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DEPUTY REGISTER OF DEEDS
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**DECLARATION OF RESTRICTIVE COVENANTS
OF
BIG HILL ACREAGE HOMESTEADS
PHASE II
GREEN HOLLOW SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS, that ROBIN HOOD, INC., a North Carolina corporation, hereafter referred to as "the Developer," is the Owner and Developer of the subdivision lots shown on plats recorded in the office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 11, Slides 743-745, all of which are collectively hereafter referred to as being "the Development."

Developer intends to sell and convey the lots and parcels owned by Developer which are situated within the Development and before doing so, desires to impose upon all of the lots in the Development mutual and beneficial restrictions, covenants, equitable servitudes and charges under a general plan or scheme of improvements for the benefit of the owners of all of the lots and parcels in the Development and the Owners and future owners thereof

NOW, THEREFORE, Developer declares that all of the lots and parcels in the Development are held and shall be held, conveyed, and hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the provisions of this Declaration, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and sale of said lots and parcels and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of this Declaration are intended to create mutual equitable servitudes upon each of said lots and parcels in favor of each and all other lots and parcels; to create reciprocal rights between the respective owners of all such lots and parcels; to create privity of contract and estate between the grantees of such lots and parcels, their heirs, successors and assigns; and shall, as to the owner of each such lot or parcel, his heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other such lots and parcels in the Development and their respective owners, present and future. All of the terms and conditions of this Declaration hereinafter set forth shall apply equally to lots and parcels in the Development and each reference to a lot or lots shall also be applicable to tracts even though the words "tract" or "tracts" may not be specifically mentioned.

**ARTICLE I
LAND USE AND STRUCTURE TYPE**

All numbered lots and parcels in the Development shown on the recorded plats hereinabove referred to are hereby designated single-family residential as to their permissible uses. Any additional lots and parcels in the Development which may be submitted to the terms and conditions of this Declaration shall be designated in supplemental declarations as to their permissible uses and shall thereupon become subject to the restrictive or other provisions of this Declaration relating to such uses. The failure of any supplemental declaration to specify the permissible use of the numbered lot or lots specified therein shall be deemed to constitute a designation of the permissible use of such lot or lots as being single-family residential.

A. SINGLE-FAMILY RESIDENTIAL. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot which is designated as a single-family residential lot other than one (1) detached, single-family dwelling, not to exceed two and one-half (2 ½) stories in height, together with a porch, terrace and an attached private garage or carport. The following restrictions shall apply specifically to lots designated as single-family residential:

1. Minimum Cost and Area. Each dwelling constructed, erected or situated thereon shall have fully enclosed floor area (exclusive of any roofed or unroofed porch, terrace, garage, carport or other areas not enclosed by the main structure) which, in the case of one story buildings, shall contain not less than 1,000 square feet of fully enclosed floor area at ground level, and in the case of two or two and one-half (2 ½) story buildings, shall contain not less than 750 square feet of fully enclosed floor area on the main floor at ground level and not less than 250 square feet of habitable living space, as defined by the North Carolina Building Code, on the second floor or in the loft. However, Developer, at Developer's sole discretion, may grant variances from these square footage requirements when in Developer's judgment the topography of the lot and the location of road right-of-way lines across such lot make it impractical or impossible to construct on such lot a building which conforms to the minimum square footage requirements set out herein.

2. Setbacks.

Each dwelling, porch, garage or carport shall be at least:

(a) Thirty-Five (35) feet from all road right-of-way lines;

(b) Thirty (30) feet from the rear lot line;

(c) Thirty (30) feet from interior lot lines other than the rear lot line;

However, Developer, in Developer's sole discretion, may grant variances from these requirements, when in Developers judgment the size and topography of a lot and the location of road right-of-way lines across such lot make it impractical or impossible to construct on such lot a building which conforms to the set back requirements set out herein.

3. Signs. No signs, other than one sign advertising the lot and/or house for sale containing not more than three (3) square feet and one sign naming the lot or house containing not more than two (2) square feet, shall be allowed on any lot without the permission of Developer.

B. COMMON AREAS. All lots or parcels in the Development designated as common areas are and shall remain private property and Developer's recordation of a plat shall not be construed as a dedication to the public of any such common areas located therein, however, Developer reserves the right to convey at any time all or any portion of those areas in the Development which have been designated as common areas to Big Hill Property Owners Association, Inc. (hereinafter referred to as "the Association"), and Developer also reserves the right to transfer at any time to the Association the responsibility for maintaining all or any portion of said common areas, together with the responsibility for paying the cost of maintaining those portions of said common areas so transferred.

