long as the Declarant retains title to any Lot which has not been sold, leased, rented, or otherwise conveyed, the Declarant is permitted to maintain signs on the Community Use Areas advertising such Lots for sale.

16. Permanent flagpoles and similar structures will require Committee approval before they can be built. They shall create no hazard, and shall not be a nuisance to other Owners. Outdoor clotheslines may be prohibited by the Board of Directors.
17. No trash, ashes, garbage, or other refuse shall be dumped, stored or accumulated on the exterior of any Dwelling except in receptacles specifically provided for such which are regularly emptied by a trash collection service. All outdoor receptacles for ashes, trash, rubbish, or garbage shall comply with all applicable collection and governmental rules and ordinances.
18. No noxious or offensive activity shall be conducted upon any Lot and nothing shall be done thereon which may be or may become an annoyance, hazard or nuisance to the neighborhood.
19. Dogs, cats, and other household pets may be kept or maintained provided they do not annoy neighbors and are not kept or maintained for commercial purposes. Each Owner will have the responsibility to keep his or her dogs from barking unreasonably to the annoyance of neighbors and the Board will promulgate rules for dealing with such problems. Such pets shall be reasonable in number and must be confined to the lot they live on unless they are on a leash and accompanied by a human, in which case they are permitted on the roads and the jogging trail but not on the other community use areas. Pets which are dangerous or run at large are a nuisance and are prohibited. Animal wastes must be picked up from wherever they are left and disposed of on the Lot of the Owner in a sanitary manner. No other animals, and no livestock, or poultry of any kind shall be brought into the Subdivision or kept or maintained on any Lot or in any Dwelling.

[Note: on May 16, 2024 the Board of Directors adopted the following resolution. Questions about this issue should be directed to the Board of Directors. *Considering the Board's fiduciary responsibility to the Association and based on advice from the Association's attorney regarding Section XII, Paragraph 19 of our covenants and case law (Bryan v. Kittinger (2022), and Schroeder v. The Oak Grove Farm Homeowners Association (2024)) the Association may review instances of livestock and poultry in the Association on a case by case basis if a neighbor makes a complaint about the issue to determine whether the livestock and/or poultry fall under the definition of household pets.]*

20. Subject to the provisions of this Declaration, the Articles and the Bylaws, the Board shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Community Use Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained by the Board and be available for inspection by Owners and their agents during normal business hours.

21. No Dwelling or structure of any kind shall be erected or allowed to remain nearer to any road, right-of-way, or side line in the Subdivision than the applicable setback distances provided by ordinance, public law or regulation, recorded map, or any easement herein established. Eaves, steps, porches, stoops, and fireplace chimneys shall be considered as a part of a building for the purposes of interpreting this Paragraph.
22. ~~No outside radio or television antennas, satellite dishes, or towers of any kind, shall be erected on any Lot or Dwelling, and no radio or television transmitter of any kind shall be operated from any Lot or Dwelling without the prior written consent of the Committee and consent will not be granted if the use of such transmitter could cause interference with the reception of others in the Subdivision.~~ Small outside antennas and satellite dishes, with no dimension larger than 36 inches, are allowed. No towers of any kind shall be erected on any Lot or Dwelling, and no radio or television transmitter of any kind shall be operated from any Lot or Dwelling without the prior written consent of the Committee and consent will not be granted if the use of such transmitter could cause interference with other subdivision residents' reception of signals in the Subdivision. [Amended May 29, 2024]
23. Once construction of improvements is started on any Lot, improvements must be substantially completed in accordance with the plans and specifications as approved by the Committee within twelve (12) months from commencement. Provided, however, this restriction shall not be applicable to Declarant.
24. No residence shall be occupied until the same has been substantially completed and a Certificate of Occupancy has been issued by all applicable governmental authorities.
25. Propane storage tanks shall either be buried below the surface of the ground (in which case the Owner must notify the Committee in writing of the tank and its location) or be screened by fencing, shrubbery, or other satisfactory means so that they will always be hidden from neighboring Lots, roads and Community Use Areas. Gasoline and other inflammable storage tanks with a capacity of over five gallons are prohibited in the Subdivision. Accumulations of flammable or explosive materials, either in garages or elsewhere, are prohibited and will be deemed hazardous.
26. No structure which is erected upon a Lot may be used as a temporary ~~of~~ or permanent sales office. Any structure constructed, placed or erected on a Lot which is temporarily or permanently manned by a sales staff shall be a violation of this restriction. Provided, however, Declarant shall be entitled to maintain a model home and/or sales office on any Lot Declarant owns or leases. [Amended March 1, 1996]
27. All Lots, whether occupied or unoccupied, shall be well-maintained and no unattractive growth of weeds or underbrush or accumulation of rubbish or trash shall be permitted; provided however, leaving a Lot in its natural state is acceptable.
28. ~~No outside burning shall be permitted in the Subdivision except by Declarant or with the consent of the Committee or the Board.~~ [Amended May 29, 2024]

