

SECOND AMENDMENT TO PROTECTIVE COVENANTS  
AND RESTRICTIONS FOR PINE KNOLL SUBDIVISION

. ARTICLE 1 - APPLICABILITY

A. SECTIONS AFFECTED. These protective covenants and restrictions are applicable to each and every lot of Pine Knoll Subdivision as shown on the below listed maps recorded in the Lee County Registry, and it hereby provided that all lots shall be held, transferred, sold and conveyed subject to these protective covenants and restrictions:

Subdivision Section	Map	
A	Plat Cabinet 1	Slide 379
B	Plat Cabinet 1	Slide 379
C	Plat Cabinet 3	Slide 195
E	Plat Cabinet 3	Slide 165
F	Map Book 14	Page 74
and	Plat Cabinet 1	Slide 381
G	Plat Cabinet 1	Slide 382
and	Plat Cabinet 1	Slide 383
H	Plat Cabinet 4	Slide 70
I	Plat Cabinet 1	Slide 158
J	Plat Cabinet 1	Slide 162

B. SECTIONS EXCLUDED. Pine Knoll Subdivision Sections D and K are excluded from the covenants and restrictions.

C. COMBINATION OF LOTS. Lots deemed by the Lee County Planning Department to be unsuitable for residential construction may, with the prior approval of the Association, which is hereinafter described, be combined with an Owner's contiguous lots into one (1) resulting lot, which shall be considered as one (1) lot for the purposes of these Covenants with the prior approval of the Board of Directors. Owners shall request permission of the Association to combine lots before attempting to combine lots by survey and/or reconveyance. The Association will approve such a combination only after the parcel has been reclassified as a single lot by the Office of the Lee County Tax Assessor and recorded as such on the appropriate tax map(s).

ARTICLE 2 - ASSOCIATION

A. NON-PROFIT CORPORATION. The Association is incorporated as a non-profit corporation under the laws of the state of North Carolina.

B. BY - LAWS. The Association is governed by the by-laws of Quail Ridge Property Owners Association of North Carolina, Inc., hereinafter referred to as the "By-laws".

C. MEMBERS.- All owners of residential lots listed in Article 1 of these covenants are members of the Association.

D. RESPONSIBILITY FOR ENFORCEMENT. The Association shall have the primary responsibility for the administration and the enforcement of these covenants and restrictions.

### ARTICLE 3 - ARCHITECTURAL CONTROL

A. COMMITTEE. The Architectural Committee, hereinafter referred to as the "Committee", shall be appointed by the Board of Directors of the Association. It shall be the responsibility of the Committee to review all plans and specifications for proposed improvements to the lots, as more particularly provided herein, and to approve or disapprove same based on whether the proposed improvements fit into the presently existing general plan or development scheme of the homes in the area. The Committee shall consist of a Chairman, who must be a member of the Board of Directors, and four additional members, appointed for a period of one year or until removed or replaced by the Board of Directors. Any person appointed to the Committee shall serve at the pleasure of the Association.

B. PLANS. All plans for the construction of driveways and all building plans for any building, fence, wall, or structure to be erected upon any lot, and the proposed location thereof upon the lot, and any changes after approval thereof, and remodeling, reconstruction, alteration, or addition to any building, fence, wall, driveway, or other structure upon any lot in such premises shall require the approval in writing of the Committee. Before beginning the construction of any driveway, building, fence, wall coping, or other structure whatsoever, or remodeling, reconstruction, or altering such driveway or structure upon any lot, the person or persons desiring to erect, construct, or modify the same shall submit to the Committee two complete sets of driveway plans, showing the locations, course, and width of same, or two complete sets of building plans and specifications for the building, fence, wall coping, or other structure, as is applicable, so desired to be erected, constructed, or modified. No structure of any kind, the plans, elevations, and specifications of which have not received the written approval of the Committee, or which does not comply fully with such approved plans and specifications, shall be erected, constructed, placed, or maintained upon any lot. Approval of such plans

and specifications shall be evidenced by written endorsement on such plans and specifications. a copy of which shall be delivered to the owner or owners of the lot upon which the prospective building, road, driveway, or other structure is contemplated prior to the beginning of such construction. No change or deviation in or from such plans and specifications as approved shall be made without the prior written consent of the Committee. The Committee shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

The Committee shall act to approve or disapprove proposals submitted to the Committee within 30 days after complete plans and specifications are submitted to the Committee. In the event the Committee fails to approve or disapprove proposed plans and specifications within 30 days after such plans and specifications are submitted to the Committee, such plans and specifications shall be deemed to have been approved as submitted.