ARTICLE II ARCHITECTURAL CONTROL

A. Activities either Prohibited or Requiring Developer's Approval.

1. No single-family dwelling, porch, terrace, private garage, carport or other structure authorized under the provisions of this Declaration or any Amendment or Supplemental Declaration thereto shall be constructed, erected, situated or altered on any lot until the following is completed and approved by the Developer:

(a) A site plan having dimensions of not less than 11" x 17" nor greater than 18" x 24" shall be prepared by a licensed surveyor, showing the proposed structure's location on the lot within the building setback areas specified by these covenants, and the proposed location of such structure and the building setback lines must be staked on the lot. The site plan must show the erosion control measures to be followed before, during and after the completion of the construction. No site work may commence prior to Developer's approval of the site plan. Two sets of the site plan are to be submitted to Developer.

(b) Two sets of building floor and elevations plans having dimensions of not less than 11" x 17" nor greater than 18" x 24" must be submitted to Developer which must show at a minimum the type of foundation, siding and roofing material. Exposed foundations may be concrete or block, if stone or brick veneered, or stucco if paint is applied. No metal siding is permitted. Only earth tones are permitted for exterior paint and composition shingles. No blue metal roofing is permitted.

(c) A reasonable review fee of not less than \$50.00 shall be paid to Developer at the time the site plan and building floor and elevations plan hereinabove provided for are submitted to Developer. Developer reserves the right to adjust said fee upward on the first day of each calendar year commencing on the first day of January, 2007, and continuing on the first day of each calendar year thereafter.

2. Natural drainage or road culvert drainage shall not be changed without the approval of Developer. Developer shall not be responsible for any drainage problems affecting any lot.

3. No fence may be constructed on any lot which is visible from any point in the development which is located outside of the boundaries of such lot.

4. Other than required for the driveway, septic system and house location, no brush or shrubs, including but not limited to, mountain laurel, wild azaleas, rhododendrons, or trees greater than six inches in diameter, unless located within ten feet of an authorized structure, shall be cut, trimmed or removed from any lot or any portion of any other land subject to this Declaration prior to approval of such trimming or removal by Developer. Denial or approval by Developer of such trimming or removal may be based upon any reasonable grounds, including purely aesthetic considerations. No open burning of any kind shall be permitted. As it is Developer's intention that insofar as is feasible, lots will be left in their natural state with natural vegetation located thereon, no grass lawn shall be planted or maintained on any lot.

5. If geothermal heating and cooling is desired, only a closed loop system is permitted.

B. Procedure.

Developer's approval or disapproval as required by this Article of these covenants shall be in writing. In the event Developer fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to Developer, or in any event, if no suit to enjoin any construction for which Developer's approval is required under this Article has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with provided that the required plans and specifications were submitted to Developer at least thirty (30) days prior to the commencement of such construction.

C. Architectural Control Committee.

Developer reserves the right at any time, and for any period of time, to delegate the right reserved by Developer in Sections A and B of Article II of this Declaration to approve, disapprove and grant variances to an architectural control committee to be composed of three individuals who shall be appointed by Developer.

**ARTICLE III
TEMPORARY STRUCTURES**

No structures of a temporary character, trailer, boat on trailer, mobile home, recreational vehicle (RV), basement, tent, shack, garage, carport, barn, shed or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently, nor shall any trailer, tractor trailer, single-wide or double-wide mobile home, manufactured dwelling, tent, shack or type of structure, whether temporary or permanent, not specifically authorized by these covenants or any Amendment or Supplemental Declaration thereto be placed (or parked) on any lot or common area.

**ARTICLE IV
NUISANCES**

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Construction of improvements on any lot, once commenced, shall be completed within eighteen (18) months. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days or which have been partially or totally destroyed and not rebuilt within ninety (90) days, shall be deemed nuisances. Developer may remove any such nuisances or repair or complete the same at the expense of the owner, the cost of which shall be levied as an assessment against the owner's lot.