29. No Lot shall be accessed by motor vehicle directly from NC Highway 24. The Board may also prohibit access by any means other than the road entrance if it is deemed necessary or advisable to do so.
30. All electric, cable TV and telephone lines shall be installed underground.
31. The State of North Carolina requires strict compliance with the storm water runoff rules. To insure compliance with the storm water runoff rules, each Lot is subject to a limitation on the number of square feet which can be covered by a structure and/or paved surface, Including walkways or patios of brick, stone, slate or similar material, but excluding walkways and decks constructed of wood provided such construction of wood walkways and wood decks is accomplished in such a manner as to allow storm water runoff to infiltrate the soil beneath such walkways and decks. The maximum number of square feet which may be covered by the aforesaid structures and/or paved surfaces is: for Lots 1-5, 7, 8, 23, 26, 28-32 and 47, a total of 5,920 square feet per Lot; and for Lots 6, 9, 11, 12, 16, 17, 22, 24, 25, 27, 38-401 and 48-51, a total of 5,000 square feet per Lot; and for Lots 10, 13-15, 18-21, 33-37, 41-46, and 52, the total is 4,000 square feet per Lot. This covenant is intended to insure compliance with storm water runoff rules adopted by the State of North Carolina and therefore benefits the State of North Carolina and may be enforced by the State of North Carolina. Notwithstanding any other provision contained herein, this paragraph may not be amended, deleted, or revised without the written consent of the agency of the State of North Carolina responsible for enforcing the storm water runoff rules and the agency of the Department of the Army responsible for enforcing wetlands regulations.
32. No water well may be drilled on any Lot to provide potable water to a dwelling; however, a well for an irrigation or sprinkler system is permitted. Dwellings must connect to the Western Carteret Water Corporation water lines.
33. In developing the Subdivision, the Declarant has agreed with the State of North Carolina and the Department of the Army Corps of Engineers (pursuant to a permit issued by the State of North Carolina and the Corps of Engineer) to restrict and prohibit any future filling or other detrimental activities in the wetlands areas which presently exist on the Lots. Accordingly, all wetlands areas shown and delineated on the wetlands plats which have been approved by the Corps of Engineers shall be left in their natural state except as otherwise permitted herein. No buildings or site improvements shall be permitted within the wetlands areas; provided, however, piers, walkways and other structures erected on pilings are permitted provided the pilings do not result in fill as defined in Regulator Guidance Letter 90-08 dated December 14, 1990; issued by the Corps of Engineers. Site improvements shall include denuding, grassing, or altering the existing grade of any wetlands area. Site improvements shall not include hand clearing of trees, limbs, bush or other plants provided such clearing does not result in a denuded or barren area. No fill may be placed in any wetlands area. This covenant is intended to insure compliance with the permit issued by the State of North Carolina and the Department of the Army and may be enforced by the State of North Carolina and the Department of the Army.

Notwithstanding any other provision contained herein, this paragraph may not be amended, deleted, or revised without the written consent of the agency of the State of North Carolina responsible for enforcing the storm water runoff rules and the agency of the Department of the Army responsible for enforcing wetlands regulations.

34. The Owners Association shall keep and maintain the roadways in the subdivision in good repair. The cost of such maintenance shall be charged to the general operation budget and be paid through the general assessments of the Owners Association. Should the general assessments be insufficient to pay the cost of such maintenance and repair, then special assessments shall be imposed to do so.
35. ~~All exterior lights on dwellings and yard lighting shall use clear or white colored lamps only.~~ [Amended May 29, 2024]
36. All excavations, construction, demolition, yardwork, moving of household goods, maintenance and repair of dwellings, *docks* and other structures shall be carried out safely and in compliance with all applicable laws regulations and code requirements. The Board of Directors may impose reasonable rules governing any aspect of the foregoing activities which has the propensity for damage to the Subdivision, its roads and other Community Use Areas, any Dwellings, the Lots in their natural or improved state, or the use and enjoyment of the Subdivision by Owners or prospective owners.

### XIII. COMPLAINTS

1. For all matters except those concerning the nonpayment of assessments, before any Owner in his capacity as an Owner (hereinafter called Complainant) brings any action in any court of law against the Owners Association or any other Owner for failure to comply with the terms of these Restrictions, the Articles or the Bylaws, the Complainant shall have given thirty days' written notice to the Owners Association and the Owner, as the case may be, by personal delivery or registered or certified mail, of the substance of the matter causing the complaint.
2. Following the giving of notice as provided in Paragraph 1 above, the Owners Association or the offending Owner, as the case may be, shall have thirty (30) days in which to remedy the complained of matter. If the matter causing the complaint is not remedied within the foregoing thirty (30) day period, the Complainant may proceed with the action.
3. This Article shall not apply to actions brought or taken by the Owners Association.

### XIV. WAIVER

1. No provision contained in these Restrictions, the Articles or the Bylaws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any Person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

## XV. VARIANCES

1. The Architectural Committee in its discretion may allow reasonable variances and adjustments in the restrictions contained in this Declaration if their literal enforcement would be absurd or impractical, or create undue hardship for persons having to comply; provided, however, that in no event shall any variance be granted to an Owner which, in its fulfillment or application, causes any detriment or damage to the Association or to any other Owner, or creates an easement, or modifies or nullifies any easement, benefit or right herein established. No variance or adjustment as to any Lot will be permitted if such would be materially detrimental or injurious to other property or improvements in the Subdivision, as determined by the Committee.
2. Variances will be described in detail in a writing signed by the Chairperson of the Committee and the President of the Association. Whenever necessary to be effective, a variance hereunder shall be recorded in the Carteret County Register of Deeds Office, with specific reference therein to this Declaration.

## XVI. DURATION, AMENDMENT AND TERMINATION

1. The Restrictions contained in this Declaration shall run with and bind the Lots and Community Use Areas until January 1, 2005, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended in full or part until January 1, 2005, by an instrument signed by not less than 80% of the Lot owners, and thereafter, by an instrument signed by not less than 60% of the Lot owners; provided, that no amendment shall:
  - a. alter any obligation to pay ad valorem taxes on the Community Use Areas;
  - b. alter any obligation to pay assessments for street lighting as herein provided;
  - c. alter any obligation of the Owners Association to maintain the roadways and community use areas;
  - d. affect any lien for the payment of assessments, or
  - e. modify any provision contained herein which specifically requires the consent of another party to modify such provision without the required consent of such other party.
2. Provided, however, until December 31, 1996, and as long as the Declarant owns at least twenty (20) Lots, Declarant may amend this Declaration, except for Article XII, Sections 31 through 34, without the consent of any other member or party, so long as by so doing the obligations of Declarant are not materially diminished.
3. To be effective any amendment must be recorded in the Carteret County Register of Deeds office.

4. Invalidation of any of these restrictions by judgment or court order shall in no way affect any other provision of these restrictions which shall remain in full force and effect.
5. Notwithstanding any other provisions of this Declaration, Declarant may amend this Declaration without the consent of any Owners if such amendment is required by any governmental agency for governmental approval. Declarant shall notify all Owners of such amendment after it has been recorded.

#### XVII. COMMUNITY USE AREAS: PRIVATE

1. All parts of the Community Use Areas including, without limitation, the roads and all facilities thereon are private. Neither the Declarant's execution nor recording of the plat nor any other act of the Declarant with respect to the Subdivision is or is intended to be, or shall be construed as a dedication to the public of any of the Community Use Areas. An easement for the use and enjoyment of each of the areas designated as Community Use Areas is reserved by the Declarant, its successors and assigns.
2. All Community Use Areas shall be owned by the Owners Association and are hereby deemed conveyed to the Owners Association.

