

Prepared by Gayle E. Ramsey

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AMENDMENT TO RESTRICTIVE COVENANTS
OF
PISGAH FOREST FARMS, INC. 00389
as originally recorded in Deed Book 211, page 83,
Transylvania County Registry, and subsequently
amended in Deed Book 280, page 534 and Deed
Book 280, page 565, Transylvania County Registry

000165

KNOW ALL MEN BY THESE PRESENTS, that ROBERT J. RE and LINE RUNNER, a North Carolina General Partnership, as the Owners of the numbered lots and tracts entitled "Pisgah Forest Farms" or "Pisgah Forest Farms Estates" as shown on the recorded plats referred to in the restrictive covenants recorded in Book 211, page 83, hereinabove referred to and on plats recorded in Plat File 5, Slides 391, 392, 393, 394 and 395, Records of Plats for Transylvania County, do hereby exercise the authority vested in them pursuant to the amendments subsection of the general administrative provisions set out in said restrictive covenants, by amending said covenants and all previous amendments thereto appearing of record by canceling them in their entirety and substituting in lieu thereof a new set of covenants which shall read as follows:

DECLARATION
OF
RESTRICTIVE COVENANTS
OF
PISGAH FOREST FARMS
AND
PISGAH FOREST FARMS ESTATES

KNOW ALL MEN BY THESE PRESENTS, that ROBERT J. RE and LINE RUNNER, a North Carolina General Partnership, both collectively hereafter referred to as "the Developer," are the Owners and Developers of the majority of the subdivision lots shown on plats recorded in the office of the Register of Deeds for Transylvania County, North Carolina, in Plat Book 5, pages 68, 68-A and 68-B; Plat Book 5, pages 71, 71-A and 71-B; Plat File 1, Slides 18, 18-A and 20; Plat File 1, Slide 34; and Plat File 5, Slides 391, 392, 393, 394 and 395, with some of the lots shown on said plats being entitled "Pisgah Forest Farms" and others being entitled "Pisgah Forest Farms Estates," 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, 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.

- This declaration is being rerecorded for the purpose of adding pages 7 and 9 which were omitted from this declaration at the time that it was originally recorded.

Gayle E. Ramsey

Gayle E. Ramsey

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.

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 designated as a single-family residential lot other than one (1) detached, single-family dwelling, not to exceed two and one-half (2½) stories in height, together with a porch, terrace and a 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 1,100 square feet of fully enclosed floor area on the main floor, and in the case of two or two and one-half (2½) story buildings, shall contain not less than 850 square feet of fully enclosed floor area on the main floor. However, the Architectural Control Committee, in its sole discretion, may grant variances from these square footage requirements when in its 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. Set Backs. Each such dwelling shall be at least:

- (a) Twenty (20) feet from all road right-of-way lines;
- (b) Twelve (12) feet from the rear lot line;
- (c) Twelve (12) feet from interior lot lines other than the rear lot line;

However, the Architectural Control Committee, in its sole discretion, may grant variances from these requirements, insofar as road set backs are concerned, when in its 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 road set back requirements set out herein.

3. Signs. No signs, other than one sign advertising the lot for sale containing not more than five (5) square feet, shall be allowed on any lot without the permission of the Architectural Control Committee.

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 Pisgah Forest Farms Property Owners Association, Inc. (hereinafter referred to as "the Association").

ARTICLE II
ARCHITECTURAL CONTROL

A. Activities either Prohibited or Requiring Approval of Architectural Control Committee.

No single-family dwelling, porch, terrace, private garage, carport, shed, 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 construction plans and specifications, and a plan showing its location on the lot have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design and external color with existing structures and the natural environment, and as to location with respect to topography, its effect on the view from structures already constructed in the Development and finish grade elevation. In no event shall any metal roofing susceptible to rust or corrosion be placed on a building or any building containing exposed cement or cinder block be erected on any lot, however, subject to the approval of the Architectural Control Committee, paint or stucco will be acceptable on foundations. Natural drainage shall not be changed without the approval of the Architectural Control Committee.

B. Procedure.

The Architectural Control Committee's approval or disapproval as required by this Article of these covenants shall be in writing. In the event the Architectural Control Committee fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to the committee, or in any event, if no suit to enjoin any construction for which the committee'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 the committee at least thirty (30) days prior to the commencement of such construction.

C. Architectural Control Committee.

The Architectural Control Committee shall be composed of three members of the Association who shall be appointed by the Board of Directors of the Association to serve as members to serve until their successors are appointed.

ARTICLE III
UNAUTHORIZED STRUCTURES

No structures of a temporary character, trailer, mobile home, 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, mobile home, 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 on any lot at any time.

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 twelve (12) 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. The Association 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.

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ARTICLE V
MAINTENANCE OF LOTS

All lots and parcels, 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, the Association shall have the right, through its agents, employees and contractors to do so, the cost of which shall be levied as an assessment against the owner of the lot. Neither the Association, nor any of its agents, employees or contractors shall be liable for any damage which may result from any such maintenance work.