Noxious or offensive activity shall include but shall not be limited to (1) a public nuisance or nuisance per se, (2) any behavior which is inconsistent with both a reasonable pleasurable use of the properties of the owners of lots and parcels in the Development, their tenants and guests, and their reasonable expectation of vacationing, year-round living, studying, working and recreating, free of excessively noisy behavior grossly disrespecting the rights of others, (3) flashing or excessively bright lights, racing vehicles (regardless of the number of wheels), the operation of unlicensed motor vehicles in the Development (including specifically trail motor bikes with two, three or more wheels), the operation of motor vehicles by unlicensed persons on any roads in the Development or any motor bike riding in the Development other than as a means of transportation to and from the home of a resident lot owner to the state road, (4) offensive displays of public sexuality, (5) public drunkenness, (6) significantly loud electronic music distractions or vibrations which extend beyond property lines, (7) the discharge of fireworks except in controlled events approved by the Association, or (8) the assembly and disassembly of motor vehicles and other mechanical devices which might tend to create disorderly, unsightly or unkept conditions, (9) parking or storing any junked, inoperable or unlicensed automobiles, trucks or heavy equipment on any lot or road in the Development, (10) parking or storing any recreational vehicle (RV) on a lot except when a house guest who owns an RV which is parked or stored on a lot is visiting such lot owner for a period not to exceed one week, and during such period such RV shall not be permitted to park on the right of way of any road located within the Development other than on the right of way of the private driveway which is located exclusively on the lot on which such RV is parked, or (11) other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the lots and common areas in the Development.

**ARTICLE IVA
OUTDOOR LIGHTING**

No "street light" type of outdoor lighting shall be used, placed, installed or erected on any lot, nor shall any "all night" lights be used, placed, installed or erected on any lot. All outdoor lighting, including the location, intensity and duration of such lighting, must be approved by Developer until such time as Developer shall appoint an Architectural Control Committee, and thereafter, by the Architectural Control Committee, who/which shall also have the right at all times to prohibit the use of any outdoor light which is more visible from any portion of the common area or from any other lot than any standard lamp or other light fixture located within such lot owner's single-family dwelling using bulbs of a wattage normally used in such lamps or fixtures for the purpose of providing light for reading and routine room illumination.

**ARTICLE V
MAINTENANCE OF LOTS**

All lots whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent them from becoming unsightly, unsanitary or a hazard to health. If not so maintained, Developer shall have the right, through Developer's agents, employees and contractors to do so, the cost of which shall be levied as an assessment against the owner of the lot. Neither Developer, nor any of Developer's agents, employees or contractors shall be liable for any damage which may result from any such maintenance work.

**ARTICLE VI
HOUSEHOLD PETS, LIVESTOCK AND POULTRY**

No animal, livestock or poultry of any kind shall be raised, bred or kept on any lot except as follows: dogs, cats or other household pets may be kept, provided that they are not bred or maintained for commercial purposes and that whenever they are not inside of the single-family dwelling or garage in which they are kept, they are restrained by a leash or electronic invisible fence.

Any pet shall be muzzled which consistently barks, howls or makes other disturbing noises which might be reasonably expected to disturb any other lot owner or his tenants or guests. The breach of any of these restrictions, obligations and duties shall be a noxious and offensive activity constituting a private nuisance.

**ARTICLE VII
GARBAGE AND REFUSE DISPOSAL**

No owner may accumulate on his lot any litter, refuse or garbage, except in receptacles provided for such purposes, nor shall any junked, untagged, or inoperative vehicles be placed or accumulated on any lot. Each lot owner shall provide closed sanitary receptacles for garbage and shall install and maintain said receptacles in such a manner as not to be visible from any road shown on a recorded plat of any portion of the Development or from any common area within the Development except at the times when refuse collections are made.

**ARTICLE VIII
SEWERAGE DISPOSAL**

No sewerage system shall be permitted on any lot except such system as is located, constructed, and equipped in accordance with the minimum requirements of the State Board of Health. Approval of such system shall be obtained from the health authority having jurisdiction. No sewerage system shall be permitted on any lot until such time as the construction permit for a house has been issued and the construction of such house has commenced.

**ARTICLE IX
LIMITED ACCESS**

There shall be no access to any lot on the perimeter of the Development except from designated streets or roads within the Development as shown on the recorded plats of the Development without the express written consent of Developer which must be recorded in the Office of the Register of Deeds for Transylvania County, North Carolina.