#### XVIII. REMEDIES

1. Enforcement of these Restrictions shall be by a proceeding at law or in equity authorized by action of the Board against any person or persons violating, evading or attempting to violate or evade any easement, restriction, covenant or condition herein. Such proceeding may have as its purpose or one of its purposes, a restraining order or temporary- or permanent injunction, as well as the recovery of property and money damages. Notwithstanding the generality of the foregoing, injunction shall not be sought to compel the removal of or moving of any completed dwelling for violation of side or rear setback restrictions, the remedies of the Association or any offended Owner in such instance being a suit for money damages and/or to provide mitigation measures. Injunction may be sought to halt any violation, evasion or threatened violation or evasion of these Restrictions, including the violation of any setback requirement, or to compel the removal of any completed or incomplete structure or improvement, other than a completed dwelling, when necessary to achieve compliance herewith.

#### XIX. ACCEPTANCE

1. The grantee of each Lot, by acceptance of a deed conveying title thereto, or by the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Lot, shall accept such deed or contract upon and subject to this Declaration and all the covenants, conditions, restrictions and easements contained herein and promulgated hereafter pursuant hereto. By such acceptance, each grantee of a Lot covenants and agrees for that grantee and her, his or its heirs, legal and personal representatives, successors and assigns, to and with Declarant and the Owners

Association and to and with the other grantees and Owners of Lots, to keep; observe, and comply with, and accepts and approves the validity of, all such covenants, conditions, restrictions and easements.

2. Each grantee of a Lot also agrees, by such acceptance, to assume, as against Declarant, its successors and assigns, all of the risks and hazards of ownership or occupancy attendant to such Lot, including but not limited to its proximity to any Community Use Area and to Bogue Sound, and its susceptibility to erosion, wind and flooding.

## XX. APPLICABILITY

1. These Restrictions shall only apply to the numbered Lots (1-52) and the Community Use Areas described on the map of Crystal Shores referred to above herein, and to any additional property hereafter annexed into the Subdivision. These Restrictions are specifically not applicable to any property designated on the recorded map of the Subdivision as reserved by owner.

## XXI. CAPTIONS

1. The captions preceding the various Articles of this Declaration are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

## XXII. NOTICE

1. All notices provided for or permitted pursuant to these Restrictions shall be in writing and, except as is herein expressly otherwise provided, notice shall be deemed sufficient and service thereof completed upon transmittal by facsimile, hand-delivery or receipt, refusal or nondelivery of same when mailed postage prepaid to the party to or upon whom notice is being given or served at the address of such party last reflected on the records of the Owners Association.

## XXIII. LIBERAL CONSTRUCTION

1. The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a residential subdivision of fee simple ownership of Lots with Community Use Areas governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an owners' association with each lot owner entitled to and burdened with various rights and obligations.

IN TESTIMONY WHEREOF, The Declarant has caused this instrument to be executed under seal and in such form as to be binding, all by authority of its Board of Directors first duly given, this the day and year first above written.

LAND ONE DEVELOPMENT INC.

BY:

*Bruce L. Goepel, President*

For Reference Only\*

CORRECTED AMENDMENT TO DECLARATION OF COVENANTS CONDITIONS,  
RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES

Pursuant to the authority granted by Article XVI, Section 2 of the Declaration of Covenants Conditions, Restrictions and Easements of Crystal Shores recorded in Book 747 Page 737 in the office of the Register of Deeds for Carteret County, North Carolina, hereinafter referred to as the “Declaration,” the following amendments are hereby made by the Declarant to the Declaration and will supersede the amendments previously filed in Book 772, Page 223:

Amendment to Article II.

The following sentence is hereby added to Section 5:

Effective January 1, 1998 the Owners Association will have complete control of the Association and all lot owners will thereafter have one vote per lot.

Amendment to Article III.

The first sentence of Section 2 is hereby modified to read as follows:

During the period 1994 through 1997, the management of the Community Use Areas will be conducted by the Declarant as the asset manager for the Owners Association.

Amendment to Article VI.

The following sentence is hereby inserted as the third sentence: in Section 2, Subsection g:

If as and when the laws or governmental regulations applicable to the Subdivision prohibit any advantage obtained by the Declarant as a result of the foregoing exception to the assessment process in favor of the Declarant, then in the calculation of the sums payable by the Declarant to the Owners Association there will first be deducted from assessments payable, all of the costs of maintaining Common Areas during the period 1994 through 1996 which were paid by the declarant to third parties plus the reasonable value of such maintenance performed by the Declarant without prior charge to the Association.

Amendment to Article X.

The last sentence of Section 4 is hereby deleted and the following sentence is hereby substituted therefore:

Pre-manufactured dwellings are prohibited unless approved by the Committee; and effective February 1, 1996, such approval may be granted, but only in strict compliance with Section 7, Subsections a. through e.

Amendment to Article X.

The second sentence of Section 5b. is hereby amended to read as follows:

Otherwise, in no event will any tree having a diameter of six inches or more measured at a point four feet above the earth's surface be removed or harmed without the approval of the Committee.

Amendment to Article X.

The following three sentences are hereby inserted as the fifth, sixth and seventh sentences of Subsection 7 c.:

A cement concrete driveway access will be constructed by the owner of each lot being improved, to provide vehicular access to the lot from one of the roads adjoining the lot. The driveway access will form a flush edge with the asphalt road serving the lot and extend from that edge at least 25 feet into the lot and be nowhere less than ten feet in width. The owner will provide culvert sections as needed to facilitate the crossing by the driveway over intervening drainage ditches, and all of the driveway work will be consistent with good engineering practices.

Article X, Subsection 7 c. is also hereby amended by adding the following as the last sentence thereof:

All garages will be two-car garages unless the Committee determines that the particular dwelling which the garage is to serve is of such a size and configuration that the use of a single-car garage, or one larger than for two cars, is aesthetically consistent with the dimensions and perspective of such dwelling.