#### ARTICLE 4 - BUILDINGS

A. ONE RESIDENCE PER LOT. Except as otherwise provided herein, only one (1) single family residential dwelling shall be permitted on each lot.

B. FACTORY-BUILT HOUSING PROHIBITED. With respect to such residential dwellings, the construction, erection, assembly and/or placement of any factory-built housing is prohibited. For purpose of these restrictions and covenants, factory-built housing shall be defined as including, without limitation, manufactured homes, mobile homes, modular homes, panelized homes, and pre-cut homes, including pre-cut log homes ("Factory-built Housing"). Modular homes shall include dwellings constructed in accordance with the standards set forth in the N.C. State Residential Building Code and composed of components substantially assembled in a manufacturing plant and transported to the building site for final assembly on a permanent foundation. It is the intention of these restrictions and covenants-that the definition of Factory-built Housing shall further include any type of residential structure which is "moved in" to the premises rather than constructed or "stick-built" thereon.

C. MINIMUM SQUARE FOOTAGE. An residential dwellings shall have a minimum of 1500 square feet of heated floor space,excluding the floor space of any heated garage, except:

1. those residences adjoining the Quail Ridge Golf Course shall have a minimum of 1800 square feet of heated floor space, and

2. those existing residences on lots 12 through 41, inclusive, of Section C shall have a minimum of 1000 square feet of heated floor space. Any new residence constructed on lots 12 through 41, inclusive, of Section C shall have a minimum of 1500 square feet of heated floor space. Any existing residence in said Section C which is destroyed by fire or other casualty- may be reconstructed in compliance with square footage requirements contained in the Restrictive Covenants in effect at the time of the original construction, and further provided that said construction complies with the zoning requirements for Lee County.

D. SETBACKS. No building of any kind shall be located on any lot less than 50 feet from the front lot line, and no building shall be located less than 15 feet from any side lot line, or less than 50 feet from the property line of any lake or golf course, or less than 50 feet from any rear lot line, except if building set back lines so indicate on the recorded plat, or with the prior written approval of the Committee.

#### ARTICLE 5 - USES PERMITTED AND PROHIBITED

A. NO COMMERCIAL USE. The lots shall not be used for any commercial purposes whatsoever, except residences may be rented or leased for single family residential purposes.

B WELLS. Wells may not be drilled or bored to supply water to a residence constructed upon a residential lot. Well drilled or bored prior to the establishment of the central water distribution system, and continually used, may continue to be used.

C COMMITTEE APPROVAL OF IMPROVEMENTS. No building, fence, outside lighting, carport, or other above ground structure, including satellite dish, radio or television antenna, or any other device shall be erected, assembled or maintained on any lot without the prior written approval of the Committee as to harmony of exterior design and general quality with the existing standards of the of the homes in the area.

D. ANIMALS. No animals or poultry of any kind, other than house pets, shall be kept or maintained on any lot. All pets shall be confined to its owner's property or be controlled on a leash. Pets that foam free are subject to pick-up by the appropriate animal control officers.

E. VEHICLES. No boats, trailers, buses, self-motorized camping vehicles, family motor homes, or unlicensed vehicles may be stored or regularly parked on the premises, except in garages or well screened enclosures. Nothing herein shall be construed to prohibit the temporary presence of a motor home or camper placed upon a lot by or for the use of a temporary guest of the owner of such residential lot.

F. SIGNS. No signs of any kind whatsoever shall be erected or displayed or otherwise exposed to view on any lot without the prior written approval of the Committee, except for the usual real estate "For Sale" or "For Rent" signs.

