

**Restatement of Restrictive Covenant
July 2017**

This restatement is not meant to be a legal document, but has been prepared as a convenience for the membership. On June 13, 1981, a revision of the original restrictive covenants were rewritten in their entirety. The following is a compilation of the salient parts of the 1981 document that are still viable and the amendments that have been made to it. The dates the amendments were made and filed are in parenthesis.

Witnesseth

Whereas, the real property depicted in Map Book 7, Page 18 (Sections I and III), Map Book 7, Page 77 (Section II), Map Book 7, Page 78 (Section IV), and Map Book 8, Page 48 (Sections IV and V), all Carteret County Registry, (collectively referred to as the "Properties"), all constitute a residential subdivision known as "Pine Knoll Shores Subdivision", which is subject to certain restrictions contained in Book 290, Page 133; Book 312, Page 94; Book 324, Page 418; revised in Book 460, Page 198; and amended in Book 674, Page 343; Book 780, Page 161; Book 918, Page 100 and book 1125, page 335, all Carteret County Registry, (collectively referred to as the "Declaration").

In order to further the interest of the owners and lot purchasers and for the efficient preservation of the land values in the above defined area, an agency was created to which was delegated and assigned the powers of maintaining and administering the common properties and facilities, and administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, said agency being a North Carolina Non-Profit Corporation created under Chapter 55A of the General Statutes of North Carolina, said corporation being known as "Pine Knoll Association, Incorporated". This non-profit corporation is responsible for the complete maintenance and operation of all the common properties in the defined area.

ARTICLE I

Section 1 - Definitions

- a) "Association" shall mean and refer to the Pine Knoll Association, Incorporated;
- b) "Properties" shall mean and refer to all property described above as well as any additional lots made subject to these covenants by proper action of the Pine Knoll Association, as more fully detailed hereinafter.
- c) "Common Properties" shall refer to any area of land owned by the Association, or over which the Association has been granted, and has accepted, a right to utilize and maintain said area, as long as said properties owned or governed by the Association are devoted to the use, benefit, or enjoyment of the owners of lots in the properties, and their duly designated guests;
- d) "Lot" shall mean and refer to any plot of land shown upon a recorded subdivision map of the properties, with the exception of "common properties", as heretofore limited;
- e) "Living Unit" shall mean and refer to any building (or part thereof), designed for use and occupancy as a residence by a single family;
- f) "Multi-family" dwelling shall mean and refer to any structure containing two or more living units;
- g) "Member" shall mean and refer to any owner of property in the defined area, and any other owner of property in the Town of Pine Knoll Shores who has been admitted by resolution of the Board of Directors of the Association, provided such owner has paid all past due Association dues, fees and assessments;

- h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities holding the fee simple title to any lot or living unit situated upon the properties;
- i) "Single Family Dwelling" shall exclude any structure that is built in such a manner that it can be used as a multi-family dwelling;
- j) "Defined Area" shall mean and refer to the entire area covered by these covenants, as described on pages one and two hereof.
- k) "Properly Scheduled Meeting" shall mean a meeting of the Association membership arranged by the Board of Directors with thirty days prior notification of time, place and purpose to all members of record.

Section 2 - Additions to Existing Property

Additional lands may become subject to this Declaration in the following manner: By supplemental Declaration to be filed in the office of the Register of Deeds of Carteret County, making newly added areas subject to the terms of this Declaration, the owners of properties within the added areas will automatically become members of the Association and their lands subject to the restrictions and covenants hereinafter provided in this instrument. However, new areas may only be added subject to terms and conditions established by the Board of Directors of the Association and approved by the membership by majority of the votes cast at a properly scheduled meeting of the Association.

Section 3 - Membership

Every person or entity who is the owner of a fee or undivided interest in any property which is subject by covenants of record to assessment by the Association shall be a bona fide member of the Association, if he has paid all past due Association dues, fees and assessments, provided that any such person or entity who holds such interest merely as the security for the performance of an obligation will not be a member.