Amendments to Article XII.

The last sentence of Section 3. is hereby deleted.

The word “of” in the first sentence of Section 26 is hereby changed to “or”.

\*\*\*\*\*

The foregoing amendments to the Declaration will become effective upon the recordation hereof.

[Recorded March 1, 1996]

AFFIRMATIVE AMENDMENT TO DECLARATION OF COVENANTS  
CONDITIONS RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES

THIS AFFIRMATIVE AMENDMENT TO THE DECLARATIONS CONDITIONS RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES made on this 28<sup>th</sup> day of January, 2002, by LAND ONE DEVELOPMENT, INC.;

WITNESSETH,

THAT WHEREAS, Article IX, Subsection 15, of the Declaration of covenants conditions restrictions and easements of Crystal Shores recorded in Book 747, page 737, Carteret County Registry, allows for the expansion of the Crystal Shores Subdivision by the recording of subsequent maps; and

WHEREAS, on or about the 5th day of January, 2001, the developer did cause a certain plat designated as Crystal Shores, Phase 2, to be recorded in Map Book 29, page 864, Carteret County Registry.

NOW, THEREFORE, the owner does hereby certify that the recording of such subdivision map does constitute a satisfaction of the conditions of Subsection 15 of Article IX of the original Restrictive covenants referred to herein and that the recording of such map was intended to merge both phases of said subdivision into one in accordance with the provisions of said covenants.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be executed under seal and in such form as to be binding, by authority of its Board of Directors first duly given, this the day and year first above written.

LAND ONE DEVELOPMENT, INC.  
BY: Bruce L. Goepel, President

[Recorded February 1, 2002]

## PERMANENT EASEMENT

The undersigned ("Declarant"), being the owner of Lots 27 and 28 in that subdivision known as Crystal Shores, as shown on the map recorded in Map Book 28 at Page 712 in the office of the Register of Deeds for Carteret County, hereby declares and establishes a permanent easement on a portion of Lot 28 as follows.

Purpose. The purpose of the easement is to permanently preserve a portion of Lot 28 in its present unimproved condition, thereby maintaining unimproved land surface on Lot 28 which, when added to the square footage of unimproved land surface available on Lot 27, will permit improvements on Lot 27 that would otherwise be barred by stormwater regulations and the restrictive covenants for the subdivision.

### The Easement Parcel.

BEGINNING at a point, the northwest corner of Lot 28, also the Southwest corner of Lot 27, as shown on the map recorded in Map Book 28 at Page 712 in the Carteret County Registry, said point being located where the Eastern line of Lot intersects the right-of-way line of Shoreline Drive; and running thence with the Northern line of Lot 28, North 79-37-48 East, 247.55 feet to the Northeast corner of Lot 28, also the Southeast corner of Lot 27, thence South 21-38-16 West, 4 feet to a point on the East line of Lot 28, thence on a course South 79-37-48 West to a point where the said course intersects the Western right-of-way line of Shoreline Drive, and thence with said right-of-way line Northward to the point of BEGINNING.

Preservation of Pervious Surface. No structures or facilities of any kind will be installed or constructed on, over or under the Easement Parcel. No rights-of-way or additional easements will be imposed on the Easement Parcel. No vehicles, boats, trailers or other tangible personal property will be placed on or allowed to stay on the Easement Parcel. No trash, debris, spoils or waste material of any kind will be placed on or allowed to stay on the Easement Parcel. If any such structures, facilities, vehicles, boats, trailers, tangible personal property, trash, debris, spoils or waste material are found on the Easement Parcel, the Declarant may remove and dispose of same by any lawful means.

Maintenance. Declarant reserve the right from time to time to maintain the land within the Easement Parcel to enhance its permeability and avoid erosion.

Legal Elements. As between the two lots to be governed by this Easement, Lot 28 is the servient tract and Lot 27 is the dominant tract. The Easement will be appurtenant to Lot 27 and run with the land and be binding upon the ownership of Lot 27 no matter who the owner(s) may be.

Restrictions on Lot 28 Remainder. No use will be made of the remainder of Lot 28 which will adversely affect the permeability of the land in the Easement Parcel.

No Modification or Termination. Neither Declarant nor any successor owner(s) of Lots 28 or 27 may modify or terminate this Easement without the written consent of the North Carolina Department of Environment and Natural Resources, Water Quality Division.

Reversion If Purpose Nullified. If the covenants of Crystal Shores that specify allowable impervious (built upon) surface areas, and the applicable law and regulations governing stormwater and water quality are hereafter modified so that this Easement is no longer necessary for the impervious (built upon) area on Lot 27 to fully comply with such covenants, law and regulations as modified, then the Easement will be deemed a nullity and will revert to the Declarant or their successor owner(s) of Lot 28.

IN WITNESS WHEREOF, the Declarant hereby affixes her signature this 9<sup>th</sup> day of May, 2003.

For Reference Only\*

VARIANCE OF SETBACK FOR LOT 22 CRYSTAL SHORES  
dated September 7, 2004

VARIANCE OF SETBACK FOR LOT 22 CRYSTAL SHORES  
MAP BOOK 28, PAGE 712.

The Board of Directors of Crystal Shores Owners Association, Inc pursuant to Article IX, Paragraph 13 of the Declaration of Covenants, Conditions, Restrictions and Easements of Crystal Shores as the same are recorded in Book 747, Page 737, Carteret County Registry, at a meeting duly called and upon the vote of the majority of the Directors present have and do grant to the owners of Lot 22, Crystal Shores as the same is shown on that map recorded in Map Book 28, Page 712, Carteret County Registry a variance reducing the setback from the nature trail from 65 feet to 40 feet.

This the 7<sup>th</sup> day of September, 2004

STATE OF NORTH CAROLINA  
COUNTY OF Carteret

The undersigned, Crystal Shores Phase III hereinafter called "Grantor", do(es) hereby give and grant to Carteret Craven Electric Membership Corporation (herein "Grantee"), a North Carolina corporation, with its principal place of business in Carteret County, North Carolina, its successors and assigns, a permanent right-of-way and easement over the property hereinafter described, together with the right to erect maintain, replace, upgrade, remove and use facilities as Grantee shall from time to time deem necessary for the transmission and distribution of electric energy or for communication purposes, along, over and under said right-of-way and easement, upon certain lands which are situated in White Oak Township, Carteret County, State of North Carolina, recorded in Deed Book 944, Page Number 109, and more particularly described as:

Being all of Crystal Shores Phase III, and being the extension of Casey Court, thence running adjacent to both sides of the Right-of-way of Casey Court. The centerline of said cable shall be the centerline of said easement.