G. PARKING. Adequate off-street parking shall be provided by the owner of each lot for the parking of vehicles owned by the occupants of the residence and their overnight guests. Overnight parking on the streets is prohibited.

H. NUISANCE. Property owners shall refrain from any action or activity which interferes with the peaceful enjoyment of property by other property owners.

I. MAINTENANCE OF PROPERTY. Each owner of a lot used for a residence or yard shall keep said lot free of tan grass, undergrowth, dead trees, trash and rubbish, and all such lots shall be planted with grass or other ground cover, and properly maintained so as to present an attractive appearance. The exterior of all buildings or other above ground structures shall be maintained in a neat and attractive condition by the owner. In the event the owner of such lot does not comply with this provision in the opinion of the Committee, then the Committee may have the required work done and the costs incurred shall be levied on the owner as a special assessment.

J. FENCES. Fences constructed on lots shall be split rail type of construction in keeping with the existing fences used on the Quail Ridge Golf Course.

K. GOLF COURSE. Property owners shall refrain from any actions which would detract from the playing qualities of the Quail Ridge Golf Course or detract from the development of an attractive overall landscaping plan for the entire golf course area.

L. UTILITIES; EXPENSES. The Association has the right to subject the real property in this subdivision to a contract or contracts for the installation of underground electric cables, street lighting, telephone equipment, cable television service equipment and water, gas and sewage lines, any or any of which may require an additional payment and/or a continuing monthly payment to the aforesaid utility company, or their successors or assigns, by the owner of each residential building served by such service or equipment.

#### ARTICLE 6 - ASSESSMENTS

A. ANNUAL ASSESSMENT. The owner of each lot defined in Article 1 on January 1 of each year shall pay an annual assessment of \$50.00 per lot. The owners of subdivided lots not approved by the Board of Directors as a Parcel shall pay a proportional share of the annual assessment as determined by the Association. The annual assessment shall be due and payable to the Association on or before March 1st

each year. The actual amount of the annual assessment for each year will be established by the Board of Directors following discussion with the property owners at the Annual Meeting of the Association.

B .. CAPITAL ASSESSMENT. The Association may levy a capital assessment in any assessment year to defray in whole or in part the cost of any construction or re-construction, unexpected repair or replacement of a capital improvement or to provide funds for expenses exceeding the expected available funds from the annual assessment.

A capital assessment shall be proposed at the annual meeting of the association or at a special meeting of the association and written notice of the proposal shall be sent or delivered to all Members at least 30 days prior to said meeting. A capital assessment shall be applicable to only one assessment year and must have the approval of a majority of the members voting, either in person or by proxy, at the meeting.

C. REMEDIES FOR DEFAULT. In the event the owner of a lot fails to comply with the provisions of the covenants, and after written notice from the Association requesting remedial action fails to comply, the Association may perform such task or remedy and levy the cost of performance against the owner of such lot as a special assessment if approved by a majority vote of the Board of Directors.

D. INTEREST; COSTS. All assessments shall be payable to the Association. Any assessment not paid when due shall be delinquent. All delinquent assessments shall bear interest at the rate of 10% per annum. The Association shall have the right to collect delinquent assessments as hereinafter provided. Delinquent assessments, together with interest and the costs of collection, shall become a continuing lien on the property in the hands of the owner, his heirs and assigns. The term "costs of collection" shall specifically include the actual attorney's fees expended by the Association in collecting the Hen. The personal obligation of the owner to pay such assessment shall remain his personal obligation for the statutory period provided by law and shall not pass to his successors in title who are bona fide purchasers for value, unless expressly assumed by them. In the event the Association shall elect to foreclose its lien for assessments the procedure to be used shall be the procedure for foreclosure of deeds of trust.

E. USES. The annual assessments collected by the Association shall be used for such purposes as the Association shall deem fit and proper, including but not limited to the maintenance, improvement and beautification of streets, roadways, shoulders drainage ways and rights-of-way of the subdivision. The assessments collected by the Association for capital and special assessments shall be used for the purposes specified for the assessment.