**ARTICLE X
RESUBDIVISION OF LOTS**

Developer shall have the absolute right, in Developer's sole discretion, to combine and divide or redivide any lots or parcels owned by Developer and to place on record plats of any such combined, divided or redivided lots or parcels and to submit or withdraw said lots or parcels from the provisions of these covenants without the consent or joinder of the owners of the other lots and parcels in the Development.

Lot owners other than Developer may only divide a lot or parcel by dividing it in such a manner that it is completely absorbed by adjoining lots or parcels, thus creating adjoining lots or parcels which are larger than when originally platted and shown on recorded subdivision plats.

**ARTICLE XI
DRILLING, MINING AND EROSION**

No drilling, refining, quarrying or mining operations of any kind shall be permitted on any lot. Any grading or other land use which creates erosion runoff into streams or other lots is prohibited. Any grading performed in violation of any county, state or federal ordinance, statute or regulation shall be deemed to be a noxious or offensive activity as defined in Article IV of these covenants.

**ARTICLE XI-A
FIREARMS AND OTHER PROJECTILE PROPULSION DEVICES**

The discharge of firearms in the Development, including rifles, guns and pistols of any kind, caliber, or type and any other devices which propel bullets, arrows and other projectiles through the air utilizing any method of propulsion except pursuant to Article XI-B of these covenants or by security personnel in the course of their duties is prohibited. The term "firearms" includes BB guns, pellet guns, and other firearms of all types, regardless of size.

**ARTICLE XI-B
WILLFUL DESTRUCTION OF WILDLIFE**

No hunting shall be allowed in the Development except under controlled conditions approved by Developer and appropriate governmental wildlife authorities for the purpose of protecting property owners, the public and other animals against health hazards, disease and other anomalies resulting from species over-population, significant wildlife predation and outbreaks of contagious wildlife diseases. Since the Development is not intended to be maintained as a wildlife sanctuary, any depletion of wildlife stock which may result from the process of planned development shall not be deemed to be a violation of this article.

**ARTICLE XII
EASEMENTS**

The following easements over each lot or parcel and the right to ingress and egress to the extent reasonably necessary to exercise such easements, are reserved to Developer, Developer's successors, assigns or licensees:

A. UTILITIES. A five (5) foot wide strip running along the inside of all lot lines, however, where lot lines run along the center of roads or along road right-of-way lines, such strips shall, at the option of Developer, be ten (10) feet in width and run along either the inside or the outside of the road right-of-way line, but Developer, after having located said ten foot wide strip on a particular lot, may not thereafter relocate said strip on said lot without the express written consent of the owner of said lot. Said strips shall be used for the installation, maintenance and operation of utilities,

including radio and television transmission cables, and the accessory right to locate guy wires, braces or anchors or to cut, trim or remove trees and plantings wherever necessary upon such lots in connection with such installation, maintenance and operation.

B. ROADS. An easement on, over and under all roads in the Development for the purpose of installing, maintaining and operating utilities thereon or thereunder; for the purpose of drainage control; for access to any lot or parcel; and for the purpose of maintenance of said roads.

C. SIGHT EASEMENTS. Such sight easements, if any, of the sizes and locations as may be shown on recorded plats of portions of the Development are reserved for the purpose of ensuring that visibility at road intersections shall be unimpeded. No fence, wall, hedge, tree or shrub which obstructs sight lines at elevations between two (2) and eight (8) feet above roadways shall be placed or permitted to remain within sight easements.

D. OTHER EASEMENTS. Any other easements shown on recorded plats of portions of the Development.

E. USE OF AND MAINTENANCE BY OWNERS. The areas of any lots affected by the easements reserved herein shall be maintained continuously by the owners of such lots, but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken thereon which may damage or interfere with the use of said easements for the purposes herein set forth. Improvements within such areas shall be maintained by the owners of said improvements except those for which a public authority or public authority or utility company is responsible.

F. RESERVATION FOR EXPANSION. Developer hereby reserves for itself and for the owners of all future phases of the Development, a perpetual easement and right-of-way over, upon and across the roads in the Development and all property owned by Developer for construction, utilities, drainage, ingress and egress.