This easement replaces any other Carteret-Craven EMC easements within the area described above. The easement width is 10 feet.

Special conditions: N/A

Grantor also grants to Carteret-Craven Electric Membership Corporation the right to cut, trim and remove any trees, shrubs or other obstructions which in the reasonable opinion of the Grantee constitute a hazard to the facilities, and the right of ingress and egress to said facilities by such route over the property of Grantor as shall occasion the least practicable damage and inconvenience to the undersigned. Grantor shall not erect or construct any building or other structure within said easement. Existing structures are allowed to remain and if damaged or destroyed, may be rebuilt or repaired to the same size, location and extent as it was prior to the destruction or damage.

Grantor covenants that they are owners of said premises in fee and that the same are free and clear of all encumbrances except: N/A

IN WITNESS THEREOF, Grantor has executed these presents this the 8<sup>th</sup> day of September 2004.

AFFIRMATIVE AMENDMENT TO DECLARATIONS CONDITIONS AND EASEMENTS  
OF CRYSTAL SHORES

Return to: Sam McConkey  
Prepared by: Treve Lumsden

THIS AFFIRMATIVE AMENDMENT TO THE DECLARATIONS CONDITIONS  
RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES made on this 10th day of  
November, 2004, by LAND ONE DEVELOPMENT, INC.;

WITNESSETH,

THAT WHEREAS, Article IX, Subsection 15, of the Declaration of Covenants Conditions  
Restrictions and Easements of Crystal Shores recorded in Book 747, Page 737, Carteret County  
Registry, allows for the expansion of the Crystal Shores Subdivision by the recording of  
subsequent maps; and

WHEREAS, on or about the 5th day of November, 2004, the developer did cause a certain plat  
designated as Crystal Shores, Phase 3, to be recorded in Map Book 30, Page 602, Carteret  
County Registry.

NOW, THEREFORE, the owner does hereby certify that the recording of such subdivision map  
does constitute a satisfaction of the conditions of Subsection 15 of Article IX of the original  
Restrictive Covenants referred to herein and that the recording of such map was intended to  
merge both phases of said subdivision into one in accordance with the provisions of said  
covenants.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be executed under  
seal and in such from as to be binding, all by authority of its Board of Directors first duly given,  
this the day and year first above written.

[Recorded November 10, 2004]

AFFIRMATIVE AMENDMENT TO DECLARATIONS CONDITIONS RESTRICTIONS  
AND EASEMENTS OF CRYSTAL SHORES

THIS AFFIRMATIVE AMENDMENT TO THE DECLARATIONS CONDITIONS RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES made on this 28 day of February 2005, by LAND ONE DEVELOPMENT, INC.;

WITNESSETH,

THAT WHEREAS, Article IX, Subsection 15, of the Declaration of Covenants Conditions Restrictions and Easements of Crystal Shores recorded in Book 747, Page 737, Carteret County Registry, allows for the expansion of the Crystal Shores Subdivision by the recording of subsequent maps; and

WHEREAS, on or about the 9th day of February, 2005, the developer did cause a certain plat designated as Crystal Shores, Phase 3, to be recorded in Map Book 30, Page 671, Carteret County Registry. The designation on the plat is in error as developer had previously recorded a map designated Crystal Shores, Phase 3, in Map Book 30, Page 602, Carteret County Registry. The proper designation for the Map recorded in Book 30, Page 671 should have been Crystal Shores Phase 3a. The property shown on that Map recorded in Map Book 30, Page 671 is the property subject to this amendment.

NOW, THEREFORE, the owner does hereby certify that the recording of such subdivision map does constitute a satisfaction of the conditions of Subsection 15 of Article IX of the original Restrictive Covenants referred to herein and that the recording of such map was intended to merge the designated properties with all prior phases of said subdivision into one in accordance with the provisions of said covenants.

Declarant further subjects those lots show on that Map recorded in Map Book 30, Page 671 to the following additional restrictions:

1. A culvert must be placed for each driveway going onto each of the lots, prior to or at the time of construction of a residence on the lot.
2. Each lot must be able to retain on the lot the water from rainfall equivalent to two inches of rainfall received in a period of one hour.

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

FOURTH AMENDMENT TO THE PROTECTIVE COVENANTS AND RESTRICTIONS  
FOR CRYSTAL SHORES SUBDIVISION

THIS AMENDMENT TO THE PROTECTIVE COVENANTS AND RESTRICTIONS FOR CRYSTAL SHORES SUBDIVISION effective this 21<sup>st</sup> day of October, 2005 by the Crystal Shores Owners Association, Inc. (herein "Association") and the undersigned owners of lots within Crystal Shores Subdivision representing 60% of the lot owners within said subdivision, which amendment shall be binding upon all present and future owners of lots within said subdivision and their successors and assigns, said amendment to the Protective Covenants and Restrictions being for the use and benefit of all present and future Owners of lots in Crystal Shores Subdivision, as the same are identified on that certain plats recorded in Map Book 28, page 712, Map Book 29, page 864, and Map Book 30, page 602, Carteret County Registry;

WITNESSETH:

WHEREAS, Land One Development, Inc., hereinafter designated "Developer" or "Declarant", in order to promote a uniform and harmonious development of said lands as a desirable residential community, and so as to provide for the joint use and maintenance of the subdivision streets and roads, recreational areas, natural areas, water access easements, and other Common Areas and facilities as shown on said recorded subdivision plats, for the joint use, maintenance and enjoyment of Owners of lots within said Subdivision, did adopt and record Protective Covenants and Restrictions in Book 724, page 737, which are applicable to lots 1-52 (Phase 1) within Crystal Shores Subdivision as shown on a plat recorded in Map Book 28, page 712, Carteret County Registry;