F. STREETS. The streets and roadways to which this covenant is applicable

shall include all streets and roadways serving any residential lot defined in Article 1 except those streets and roadways maintained by the State of North Carolina. It shall be the sole responsibility of the Association to determine the nature and extent of repairs which shall be performed from time to time. In determining the nature, extent and scheduling of repairs consideration shall be given to maintaining pavement in a safe and attractive condition, elimination of broken pavement and potholes, minimization of future expenditures for deferred maintenance and repair and the availability of funds for effecting such maintenance and repairs.

#### ARTICLE 7 - ENFORCEMENT

A. REMEDIES. In the case of failure of a lot owner to comply with the terms and provisions of these Covenants or the By-laws of the Association, the following relief shall be available after written notice has been given to the offending property owner:

1. The Association, an aggrieved lot owner or owners within the subdivision, or any lot owner on behalf of all the lot owners within the subdivision shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.

2. The Association shall have the right to remedy the violation and assess the cost of remedying same against the offending lot owner as a special assessment.

B. CUMULATIVE. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

C. NO WAIVER. The failure of the Association or any person to enforce any restriction contained in the Covenants or the By-laws of the Association shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

#### ARTICLES-AGREEMENT

A. RUN WITH THE LAND. All covenants, restrictions and affirmative obligations set forth herein shall be appurtenant to the land and shall run with the land and shall be binding on an persons and parties claiming under them.

B. SEVERABILITY. In the event that anyone or more of these covenants conditions, reservations or restrictions shall be declared for any reason, by a court of competent jurisdiction, to be null and void, such judgment or decree shall not in any

manner whatsoever affected modify, change, abrogate, or nullify any of the covenants, conditions, reservations and restrictions not so expressly held to be void, but all of the remaining covenants, conditions, reservations and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect

#### ARTICLE 9 - MODIFICATION

Any of the foregoing covenants and restrictions may be altered, amended, modified, waived, or deleted upon the execution and filing of an instrument signed by a majority of the owners of the lots in Pine Knoll Subdivision to which these covenants apply, based on one vote per lot owned.

#### ARTICLE to-DURATION

A. These Covenants shall remain in full force and effect until the last day of January, 2005, and thereafter shall be automatically extended for successive periods of 25 years each unless and until changed, modified, waived or extinguished as provided herein.



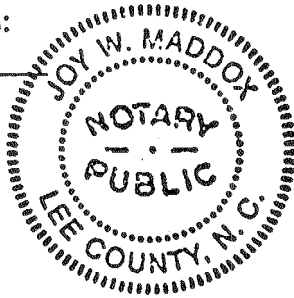
NORTH CAROLINA  
LEE COUNTY

I, a Notary Public, do hereby certify that DORRIS BUTLER personally appeared before me this day and acknowledged that 's/he is \_\_\_\_\_ Secretary of Quail Ridge Property Owner's Association of Lee County, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in his name by its \_\_\_\_\_ President, sealed with its corporate seal, and attested by her as its \_\_\_\_\_ Secretary.

Witness my hand and notarial seal this 22nd July 1998.

Joy W. Maddox  
Notary Public

My commission expires:  
4-24-2003



STATE OF NORTH CAROLINA - LEE COUNTY  
The foregoing certificate of Joy W. Maddox, Notary Public (Notaries Public) of Lee County is (are) certified to be correct  
This 22nd Day on July 1998  
NELLIE W. THOMAS, REGISTER OF DEEDS, LEE CO., N.C.  
By Nellie W. Thomas  
-Deputy Register of Deeds

Assistant

STATE OF NORTH CAROLINA  
COUNTY OF LEE

SECOND AMENDMENT TO  
PROTECTIVE COVENANTS  
AND RESTRICTIONS FOR  
PINE KNOLL SUBDIVISION

98 JUL 22 PM 4 11

NELLIE W. THOMAS  
REGISTER OF DEEDS  
LEE COUNTY, N.C.

THESE DECLARATIONS, made 22nd day of July, 1998, by

QUAIL RIDGE PROPERTY OWNER'S ASSOCIATION OF LEE COUNTY, INC., a North Carolina non-profit corporation ("Association") on behalf of a majority of the owners of property in Pine Knoll Subdivision, more particularly described herein (collectively, the "Declarants").