Section 4 - Voting Rights

The Association shall have one (1) class of voting membership which shall be comprised of all Owners as that term is defined in Article I, Section 1 (h). Each Owner shall be entitled to one (1) vote for each Lot in which they hold the interest for membership required by Article I, Section 1 (g). When more than one person holds such interest or interests in any Lot all such person shall be Members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. (6/22/2001)

Article II - Property Rights in Common Properties

Every member shall have a right and easement of enjoyment in and to the common properties and such right and easement shall be appurtenant to and shall pass with the title to every lot.

Article III - Covenant for Maintenance Assessments

Each owner (or owners) of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

- 1) Annual assessments or charges.
- 2) Special Assessments as fixed or established from time to time, as hereinafter provided.

Section 1 - Purposes

The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the owners and residents of the property, for improvements and maintenance of property, services and facilities devoted to this purpose and related to the use and enjoyment of the common properties, and for enforcing compliance with the covenants set forth herein. Included, but not limited, is the payment of taxes, insurance, repairs, replacements and additions; the cost of labor, equipment, materials, management and supervision; and costs of dredging and maintaining the waterways, launching sites, or other community facilities, as decided upon by the Association.

Section 2 - Basis of Annual Assessments

Beginning July 1, 2005, the annual assessments shall be established by a majority of the votes cast by the members at a properly scheduled annual meeting for the next year, and at the end of such period, for each succeeding year. (8/5/2005)

Section 3 - Special Assessments

Upon the vote of a majority of the votes cast by the members of the Association at a properly scheduled meeting, and upon the approval thereof by the Board of Directors, a special assessment may be made for such amounts and for such purposes as may be determined at such meeting, such special assessments, however may not be made except for one of the purposes described in Section 1, and the total amount of any special assessment in any year shall not exceed the amount of the ad valorem tax levied by Carteret County upon the lowest valued lot in the defined area. (8/5/2005)

Section 4

The Board of Directors of the Association shall be responsible for the collection and administering of funds derived from annual and special assessments.

Section 5

The Board of Directors shall also assume responsibility for and take such action as may be required to enforce the covenants contained in this Declaration.

Article IV - Architectural Control Committee

Section 1

The Board of Directors shall appoint an Architectural Control Committee from among its members, from the membership of the Association, or other persons it might deem especially qualified for such service, whose duties shall be to see to it that no building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to, structural change, or alterations thereon be made, until plans and specifications showing the nature, kind, height, materials and locations of the same shall have been reviewed and approved in writing by the committee.

Section 2

Professional quality detailed building plans must be submitted to the Architectural Control Committee at the time that an application for a building permit is made. The submission shall show by floor plans, plot plans, elevations and perspective sketches all improvements proposed, locations, materials, architectural features and landscaping. All trees to be removed must be tied with ribbon for identification and also identified on the plot plan. An unimproved lot cannot be cleared or filled without both building plans and landscaping plans. In the event said committee fails to act on a submission within thirty days after sufficient plans have been submitted, said plans will be deemed to be in compliance. (6/15/1996)

Section 3

The Committee will review and shall approve the plans if the proposed improvements meet all the requirements of these covenants, and if in its opinion, the exterior appearance of the proposed improvements will be compatible with other development in the defined area or at a minimum, will not be detrimental to future property sales or surrounding property values. All materials, features and styles must be, in the opinion of the committee, aesthetically acceptable and in conformity with adjoining property owners architectural styles. Particular attention shall be given to the exterior appearance of the proposed improvement, its site placement, its environmental impact on the natural contours of the land and existing mature vegetation, and any proposed landscaping changes. (6/15/1996)

Section 4

Property owners agree to maintain the natural contours of the land, mature trees, brooks, creeks, hillsides, springs, water courses and ravines in as near their natural state as is compatible with good building and land use practices, to the end that an attractive exterior lot appearance will be evident at each building site, and in keeping with the surrounding properties. All proposed changes or modifications must be submitted to and approved in writing by the Architectural Control Committee before work begins. (6/15/1996)

Section 5

These restrictions shall be fully understood by the property owner, and by acceptance of the deed of conveyance, the owner agrees that the actions of the committee are in the best interest of all owners within the defined area and for the purpose of protecting all property values, and that the owner agrees to abide by the recommendations and decisions of the committee. Failure to so abide shall give a right of action for injunction, restraint, or damages at the option of the committee or the Association or of any other property owners in the defined area. (6/15/1996)