WHEREAS, Declarant thereafter developed additional lots in Phases 2 and 3 and has recorded plats for the lots in Map Book 29, page 864 and Map Book 30, page 602, respectively, Carteret County Registry;

Whereas, Article XVI of said Covenants permits and allows amendments to the Restrictive Covenants upon the written consent of 60% of the lot owners within said Subdivision, and the Association through its Board of Directors has discussed and distributed the proposed amendments to the lot owners and has recommended the approval of said amendments, and undersigned owners of 47, 44 and 50 lots respectively of a total of 75 lots owners owned by persons, firms or corporations other than the Developer, all representing more than 60% of the lots within the subdivision, have executed this amendment for the purpose of changing and altering the Restrictive Covenants as recorded in Book 747, page 737, in the manner set forth herein;

NOW, THEREFORE, in order to provide for the foregoing, the Association and the undersigned owners representing not less than 60% of the total lots as required by Article XVI do hereby covenant and agree with an persons, firms or corporations now owning or hereafter acquiring any portion of Crystal Shores Subdivision, that the use of lots as shown on the plats of Crystal Shores Subdivision as recorded aforesaid, is hereby made subject to the following amended restrictions, covenants, terms and conditions which shall run with said land and shall be binding on all property Owners within said Subdivision and their successors and assigns.

## I. AMENDMENTS TO COVENANTS.

1. The following amendments to Article II entitled "Membership in the Owners Association" are hereby adopted:

A. A new paragraph 5 is added to read as follows:

5. RECOMBINATION OF LOTS. In the event a lot owner other than the Declarant owns two or more lots which adjoin and has constructed or placed a residential structure or other improvements thereon so that use of the lots is restricted to not more than one single family lot and the remaining lots are unbuildable, or two or more adjoining lots are owned but the same are occupied by only one single family residence and the remaining lots have wetlands, soil conditions or similar conditions that prevent use of the remaining lots for separate residential use, then the Association upon written application from the lot owner may approve the recombination of the lots into one lot. Upon such approval the lot owner shall be deemed to only have one lot and only one vote for that lot under the provisions of paragraph 4 above, and shall be obligated to pay dues for the one combined lot in accordance with subparagraph 2(a) in Article VI hereafter. Provided, that in the event conditions change, one or more lots become buildable or structures are removed so that the lot owner may use more than one lot, the Association Board may terminate approval of the recombination of the lots for purposes of voting and assessments and the lot owner shall then have one vote for each lot owned and shall owe assessments for each lot owned in accordance with these Covenants as determined by the Board of Directors.

2. Subparagraph 4 under Article III entitled "Management" is amended to read as follows:

4. The Owners Association Board of Directors is authorized and empowered to adopt and enforce reasonable rules and regulations not in conflict with these restrictions and covenants regarding the use, appearance, and enjoyment of the private streets, community use areas and recreational areas, subject to these rights of a majority of the lot owners to make changes to the same from time to time. Copies of such rules and regulations shall be furnished to all lot owners by the Board promptly following adoption of the same. The Board is also authorized to adopt and enforce rules and regulations regarding the placement of trash cans, the parking of vehicles, boats and recreational vehicles on or near streets, the cutting, removal or sprucing up of trees, shrubs and vegetation on or near streets or community areas, and other such measures designed to enhance the "curb appeal" of the subdivision and the appearance of the streets, community areas, recreational areas and lots within the subdivision.

The Board of Directors shall be responsible for enforcing the rules governing lot owners and other persons within the Subdivision, whose conduct would either violate or threaten to violate these Restrictions, or who create or threaten to create a nuisance to any Owner(s), or damage, waste or threaten to damage or waste any personal or real property which is or is to become part of the Community Use Areas or is otherwise the property of the Owners Association.

3. Article X is amended in the following respects:

A. Subparagraph 4 is amended to add the following additional paragraph at the end thereof with respect to permitted dwellings:

Mobile homes, trailers, pre-manufactured dwellings, modular homes, tents and all other structures of a temporary character are prohibited from being placed, put or maintained on any lot at any time, except those that contractors or builders may use shelters during construction, repairs or alterations of buildings or structures on a lot so long as the same is not used as a residence and the same are immediately removed following completion of construction. As used herein "mobile home" and "manufactured home" shall have those meanings and definitions set out in GS 41-2.5, GS 143-143.9(6) and GS 143-145(7). The width and length of manufactured homes or mobile homes is irrelevant and inapplicable as it is the intent of these covenants to prohibit all manufactured homes, modular homes and mobile homes of all sizes regardless of length or width. Only "stick built on site" dwellings and structures shall be permitted and modular homes consisting of rooms, sections or large house components built off site and brought to the lot and erected, placed or installed are prohibited. However, nothing herein shall prohibit the use of premanufactured floor or roof trusses, beams, cabinetry, window or door units and similar small components.

5. Certification of Votes: The undersigned President hereby certifies that in advance of a special meeting held by the Association on September 17, 2005 to consider amendments to the Restrictive Covenants, that a copy, of the proposed amendments was mailed to each lot owner at their address as shown on the Association records, that written consents were secured from lots owners both in favor of and against the proposed amendments, that the actual consensus received are attached, and that the results of the consents secured for approval of amendments and the votes in favor of the same are as follows:

Amendment as to Recombination of Lots: 48 votes in favor thereof.

Amendment granting the Board authority to adopt and enforce rules and regulations improving "curb appeal": 46 votes in favor thereof.

Amendment to Article X prohibiting modular homes and specifying stick built homes as required for the subdivision: 50 votes in favor thereof.

6. Binding Effect. These amendments shall be effective upon recordation and shall be thereafter binding upon all owners of lots within Crystal Shores Subdivision and their heirs, successors in interest and assigns.

IN WITNESS WHEREOF, the Association has executed this instrument on this the 21<sup>st</sup> day of October, 2005, in such capacity and the written consent of not less than 60% of the remaining lot owners as to said amendments are attached hereto.