ARTICLE XIII ROAD MAINTENANCE

A. ANNUAL ROAD MAINTENANCE FEE. There are existing roads in the Development. Developer, for Developer, Developer's successors or assigns, reserves from all conveyances of land in the Development a right-of-way for road purposes over and along all roads shown on recorded plats of the Development which may be conveyed to the Association, or to the North Carolina Department of Transportation or any successor department or agency thereto and also specifically over and along all of the areas reserved and dedicated as roads on the recorded plats of the Development or portions thereof. Developer, for Developer and Developer's successors and assigns, also reserves the right until said roads are taken over for maintenance by the North Carolina Department of Transportation, or any successor agency thereto, in the event that said roads should be conveyed to said department or any successor agency thereto, to levy an annual road maintenance assessment on each lot in the Development not owned by the Developer which is adjacent to a dedicated road in the development, regardless of whether or not such lot may also front on North Carolina Secondary Road No. 1107, for that lot's prorata share of the annual cost of repairing and maintaining the roads in the Development and the roads which connect the Development with the public road.

B. RIGHT OF DEVELOPER TO TRANSFER MANAGEMENT RESPONSIBILITY. Although Developer shall have the initial responsibility for overseeing the maintenance of the roads in the Development and levying the annual road maintenance assessments herein provided for, Developer reserves the right to turn over to the Association at any time the responsibility of overseeing the maintenance of the roads in the Development and/or levying the annual road maintenance assessments.

ARTICLE XIV
BIG HILL PROPERTY OWNERS ASSOCIATION, INC.

At such time as Developer shall choose, but not later than such time as Developer shall have sold and conveyed 95% of the lots in the Development, all of the then owners of lots situated in the Development shall be immediately obligated to: (1) join the Association after it has been organized and incorporated by Developer, (2) participate in the activities of the Association on a one vote per lot basis, (3) pay their prorata share of the cost of incorporating, organizing and operating the Association, and (4) pay all assessments thereafter levied by the Association. Each subsequent owner of a lot located in the Development shall upon acquiring such ownership be obligated to: (1) join the Association, (2) participate in the activities of the Association on a one (1) vote per lot basis, and (3) pay his/her/their prorata share of the cost of operating the Association and all assessments levied by the Association in connection therewith including his/her/its prorata share of those assessments levied during the year in which he/she/it acquire(s) title to his/her/its lot.

ARTICLE XV
ASSESSMENTS

A. GENERAL. The Association, shall have the power on an annual basis to levy base assessments against all lots, improvements assessments against all improved lots and any special assessments which may be provided for in this Declaration, or in any amendment or supplemental declaration thereto as in any deeds from the Developer to purchasers of lots and/or parcels in the Development. Provided, however, the total amount assessed against an improved lot shall not exceed 150% of the amount charged as the base assessment in the same fiscal year. Notwithstanding the foregoing, without Developer's consent, no assessment other than assessments against lots owned by Developer which are shown on recorded plats of portions of the Development which have been submitted to the terms of this Declaration or subsequent supplemental declarations shall be levied against any lots owned by Developer and the annual base assessment against lots in the Development during 2006 shall be \$200.00 per lot.

In addition to the foregoing, the Association shall have the power to levy special assessments, at such times, for such amounts and for such purposes as may be specified in any amendment or supplemental declaration to this Declaration or in any deeds from Developer to purchasers of lots and/or parcels in the Development.

The amount of each assessment levied by any party or parties authorized by this Declaration to levy assessments shall constitute a personal obligation of the owner of the lot against which any such assessment is levied and shall be paid to the party making such levy on or before the date or dates specified by the party levying such assessment.

B. LIEN AND ENFORCEMENT OF LIENS. In the event that a lot owner has not paid an assessment levied by Developer, or by some other person or legal entity to whom Developer has assigned the authority to file notices of assessments and liens pursuant to a document filed in the office of the Clerk of Superior Court for Transylvania County, or by the Association, within thirty days after said assessment is levied, said levy shall constitute a lien against such lot owner's lot from the date of the filing of a notice of assessment and lien in the office of the Clerk of Superior Court for Transylvania County. All liens levied pursuant to the provisions of these covenants shall include the amount of any unpaid assessment, plus any other charges thereon, including a late charge of \$25.00 to cover administrative expenses, interest at one and one-half percent (1 1/2%) per month from the date of delinquency and costs of collection, including attorney's fees.