Section 6

These covenants and restrictions contained in this instrument shall run with the land and shall bind and inure to the benefit of the present owners, their purchasers or assigns, their respective heirs, personal representatives and their successors until January 1, 2021 and beyond if no amendments are submitted. Between January 1, 2020 and December 31, 2020 the Association may, if it so elects, submit to all property owners within the properties restricted, amendment(s) of changes in these covenants and restrictions: after notice to each property owner of property within the subject properties said owner shall be asked, at properly scheduled meeting of the membership, to vote for or against said proposed changes. (July 27, 2017) Said changes shall pass if a majority of the number of votes cast at said meeting are in favor of said changes; otherwise, the proposed amendment(s) shall be defeated, and these covenants and restrictions shall remain in full force and effect. The amendment process as stated within this instrument shall be repeated every three (3) years. Said change, if properly adopted, shall be effective upon the recordation by the Association or successor entity of an instrument reciting

said changes, said recording to be in the office of the Register of Deeds of Carteret County. Said instrument to be executed in the name of the Association by the President and attested to by the Secretary containing such recitals indicating compliance with the terms of this Section 6. Any amendment shall be effective only upon its recordation. (07/01/2011)

Article V

Section 1

All lots in the defined area are designated residential lots. No building shall be erected or permitted to remain on any lot other than one detached single family dwelling not to exceed two and one-half stories in height and an attached garage or carport. The minimum heated space requirements for residences constructed on the property shall be as follows:

All Ocean, Bogue Sound and Canal front lots: 1,500 square feet, exclusive of carports, garages, and porches;

All other lots; 1,350 square feet, exclusive of carports, garages and porches. (12/12/1991)

Section 2

No building shall be erected or allowed to remain on any lot if it is located nearer the boundary line of said lot than is shown on the maps of the defined area; also no building or any part thereof shall be erected or allowed to remain less than 10 feet from any side lot line.

Section 3

No fence shall be erected or allowed to remain on any lot which is higher than 5 feet above the general level of the ground. (8/19/2008)

Section 4

No sign or billboard of any kind shall be erected or allowed on any lot other than one "For Sale" or "For Rent", not larger than 3 square feet. "For Sale" and "For Rent" signs must be free standing and not attached to a dwelling or to a tree. Small signs, not exceeding 3 square feet displaying owner's name or the property name are also permitted. (6/15/1996)

Section 5

No building shall be erected, placed or allowed to remain on any lot which has an area of less than 10,000 square feet.

Section 6

This entire former section shall be deleted and nothing shall be inserted in its place. (12/12/1991) *(This section dealt with the Carolina Water Company)*

Section 6

No tent, mobile home, shack, barn, gazebo, covered shelter, boathouse, or outbuilding shall be erected or placed on any lot in the defined area. However, well pump enclosure and dog (or other household pet) houses shall be permitted. Travel trailers, motor homes and boat trailers (with or without boats) may be kept on improved lots provided they are not used for overnight occupancy on such lots and provided further they are maintained in a manner that presents a neat and generally unobjectionable appearance. Travel trailers, motor homes and boat trailers (with or without boats) may not be kept on a lot on which there is no house. Also, an owner of a lot fronting on Bogue Sound or a canal shall be permitted to erect a dock, plans for which must be approved by the Pine Knoll Association / Architectural Control Committee prior to approval by

the town of Pine Knoll Shores. (July 27, 2017) No boat moored in the canals, Bogue Sound, or the marinas may be used as a temporary or permanent living unit. (6/15/1996)

Section 7

No animals or poultry of any kind, other than house pets, shall be kept or maintained on any part of any lot.

Section 8

Conveyance of all lots abutting on Bogue Sound shall run to the ordinary high water mark, together with all riparian and littoral rights, as shown on the recorded plats. Owners may bulkhead in front of their lots in accordance with the Town of Pine Knoll Shores Code /Ordinances. (July 27, 2017)

Conveyance of all lots abutting on a canal shall run to the ordinary high water mark of the canal, or to the bulkhead line, together with all riparian and littoral rights, as shown on the recorded plats. Owners shall bulkhead in front of their lots at the established bulkhead line. Variations occurring from erosion, evulsion or accretion from the standard bulkhead line as shown on the maps shall be permitted only upon express approval of the Pine Knoll Association / Architectural Control Committee, prior to approval by the town of Pine Knoll Shores, and such construction shall be on the line with adjacent properties. (July 27, 2017)