AFFIRMATIVE AMENDMENT TO DECLARATIONS CONDITIONS RESTRICTIONS  
AND EASEMENTS OF CRYSTAL SHORES

Prepared By: Samuel A. McConkey, Jr., Attorney at Law

THIS AFFIRMATIVE AMENDMENT TO THE DECLARATIONS CONDITIONS RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES made this 15<sup>th</sup> day of March, 2006, by LAND ONE DEVELOPMENT, INC.;

WITNESSETH:

THAT WHEREAS, Article IX, Subsection 15 of the Declaration of Covenants Conditions Restrictions and Easements of Crystal Shores recorded in Book 747, Page 737, Carteret County Registry, allows for the expansion of the Crystal Shores Subdivision by the recording of subsequent maps; and

WHEREAS, on or about the 14<sup>th</sup> day of March, 2006, the developer did cause a certain plat designated as Crystal Shores, Phase 3, to be recorded in Map Book 30, Page 936, Carteret County Registry. The designation on the plat is in error as developer had previously recorded a map designated Crystal Shores, Phase 3, in Map Book 30, Page 602, Carteret County Registry. The proper designation for the map recorded in Book 30, Page 936, should have been Crystal Shores, Phase 3b. The property shown on that map recorded in Map Book 30, Page 936, is the property subject to this amendment.

NOW THEREFORE, the owner does hereby certify that the recording of such subdivision map does constitute a satisfaction of the conditions of Subsection 15 of Article IX of the original Restrictive Covenants referred to herein and that the recording of such map was intended to merge the designated properties with all prior phases of said subdivision into one in accordance with the provisions of said amendments. Declarant further subjects those lots shown on that Map recorded in Map Book 30, Page 936, to the following additional restrictions:

1. A culvert must be placed for each driveway going onto each of the lots, prior to or at the time of construction of a residence on the lot.
2. Each lot must be able to retain on the lot the water from rainfall equivalent to two inches of rainfall received in a period of one hour.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be executed in such form as to be binding, all by authority of its Board of Directors first duly given, this the day and year first above written.

AFFIRMATIVE AMENDMENT TO DECLARATIONS CONDITIONS RESTRICTIONS  
AND EASEMENTS OF CRYSTAL SHORES

THIS AFFIRMATIVE AMENDMENT TO THE DECLARATIONS CONDITIONS RESTRICTIONS AND EASEMENTS OF CRYSTAL SHORES made on this 17th day of March, 2006 by LAND ONE DEVELOPMENT, INC.;

WITNESSETH,

THAT WHEREAS, Article IX, Subsection 15, of the Declaration of Covenants Conditions Restrictions and Easements of Crystal Shores recorded in Book 747, Page 737, Carteret County Registry, allows for the expansion of the Crystal Shores Subdivision by the recording of subsequent maps; and

WHEREAS, on or about the 14th day of March, 2006, the developer did cause a certain plat designated as Crystal Shores, Phase 3, to be recorded in Map Book 30, Page 936, Carteret County Registry. The designation on the plat is in error as developer had previously recorded a map designated Crystal Shores, Phase 3, in Map Book 30, Page 602, Carteret County Registry and Map Book 30, Page 671. The proper designation for the Map recorded in Book 30, Page 671 should have been Crystal Shores Phase 3B. The property shown on that Map recorded in Map Book 30, Page 936 is the property subject to this amendment.

NOW, THEREFORE, the owner does hereby certify that the recording of such subdivision map does constitute a satisfaction of the conditions of Subsection 15 of Article IX of the original Restrictive Covenants referred to herein and that the recording of such map was intended to merge the designated properties with all prior phases of said subdivision into one in accordance with the provisions of said covenants. Declarant further subjects those lot show on that Map recorded in Mop Book 30; Page 671 to the following additional restrictions:

1. A culvert must be placed for each driveway going onto each of the lots, prior to or at the time of construction of a residence on the lot.
2. Each lot must be able to retain on the lot the water from rainfall equivalent to two inches of rainfall received in a period of one hour.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be executed under seal and in such from as to be binding, all by authority of its Board of Directors first duly given, this the day and year first above written.

[See North Carolina General Warranty Deed]

For Reference Only\*

## ATTACHMENT

### TRACT1:

BEGINNING at a point the northwest corner of the Marvin Haga property and North Carolina Highway 24 as shown on that map titled "Crystal Shores" recorded in Map Book 28, Page 712, Carteret County Registry; thence S 23-09-20 E, 441.99 feet; thence N 40-33-43 W, 372.82 feet to an existing concrete monument; thence S 23-00-30 E 244.61 feet to an existing concrete monument; thence S 72-45-59 E, 192.87 feet to a point; thence S 17-39-22 E, 903.47 feet to an existing concrete monument; thence S 00-05-38 W, 1,476.97 feet to a concrete monument at the highwater mark of Bogue Sound; thence S 87-22-26 W, 25.03 feet to a point, the southeast corner of Lot 1 thence with the eastern line of Lot 1, N 00-05-38 E, 198.15 feet to a point; thence with the northern line of Lot 1, N 60-35-59 W, 269.60 feet to the cul-de-sac of Shoreline Drive; thence with the cul-de-sac a curve having a radius of 50.0 feet; a chord of 14.94 feet and a chord bearing of N 34-30-07 E; thence S 60-35-59 E, 271.39 feet to a point; the south east corner of Lot 32; thence N 00-05-38 E, 1,150.46 feet to the northeast corner of Lot 23; thence with the northern line of Lot 23 S 64-37-17W, 158.38 feet to a point; thence with the northern line of Lot 22, S 59-55-12 W, 145.34 feet to a point; thence with the northern line of Lot 2, S 50-55-12 W, 168.44 feet to a point; thence with the northern line of Lot 20 and 19, S 61-38-21W, 89.79 feet; thence with the northern line of Lots 19 and 18, N 89-34-10 W, 252.09 feet to a point; thence S 02-25-42 W, 48.12 feet to a point, the southwest corner of Lot 18; thence with the eastern right of way of Shoreline Drive in a northerly direction with a curve having a radius of 385.00 feet, an arc distance of 184.21 feet to a point; thence continuing with Shoreline Drive in a northerly direction with a curve having a radius of 180.00 feet an arc distance of 197.12 feet to a point; thence N 20-50-27 E 85.0 feet to a point; thence with a curve in a northerly direction having a radius of 25 feet an arc distance of 39.27 feet to a point; thence S 69-08-33 E, 100.00 feet to a point; thence in an easterly direction with a curve having a radius of 361.31 feet an arc distance of 11.56 feet to the northwest corner of Lot 33; thence with the western line of Lot 33, S.04-07-40 E, 274.34 feet; thence with the southern line of Lot 33, N 80-54-33 E, 80.29 feet; thence with the southern line of Lot 34, N 88-21-32 E, 173.75 feet; thence with the southern line of Lot 35, N 62-50-41 E, 138.63 feet; thence with the southern line of lots 36 and 37, N 55-59-12 E, 257.51 feet; thence with the southern line of Lot 38, S 64-37-17 E, 161.56 feet; thence with the eastern line of Lot 38, N 00-05-38 E, 91.59 feet; thence N 17-39-22 W, 526.86 feet to the northeast corner of Lot 49; thence with the northern line of Lot 50, N 72-45-59 W, 100.71 feet; thence with the northern line of Lot 51, S 68-05-04 E, 252.02 feet; thence with the west line of Lot 51, S 23-00-30 E, 135.00 feet to a point; thence with the northern line of Lot 52, 259.42 feet to the eastern margin of Shoreline Drive; thence with the eastern margin of Shoreline Drive in a northwesterly direction along a curve with a radius of 344.49 feet a distance of 130.15 feet; thence continuing with a curve and the eastern margin of Shoreline Drive 125.83 feet to a point; the northwest corner of the Baseball, Basketball and Soccer park; thence in a northerly direction and continuing along the eastern margin of Shoreline Drive to the point or place of beginning. Being the common area south of the entrance to Crystal Shores, the Baseball, Basketball and Soccer Park, the nature trail 15 and 25 foot access areas lying east of Shoreline Drive as shown on that map 'recorded in Map Book 28, Page 712 to which reference is made for more certainty of description.

