

Melanie Arthur 5P
CARTERET COUNTY
JL Date 05/27/2003 Time 10:13:00
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NORTH CAROLINA, CARTERET COUNTY
The foregoing certificate(s) of Notary Public(s) ~~is/are~~
certified to be correct. This instrument and this certifi-
cate are duly registered at the date and time and in
the Book and Page shown on the first page hereof,

Melanie Arthur, Register of Deeds
By *[Signature]*
Asst./Deputy Register of Deeds

PREPARED BY: M. DOUGLAS GOINES
RETURN TO: M. DOUGLAS GOINES

STATE OF NORTH CAROLINA

TRI-PARTY AGREEMENT

COUNTY OF CARTERET

THIS TRI-PARTY AGREEMENT made and entered into this the
16th day of May, 2003, by the CARTERET COUNTY HEALTH DEPARTMENT
(hereinafter referred to as the Department); SPARKWELL, LLC, a
North Carolina Limited Liability Company (hereinafter referred to
as the Developer); and BLUE WATER AT ATLANTIC BEACH HOMEOWNERS'
ASSOCIATION, INC., a North Carolina Non-Profit Corporation
(hereinafter referred to as the Association);

W I T N E S S E T H:

WHEREAS, the Developer is the owner of certain lands lying
and being situate in the Town of Atlantic Beach, Carteret County,
North Carolina, which lands the Developer proposes to subdivide
into condominium units, said complex to be known as Blue Water at
Atlantic Beach, a condominium complex; and

WHEREAS, the Developer proposes to construct a sewage septic
system to provide sanitary sewage disposal to serve the complex;
and

WHEREAS, the Developer has applied to the Department for the
issuance of a permit to construct, maintain, and operate said
septic system; and

WHEREAS, the Developer shall form the Blue Water at Atlantic
Beach Homeowners' Association, Inc., a non-profit corporation

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(2)

organized and existing under laws of the State of North Carolina, for the purpose of operating, maintaining, and repairing the common areas and facilities, including the septic system and for the purpose of collecting dues and assessments to provide funds for such operation, maintenance, and repair from those unit owners that utilize the system; and

WHEREAS, all parties desire to assure that the sewage septic system of Blue Water at Atlantic Beach is properly constructed, maintained, operated and repaired in accordance with laws, rules and permit conditions in order to protect the public health, the quality of waters of the State and the public interest therein.

NOW THEREFORE, for and in consideration of the premises and the benefits to be derived by each of the parties hereto, the Department, the Developer, and the Association do hereby mutually agree as follows:

1. The Developer shall construct the proposed sewage septic facilities only in accordance with the permit, applicable rules, and plans and specifications hereafter to properly operate, maintain and repair such systems in accordance with applicable permit provisions, rules and laws until the entire system has been transferred to the Association. This system shall accommodate eight (8) units of Blue Water at Atlantic Beach.

2. The Developer shall not transfer ownership of the sewage septic system to the Association until the system has been inspected, permitted, and determined to be operating in accordance with applicable rules and permit conditions.

3. The Association, after transfer of ownership of the sewage septic system to it by the Developer, shall thereafter properly maintain, operate, and repair the system in accordance with laws, rules, and the conditions of the permit. The Association shall levy and collect the assessments provided for in its By-Laws and the Declaration of Condominium for the complex, including special or additional assessments; and, in the event that the sum realized by the levy of such assessments shall not be adequate to maintain, operate and repair the system as

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required by laws and conditions of the permit, the Association shall take such action as is necessary to secure funds adequate for such purposes.

4. The Developer, in its Declaration of Condominiums to be duly filed, shall identify the entire sewage septic system as a common area, which will receive the highest priority for expenditures by the Association, except for Federal, State and local taxes and insurance.

5. The Association, upon dissolution, shall provide for the continued proper operation, maintenance, and repair of its sewage septic.

6. The Association, except on dissolution, shall not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation, maintenance and repair of its sewage septic system.

7. A copy of this Agreement shall be recorded in the Office of the Register of Deeds of Carteret County with a copy of the Articles of Incorporation of the Association.

IN WITNESS WHEREOF, this Agreement was executed in triplicate originals by the duly authorized representative of the parties hereto on the day and year first written as indicated by each of the parties named below:

This the 16th day of May, 2003.

CARTERET COUNTY HEALTH DEPARTMENT

By: [Signature] ECD, MPH (SEAL)

Developer:

SARKWELL, LLC

[Signature] (SEAL)
WILLIAM J. SPARKMAN, MEMBER/MANAGER

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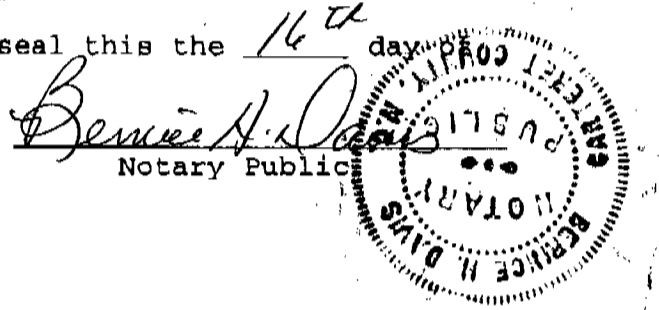
BLUE WATER AT ATLANTIC BEACH
HOMEOWNERS' ASSOCIATION, INC.

BY: [Signature] (SEAL)
WILLIAM J. SPARKMAN, PRESIDENT

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

This is to certify that J T Garrett
personally came before me this day and acknowledged that he/she
is the Carteret County Health Dr. of the County of Carteret
under the laws of the State of North Carolina, and that by
authority duly given and as the act of the said CARTERET COUNTY
HEALTH DEPARTMENT, the foregoing document was signed in its name
by him/her on behalf of said entity.

Witness my hand and notarial seal this the 16th day
May, 2003.



My Commission Expires:
March 3, 2008

STATE OF NORTH CAROLINA
COUNTY OF ~~CARTERET~~ WAKE

I, REED L. CROESS, a Notary Public, certify that
WILLIAM J. SPARKMAN personally came before me this day and
acknowledged that he is a MEMBER/MANAGER SPARKWELL, LLC, a North
Carolina Limited Liability Company, and that by authority duly
given and as the act of the Company, the foregoing instrument was
signed in its name by its MEMBER/MANAGER.

Witness my hand and official seal this the 16th day of May,
2003.

[Signature]
Notary Public



My Commission Expires:
May 3, 2008


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STATE OF NORTH CAROLINA
COUNTY OF ~~CARTER~~ WAKE

X

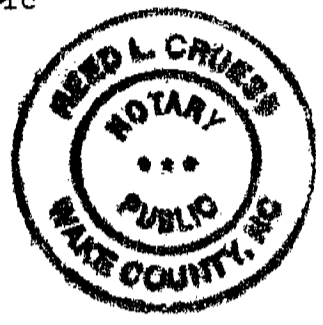
I, REED L. CRUES, a Notary Public, certify that
WILLIAM J. SPARKMAN personally came before me this day and
acknowledged that he is PRESIDENT of BLUE WATER AT ATLANTIC BEACH
HOMEOWNERS' ASSOCIATION, INC., a North Carolina Corporation, and
that by authority duly given and as the act of the Corporation,
the foregoing instrument was signed in its name by its
President.

Witness my hand and official seal, this the 16th day of
May, 2003.



Notary Public

My Commission Expires:
May 3, 2008



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