Each notice of assessment and lien shall state the amount of such assessment and such other charges and a description of the lot which has been assessed. Each notice of assessment and lien shall be signed by Developer or such other person or legal entity to whom Developer has assigned the authority to file notices of assessments and liens pursuant to a document filed in the office of the Clerk of Superior Court for Transylvania County, or by an officer or agent of the Association, in the event that said notice of assessment and lien is filed by the Association. Such lien shall be prior to all other liens recorded subsequent to the filing of such notice of assessment and lien. Each owner,

by acceptance of a deed or as a party to any other type of conveyance, vests in the Developer or such other person(s) or legal entit(y) (ies) to whom the Developer has assigned the authority to file notices of assessments and liens pursuant to a document filed in the office of the Clerk of Superior Court for Transylvania County, and in the Association or its agents, the right and power to bring all actions against him/her/it, personally for the collection of such charges set out in said notice of assessment and lien as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this article shall be in favor of the party filing such lien and, if filed by the Association or its agents, shall be for the benefit of all other owners. The party filing such lien (and if filed by the Association or its agents, the Association acting on behalf of the owners) shall have the power to bid on the lot in any foreclosure or to acquire, hold, lease, mortgage or convey the lot. No owner may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the lot. All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessments or special assessments which are not the subject matter of suit in the order of their coming due, and then to any unpaid installments of the annual assessments or special assessments which are the subject matter of suit in the order of their coming due. Upon payment of all assessments and other charges, costs, and fees provided for in a particular notice of assessment and lien, or other satisfaction thereof, the party filing said lien shall cause to be recorded a further notice stating satisfaction and the release of the lien thereof

C. PROOF OF PAYMENT. Upon the request of any lot owner, the Developer until such time as the Association has been incorporated and organized, and thereafter, the Association, shall furnish to such lot owner, or to any lending institution, attorney, or real estate salesperson designated by such lot owner, a statement certifying that all assessments then due from said lot owner have been paid or indicating the amount then due.

D. SUSPENSION. The Association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership, including, but not limited to, the use of all common areas, common property and other real or personal property owned by the Association, to any owner or to any persons claiming under such owner unless or until all assessments and charges to which such owner is subject have been paid.

E. USE OF FEES. All road maintenance fees herein provided for which are levied by Developer shall be used solely for the maintenance, improvement, care, operation, upkeep, preservation and protection of the roads in the Development and the roads which connect the Development with the public road. After the responsibility for levying the annual road maintenance assessments herein provided for has been turned over to the Association, that portion of the membership fees levied by the Association as annual assessments which is allocated for road maintenance shall be used solely for the maintenance, improvement, care, operation, upkeep, preservation, and protection of the roads in the Development and the roads which connect the Development with the public road. That portion of the membership fees levied by the Association as annual assessments which is not allocated for road maintenance shall be used for the maintenance, improvement, care, operation, upkeep, preservation, and protection of the common areas and other real, personal, or intangible properties owned by the Association and, furthermore, may be used to advance, protect and secure, through any means authorized by the Board of Directors of the Association, the interests of the Association, to include payment of ad valorem taxes and the costs of insurance, repair, replacement, renovation and improvement of all common areas and other real, personal, or intangible property owned by the Association and all legal expenses, accounting expenses, staff expenses, fees for management and supervision of the Association's affairs, office expenses, and overhead, security and utility charges in connection with any property owned by the Association, and the establishment and maintenance of a reasonable operating reserve fund to cover unforeseen contingencies and deferred expenses.

**ARTICLE XVI
RULE AND REGULATIONS**

The Association shall have the right to establish reasonable rules and regulations concerning the use of the common areas and any facilities thereon. Copies of such regulations and amendments thereto shall be furnished by the Association to all persons prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon all lot owners, their families, tenants, guests, invitees and agents until and unless such rules and regulations shall be specifically overruled, canceled or modified by the Association in a regular or special meeting by the vote of voting members representing the majority of the lots which are subject to these covenants. The Association shall have the authority to impose reasonable monetary fines and other sanctions, and monetary fines may be collected by lien and foreclosure as provided in Article XV.

**ARTICLE XVII
STREAMS**

No lot owner shall pollute any stream or lake in the Development nor shall any lot owner cause or allow any stream in the Development which may flow across his lot to be diverted in part or in whole from its natural direction and course of flow. No solid or liquid waste of any kind shall be drained, dumped or disposed of in any way into open ditches or water courses.

**ARTICLE XVIII
ANNEXATION**

A. **PROPERTY TO BE ANNEXED.** Developer may from time to time, and in Developer's sole discretion, annex to the Development any other real property owned by Developer which is contiguous or adjacent to or in the immediate vicinity of the Development.