TRACT2:

BEGINNING at a point where the western margin of Shoreline Drive intersects with North Carolina Highway 24; thence S 23-00-20 E, 493.18 feet to an iron pipe; thence N 40-33-11 E, 26.16 feet to the western margin of Shoreline Drive; thence with the western margin of Shoreline Drive in a northerly direction to the point of beginning. Being the common area at the entrance of Crystal Shores lying west to Shoreline Drive and shown on that map of Crystal Shores recorded In Map Book 28; Page 712, Carteret County Registry.

TRACT3:

BEGINNING at the northeast corner of Lot 9 as shown on that map of Crystal Shores recorded in Map Book 28, Page 712, Carteret County Registry; thence S 87-38-27 W, 217.15 feet; thence N 21-34-33 W, 34.13 feet to a concrete monument thence S 89-33-42 W 308.03 feet to a concrete monument; thence S 89-33-35 W, 15.00 feet to a point; thence N 01-26-25 W, 281.21 feet to a cul-de-sac on Casey Court; thence in a southerly direction with the cul-de-sac 16.02 feet; thence with the western line of Lot 17, S 01-26-25 E, 262.05 feet; thence with the southern lines of Lots 17, 16 and 11, N 89-33-42 W, 303.12 feet; thence S 71-34-33 W, 37.53 feet; thence N 80-35-27 E, 216.06 feet to the western margin of Shoreline Drive; thence with the western margin of Shoreline Drive S 06-24-05 E, 15.02 feet to the point of beginning.

Being the portion of the nature trail west of Shoreline Drive as shown on that map recorded in Map Book 28, Page 712, Carteret County Registry to which reference is made for more certainty of description. Also conveyed are those streets labeled Shoreline Drive, Casey Court, Beach Haven Cove, Sun Burst Circle and Sand Lot Curve as depicted on that map of Crystal Shores recorded in Map Book 28, Page 712, Carteret County Registry, together with the extension of Casey Court as depicted on that map entitled "Crystal Shores Phase 3" recorded in Map Book 30, Page 602, Carteret County Registry and Shady Path as depicted on that map entitled "Crystal Shores Phase 2" recorded in Map Book 29, Page 864, Carteret County Registry.

VARIANCE FOR FENCE FOR LOT 73 CRYSTAL SHORES  
MAP BOOK 30, PAGE 936

The Board of Directors and the Architectural Committee of Crystal Shores Owners Association, Inc. pursuant to Article XV, Paragraph 1 of the Declaration of Covenants, Conditions, Restrictions and Easements of Crystal Shores as the same are recorded in Book 747, Page 737, Carteret County Registry, at a meeting duly called and upon the vote of the majority of the Directors present have and do grant to the owners of Lot 73, Crystal Shores as the same is shown on that map recorded in Map Book 30, Page 936, Carteret County Registry, a variance for a six-foot high fence in the rear yard only.

This the 17<sup>th</sup> day of June, 2008

VARIANCE FOR FENCE FOR LOT 47 CRYSTAL SHORES  
MAP BOOK 28, PAGE 712

The Board of Directors and the Architectural Committee of Crystal Shores Owners Association, Inc. pursuant to Article XV, Paragraph 1 of the Declaration of Covenants, Conditions, Restrictions and Easements of Crystal Shores as the same are recorded in Book 747, Page 737, Carteret County Registry, at a meeting duly called and upon the vote of the majority of the Directors present have and do grant to the owners of Lot 47, Crystal Shores as the same is shown on that map recorded in Map Book 28, Page 712, Carteret County Registry, a variance for a six-foot high fence in the rear yard only.

This the 17<sup>th</sup> day of June, 2008

VARIANCE FOR FENCE FOR LOT 73 CRYSTAL SHORES  
MAP BOOK 30, PAGE 936

The Board of Directors and the Architectural Committee of Crystal Shores Owners Association, Inc. pursuant to Article XV, Paragraph 1 of the Declaration of Covenants, Conditions, Restrictions and Easements of Crystal Shores as the same are recorded in Book 747, Page 737, Carteret County Registry, at a meeting duly called and upon the vote of the majority of the Directors present have and do grant to the owners of Lot 73 Crystal Shores as the same is shown on that map recorded in Map Book 30, Page 936, Carteret County Registry, a variance for a six-foot high fence in the rear yard only.

This the 17<sup>th</sup> day June, 2008

For Reference Only\*