WITNESSETH:

WHEREAS, Exhibit "A" attached hereto lists blocks or sections of the Pine Knoll Subdivision ("Sections"), recording information for a map of each such section as recorded in the Lee County Registry, and the recording information in the Lee County Registry for protective covenants and restrictions ("Restrictions") which are applicable to each section; the Restrictions represent revisions dated January 21, 1985, of previous protective covenants and restrictions which appeared of record in Lee County, and the Restrictions contain a provision (Section 20) that the Restrictions may be amended by a vote of the majority of the property owners in Pine Knoll Subdivision; and

WHEREAS, pursuant thereto, the Association provided to the property owners a copy of the proposed Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision, which is attached hereto as Exhibit "B", and incorporated herein by reference, and a ballot whereby the said property owners could vote "yes" to adopt or "no" to oppose the adoption of the Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision; and

WHEREAS, the Association received "yes" ballots totaling 148.7, "no" ballots totaling 19, and 78.3 ballots were unreturned; and whereas, the number of ballots voting "yes" in favor of the adoption of the Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision constitutes a majority of the property owners in Pine Knoll Subdivision so that the proposed amendment to the Restrictions for Pine Knoll Subdivision was properly ratified,

NOW, THEREFORE, the Association, acting on behalf of a majority of the property owners of Pine Knoll Subdivision as hereinabove described ("Declarants"), hereby declare that all of the aforesaid protective covenants and restrictions applicable to those lots contained in those blocks or sections described on Exhibit "A" attached hereto and incorporated herein by reference are hereby amended by substituting in the place and

Prepared by Robert Gilleland

stead of the aforesaid protective covenants and restrictions those certain covenants and restrictions described as "Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision" described in Exhibit "B" and incorporated herein by reference; and Declarants do hereby declare that each and every lot situated within the Sections henceforth shall be held, transferred, sold and conveyed subject to the Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision.

Declarants further, declare that Schedule "C" attached hereto and incorporated herein by reference lists the names of all owners of lots or property in the Pine Knoll Subdivision which are affected by this revision and hereafter subject to the Second Amendment to Protective Covenants and Restrictions for Pine Knoll Subdivision,

IN WITNESS Whereof the Association has caused these presents to be signed in its corporate name by its \_\_\_\_\_ President, attested by its \_\_\_\_\_ Secretary, and its corporate seal to be hereunto affixed, all by authority, the day and year first above written.

QUAIL RIDGE PROPERTY OWNER'S  
ASSOCIATION OF LEE COUNTY, INC.

By: William C. Shackelford  
\_\_\_\_\_  
President

ATTEST:

Doris B. Sylvester  
\_\_\_\_\_  
Secretary

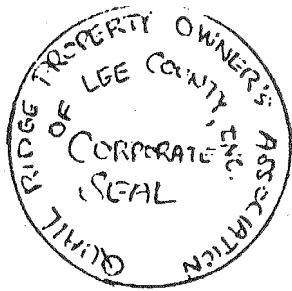


EXHIBIT "A"

PINE KNOLL SUBDIVISION  
COVENANTS AND RESTRICTIONS  
LEE COUNTY REGISTRY

SECTION	PLAT CABINET/MAP BOOK	REVISED COVENANTS
A	PC 1 - Slide 379	Book 370, page 336
B	PC 1 - Slide 379	Book 370, page 353
C	PC 3 - Slide 195	Book 370, page 368
E	PC 3 - Slide 165 PC 1 - Slide 380 PCI - Slide 140	Book 370, page 391 Book 370, page 391
F	PC 1- Slide 381 MB 14 - Page 74 MB 13 - Page 28	Book 370, page 407 Book 370, page 407
G	PC 1 - Slide 382 PC 1 - Slide 383 MB 14 - Page 3	Book 370, page 425 Book 370, page 425
H	PC 4 - Slide 70 MB 15 - Page 33	Book 370, page 474 Book 370, page 474
I	PC 1 - Slide 158 MB 15 - Page 34	Book 370, page 444
J	PC 1 - Slide 162 MB 14 - Page 32 .	Book 370, page 460