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To: Quail Cove lot owners

From: Frank G. Queen

Subject: Road maintenance agreement

At the request of the Quail Cove Property Owners Association, I have drafted the enclosed road maintenance agreement. This is an explanation of the necessity for this type of document.

The restrictive covenants for the lots in Quail Cove, which apply to all the lots in the subdivision, do not make any provision for the maintenance of the roads. The final paragraph of the restrictions reserves to the developers the right to "dedicate the streets and roads to the general public." I was not involved in the organization of the subdivision, but I believe this provision was put in the restrictions because the developers expected to dedicate the streets to the State of North Carolina and the state Department of Transportation would then undertake the maintenance. This was a very common assumption in subdivisions in the 1960s and early 1970s.

Unfortunately, after the restrictions were recorded, the state DOT changed its regulations concerning the types of streets they would accept for maintenance. This change occurred in 1975. Since then, the DOT will accept for maintenance only streets that are paved to state standards and meet a host of other regulations involving width, grade, ditches and so forth.

Since the DOT will not accept the Quail Cove streets for maintenance, that responsibility falls to the lot owners. They have been discharging that responsibility until now by the Quail Cove Property Owners Association, which has actually worked rather well.

It has become apparent lately, though, that the local lending institutions are requiring written road-maintenance agreements in order to close loans in the subdivision. Some home and lot sales may be delayed or fall through entirely unless a written agreement for maintenance is recorded. I am aware right now of a house sale which is being put on hold until some form of road-maintenance agreement can be recorded.

I have drafted the enclosed agreement to be signed by the various owners, then recorded in the courthouse. These agreements are strictly voluntary, in that no one can force any owner to sign them. If a lot is sold or mortgaged, however; the marketability of the property will be affected if a written agreement has not been recorded, in my opinion.