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JENNIFER H. MACNEISH
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BK: 5430 PG: 2456-2460 FEE: \$23.00

INSTRUMENT # 2009028842

Prepared By & Return to: Charles D. Meier, Marshall, Williams & Gorham, LLP
P.O. Drawer 2088, Wilmington, NC 28402

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

**FIFTH AMENDMENT TO THE DECLARATION OF
PEPPER TREE AT COVIL ESTATES HOA, INC.**

This Fifth Amendment to the Declaration of Pepper Tree at Covil Estates HOA, Inc. ("Amendment") is made and entered into as of this 7 day of August 2009 by Pepper Tree at Covil Estates HOA, Inc. a North Carolina nonprofit corporation ("Association").

WITNESSETH:

A. The Association is the property owners' association charged with the responsibility for the operation of that certain real property known as "Pepper Tree at Covil Estates" located in New Hanover County, North Carolina, and described in a Declaration of Covenants, Conditions and Restrictions of Pepper Tree at Covil Estates recorded in Book 1809, Page 550, New Hanover County Register of Deeds ("Declaration"), and previously amended by instruments recorded in Book 1910, Page 598, Book 1940, Page 654, Book 2051, Page 821, and Book 4313, Page 90, New Hanover County Register of Deeds.

B. Said Declaration provides in Article XI, Section 5, that the Declaration can be amended by a vote of not less than two-thirds (2/3) of the Members, Lot/Unit Owners.

C. The amendment set forth below has been adopted by a vote of not less than two-thirds of the Members, Lot/Unit Owners and has otherwise

been properly adopted and approved as required by the Bylaws and Articles of Incorporation, as applicable.

D. That the President of the Association has been duly authorized and empowered to execute this Amendment and to cause the same to be recorded in the New Hanover County Register of Deeds as the binding act of the Association, its Members, Lot/Unit Owners and Board of Directors.

Now therefore, in consideration of the recitals set forth above, and as the act and deed of the Association, its Members, Lot/Unit Owners and Board of Directors, the Declaration is hereby amended and modified as set forth below:

By adding to Article VIII, Section 15:

Rental Restrictions

In order to assure a community of congenial resident Owners and thus protect the value of the Lots, leasing of a Lot by an Owner shall be subject to the following provisions:

Lots may be rented only in their entirety; no fraction or portion may be rented. No transient tenants shall be permitted. All leases must be for a term of not less than one (1) year (except by written permission of the Board of Directors in its sole discretion). Subletting is prohibited.

All leases and lessees are subject to the provisions of the Declaration, Bylaws, and Rules and Regulations. The Owner must provide to the lessee copies of the Declaration, Bylaws, and Rules and Regulations. The Owner shall provide to the Association a copy of the Lease along with the name, address and telephone number of each lessee prior to the lessee's occupancy of the Lot. No Lot shall be rented or occupied by more than two (2) persons unrelated by blood or marriage. The Board shall not discriminate against any prospective lessee on the basis of race, religion, national origin, age, disability, familial status, or for any other unlawful purpose.

No Lessee shall be permitted to keep or maintain any type of pet animal, with the exception of one (1) cat that is kept or maintained solely within the interior of the residence, and/or one (1) dog.

"Leasing" for purposes of this Declaration is defined as occupancy of a Lot by any person other than the Owner for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

Occupancy of a lot owned by a Corporation, Limited Liability Company, Partnership, Limited Partnership, Trust or other type of entity shall be limited to the principals of the said entity and their immediate family not to exceed four (4) persons. Occupancy by any other persons for which the Owner receives any consideration or benefit, including a fee, service, gratuity or emolument shall be considered "Leasing".

Any lease shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not incorporated into a lease such covenants nevertheless apply to the Lot and the lease. Any lessee, by occupancy of a Lot, agrees to the applicability of this covenant and incorporation of the following language into the Lease:

Lessee agrees to abide by and comply with all provisions of the Declaration, Bylaws, and Rules and Regulations adopted pursuant thereto. Owner agrees to cause all lessees of his or her Lot to comply with the Declaration, Bylaws, and the Rules and Regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may also be sanctioned for any violation of the Declaration, Bylaws, and Rules and Regulations adopted pursuant thereto. In the event that the lessee violates the Declaration, Bylaws, or Rules and Regulations for which a fine is imposed, such fine shall be assessed against the Owner and Lot. Unpaid fines constitute a lien against the Lot in accordance with the Planned Community Act and Declaration.

Any violation of the Declaration, Bylaws, or Rules and Regulations adopted pursuant thereto by the lessee, is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with North Carolina law.

Further, Owner agrees that any lessee who habitually and/or flagrantly violates the Declaration, Bylaws or Rules or Regulations shall, upon the written demand of the Association, be evicted by the Owner in accordance with North Carolina law. If the Owner fails to promptly take such action, the Owner hereby delegates and assigns to the Association the power and authority to evict the lessee on behalf of and for the benefit of the Owner. In the event the Association proceeds to evict the lessee, all costs, including reasonable attorney fees and an administrative charge of five hundred dollars (\$500.00) shall be assessed against the owner and constitute a lien against the Lot.

END OF AMENDMENTS

Except as amended, the Declaration, as may have been previously amended, shall remain in full force and effect.

The undersigned, being the President of Pepper Tree at Covil Estates HOA, Inc., does, by his/her execution hereof, certify that this Amendment was duly adopted by a vote of at least two-thirds (2/3) of the Members of the Association in person or by proxy, was duly adopted by affirmative vote of the Board of Directors, and that all the procedures, steps and requirements necessary to amend said Declaration have been complied with, the day and year first above written.

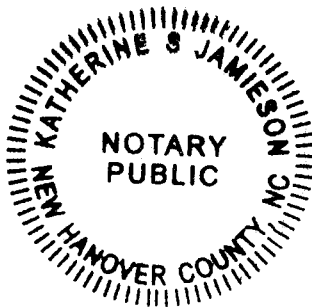
PEPPER TREE AT COVIL ESTATES, INC.

By: Eileen M. Sahlid
President

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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, Katherine S. Jamieson, notary public, do hereby certify that Eileen M. Sahlid, President of Pepper Tree at Covil Estates, Inc., a North Carolina corporation, personally appeared before me this day and acknowledged the due execution of the foregoing Fifth Amendment to the Declaration of Pepper Tree at Covil Estates HOA, Inc. on behalf of said corporation.

Witness my hand and official seal this the 7th day of August 2009.



Katherine S. Jamieson
Notary Public
My Commission expires: 3/27/13



JENNIFER H. MACNEISH
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

Filed For Registration: 08/10/2009 03:22:02 PM

Book: RE 5430 Page: 2456-2460

Document No.: 2009028842

5 PGS \$23.00

Recorder: JOHNSON, CAROLYN

State of North Carolina, County of New Hanover

PLEASE RETAIN YELLOW TRAILER PAGE WITH ORIGINAL DOCUMENT.

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