B. **MANNER OF ANNEXATION.** Developer shall effect such annexation by recording a plat of the real property to be annexed and by recording a Supplemental Declaration which shall:

1. Describe the real property being annexed and designate the permissible uses thereof;
2. Set forth any new or modified restrictions or covenants which may be applicable to such annexed property; and
3. Declare that such annexed property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of this Declaration. Upon the recording of such plat and Supplemental Declaration, the annexed area shall become a part of the Development as fully as if such area were part of the Development on the date of recording of this Declaration.

**ARTICLE XIX
AMENDMENT**

This Declaration may be amended unilaterally at any time and from time to time by Developer (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of the mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure

mortgage loans on the lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any owner's lot unless any such lot owner shall consent thereto in writing.

In addition to those instances set out in the preceding paragraph where this Declaration may be amended unilaterally at any time and from time to time by Developer, this Declaration may be amended at any time and from time to time by the affirmative vote of owners of lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated or by a written agreement signed by owners of lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. The signatures of all lot owners and the Developer on any written agreement amending the Declaration shall be properly notarized and any such amendment shall become effective upon the date of its recordation in the office of the Register of Deeds for Transylvania County, North Carolina, unless a later effective date is specified therein. Any amendment made by the affirmative vote of at least sixty-seven percent (67%) of the votes in the Association shall be certified by the President and Secretary of the Association as having been duly adopted and shall become effective upon the date of its recordation in the office of the Register of Deeds for Transylvania County, North Carolina, unless a later effective date is specified therein.

ARTICLE XX TERM

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots in the Development has been recorded, agreeing to change said covenants in whole or in part.

ARTICLE XXI GRANTEE'S ACCEPTANCE

Each grantee or purchaser of any lot or parcel shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Developer or a subsequent owner of such lot or parcel, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and all amendments and supplemental declarations thereto, and to the jurisdiction, rights, powers, privileges and immunities of Developer and the Association hereinabove provided for. By such acceptance such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, lessees and/or lessors, covenant, consent and agree to and with Developer and the grantee or purchaser of each other lot or parcel to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Declaration, and all amendments and supplemental declarations thereto.

ARTICLE XXII SUSPENSION OF RESTRICTIONS

The provisions of this Declaration which are applicable to improvements, use and occupancy shall be suspended as to any lot, parcel or other area while and so long as the same is owned by or leased to the State of North Carolina or any governmental agency, public or private utility, whenever and to the extent, but only to the extent, that such provisions shall prevent the reasonable use of such lot, parcel or area for the purposes for which it was acquired or leased. On cessation of such use, such provisions shall become applicable again in their entirety. While owning or leasing and using, such owner shall have not rights as a member of the Association nor shall it be liable for any Association assessments.

ARTICLE XXIII ENFORCEMENT

These covenants may be enforced by Developer, by the Association, and by the owners or lessees of any lots which are subject to the provisions of these covenants. Enforcement shall be by

proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation, or to recover damages, or both.

**ARTICLE XXIV
SEVERABILITY**

Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

**ARTICLE XXV
DEVELOPER'S RIGHTS**


A. Transfer of Developer's Rights. Developer's rights under this Declaration may be assigned at any time, in whole or in part, to any other person, persons or legal entity including, but not limited to, the Association.

B. Activities permitted during construction and initial sale of lots. Notwithstanding any provisions contained in this Declaration to the contrary, so long as Developer is engaged in either the initial sale of lots or the initial construction of improvements on a particular lot, it shall be expressly permissible for Developer to construct, maintain, use and offer for sale such model residence as may be required, convenient, or incidental to such sales and construction activities and Developer shall have an easement for access to such facilities.

C. No amendment of this article without consent of Developer. This article may not be amended without the express, written consent of Developer; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) thirty (30) years from the date this Declaration is recorded, or (b) upon recording by Developer of a written declaration that all sales activity has ceased.

IN WITNESS WHEREOF, the Developer has executed this Declaration, this 22nd day of May, 2006.

ROBIN HOOD, INC.,
a North Carolina corporation


By: 
Arthur M. Dehon, Jr., President

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public, certify that Arthur M. Dehon, Jr., personally came before me this day and acknowledged that he is the President of ROBIN HOOD, INC., a North Carolina corporation, and that he as President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and Notarial Seal, this the 22nd day of May, 2006.




Suzanne Gore, Notary Public