A twenty (20) foot easement is reserved for the Association over the water front side of each lot abutting upon the canal, such easement to be in perpetuity for the purpose of maintenance and repair of the canal. It is the responsibility of the owners of lots abutting the canal to maintain the bulkhead that abuts their property. (6/15/1996)

The Association may permit the owner of a lot abutting on a canal to erect upon such canal a dock and or boat lift along the water edge, plans for which must be approved by the Pine Knoll Association / Architectural Control Committee, prior to approval by the town of Pine Knoll Shores. The dock may extend a maximum of six (6) feet perpendicular to the bulkhead. Any boat lift installed must maintain a minimum of fifteen (15') feet setback from any adjacent property line. However, no dock or boat lift shall be permitted that will result in the boat or boat lift preempting the canal within twenty (20') feet of its center line. (July 27, 2017)

No portion of any permitted structure shall be closer than five (5') feet to any adjacent side lot line and no dock or boat moving device shall be constructed so as to utilize for docking purposes that portion of the waterway within five (5') feet of any adjacent lot line without written permission of the adjacent property owner. (July 27, 2017)

All structures shall be in accordance with The Town of Pine Knoll Shores Codes / Ordinances. (July 27, 2017)

Section 9

The disposal of sewage and all waste matter which includes garbage, rubbish, et cetera, shall be in compliance with the regulations of the State Board of Health of North Carolina, the Board of Health of Carteret County, and all other governing authorities which have jurisdiction thereover. It is expressly prohibited that any sewage, rubbish, garbage, et cetera, shall be placed in or permitted to drain into any of the canals or Bogue Sound.

Section 10

Fuel oil tanks shall be buried, placed in the basement of the dwelling house or enclosed in such manner that a harmonious blending of the structure with the dwelling house shall be effectuated.

Section 11

“Common Properties” and the facilities thereon are dedicated to the lot owners in the defined area, their executors, heirs and assigns, and such dedication is specifically limited to lot owners and their guests.

ARTICLE VI

All assessments, whether annual or special, shall be a charge against the land and shall be a continuing lien upon the property upon which such assessments are made. Any interest and penalties charged by the Association, which interest and penalties shall be specifically allowed, shall also run with the land and be liens on the property charged.

There shall be no time limit for the filing of a claim of lien, or for the bringing of an action to enforce said lien. A legal proceeding may be instituted in Carteret County to enforce said lien against the property charged. The Pine Knoll Association is specifically granted a power of sale over said liens and property. Said sales shall be made in accordance with the provisions of the execution sale provision set out in North Carolina General Statute 1-339.41 through 1-339.76 or their successor statutes. The sale of real property to satisfy a lien granted by this Article shall pass all title and interest of the owner to the purchaser, good against all claims or interests recorded, filed or arising after the filing of the notice of lien. All expenses of sale, including a reasonable attorney's fees, shall be chargeable to the land, and paid out of the proceeds of said sale.

Enforcement of any provision of this instrument shall reside with the Association. Any individual member of the Association shall be entitled to enforce these covenants, if the Association has elected not to proceed with an action to enforce the same. Any enforcement shall be by legal proceeding in law or in equity against any person violating or attempting to violate any Covenant or Restriction. Upon the granting of any injunction to prohibit or terminate any violation of these Covenants, there shall be instituted a minimum fine of \$100.00, which fine shall be a charge against the property, and enforceable as if an assessment. In addition, all costs of the action, including the attorney's fees, shall be collectable in the action, and shall further be chargeable as a lien against the property, and shall be collectable as an assessment. Failure by the Association or any owner to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right for either to do so thereafter. Should any of these Covenants be declared unenforceable, the remaining Covenants shall remain in full force and effect each standing independently of the other.

ARTICE VII - Severability

In validation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions contained herein which shall remain in full force and effect. In addition, in the event any of the covenants or restrictions of the prior Declaration in invalidated by judgment or court order, such decision shall in no way affect the validity of the covenants and restrictions contained herein. (6/22/2001)

William Shannon Smylie
25 July 2017