ARTICLE VI
LIVESTOCK AND POULTRY

No animal, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept, provided that they are not bred or maintained for commercial purposes and not more than a total of one horse per acre may be kept on fenced lots which are two (2) acres or more in size, provided that such horses are not kept, bred or maintained for any commercial purpose and are housed in barns or other similar structures and enclosed within fences which have been designed, constructed, erected, installed, cleaned and maintained in a manner which has been approved by the Architectural Control Committee.

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
SEWAGE 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.

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

No lot or parcel, with the exception of those lots or parcels owned by Developer, shall be further divided, however, 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.

ARTICLE XI
DRILLING AND MINING

No drilling, refining, quarrying or mining operations of any kind shall be permitted on any lot.

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, and for use of the common areas.

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 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. 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
PISGAH FOREST FARMS PROPERTY OWNERS ASSOCIATION, INC.**

All of the owners of lots 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 immediately obligated to: (1) join the Association, (2) participate in the activities of the Association on one vote per lot basis, (3) pay their prorata share of the cost of 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 annual assessments against all lots in the Development not owned by Developer. So long as Developer owns any lots in the Development in its inventory of unsold lots, none of Developer's unsold lots shall be subject to the annual assessments levied by the Association under the terms of this Declaration, however, Developer agrees to contribute to the Association each year a sum equal to the annual assessment which would be levied by the Association that year against one of the undeveloped lots in the Development owned by Developer if such lot were subject to the annual assessment levied that year by the Association against each of the other lots in the Development which are not owned by Developer. 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 Register of Deeds 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 Register of Deeds 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 (1½%) 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 Register of Deeds 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 entity(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 Register of Deeds 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 assessment 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 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. The membership fees levied by the Association as annual assessments shall be used for the maintenance, improvement, care, operation, upkeep, preservation, and protection of the common areas, and any 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, 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, *roads in the Development shown on recorded plats which all lot owners in the Development are entitled to use.

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
RULES 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, including limited or restrictive uses of common areas; 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 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 recordation in the office of the Register of Deeds for Transylvania County, North Carolina, of a written amendment to these restrictions signed by the owners of the majority of the lots in the Development and also by the Developer so long as Developer shall own any lots which are subject to this Declaration. The signatures of such lot owners and Developer 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.

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 * 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 no rights as a member of the

*of this Declaration which are applicable to

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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

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, including specifically the provisions of Article II, 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 residences of such types and designs 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.

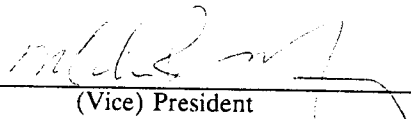
IN WITNESS WHEREOF, the Developer has executed this Declaration, this 7th day of March, 19 95.



Robert J. Re (SEAL)


LINE RUNNER,
a North Carolina General Partnership


By: MRM, INC.,
General Partner

By: 

(Vice) President

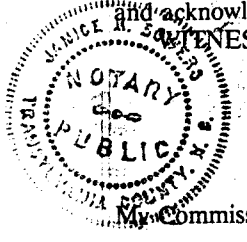
ATTEST:



(Assistant) Secretary


STATE OF NORTH CAROLINA,
COUNTY OF TRANSYLVANIA.

I, Janice M. Bowers, a Notary Public of said State and County, do hereby certify that ROBERT J. RE personally appeared before me this day and acknowledged the due execution of the foregoing instrument.



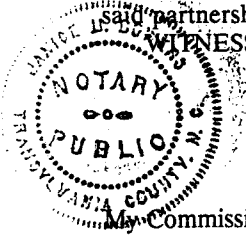
WITNESS my hand and Notarial Seal, this the 7th day of March, 1995.

Janice M. Bowers
Notary Public

My Commission Expires: 7-26-99.

STATE OF NORTH CAROLINA,
COUNTY OF TRANSYLVANIA.

I, Janice M. Bowers, a Notary Public of said State and County, do hereby certify that Nike P. Neamy personally appeared before me this day and acknowledged that he ~~(she)~~ is the President (Vice President) and that Joseph V. Lippins is the Secretary (Assistant Secretary) of M&M, INC., a corporation described in and which executed the foregoing instrument, that said corporation is a General Partner of LINE RUNNER, a North Carolina General Partnership, and that the foregoing instrument was duly executed by said corporation on behalf of said partnership, that he (she) knows the common seal of said corporation, that the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by its President (Vice President) and that the said President (Vice President) and Secretary (Assistant Secretary) subscribed their names thereto and the said common seal was affixed, all by order of the Board of Directors of said corporation, and that the said instrument is the act and deed of said corporation and said partnership.



WITNESS my hand and Notarial Seal, this the 15th day of May, 1995.

Janice M. Bowers
Notary Public

My Commission Expires: 7-26-99.

STATE OF NORTH CAROLINA,
COUNTY OF TRANSYLVANIA.

The foregoing certificate(s) of Janice M. Bowers, Notary(ies) Public, is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 387, page 607.

This 15th day of May, 1995, at 4:40 o'clock p.M.

Vickie S. Edwards
Register of Deeds

By: Jean M. Hooper
Deputy Register of Deeds

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