

EXHIBIT "C"

B & C RANCH TRACTS RESTRICTIONS

1. No mobile homes or temporary structures may be used as permanent dwellings, however, one mobile home per tract or subdivided portion of any tract may be used and occupied as a dwelling by the owner for a period of not more than one year while such owner is building a permanent dwelling and only with the approval of developer.
2. No tract may be subdivided into lots containing less than 2 1/2 acres and only one dwelling shall be located on any lot.
3. No livestock shall be kept on a tract or on any subdivided portion of such tract with the exception that the owner of such tract or any subdivided portion thereof shall be entitled to keep one horse thereon for each 2 1/2 acres owned by him which comprises a portion of such tract or subdivided portion thereof.
4. Each dwelling situated on any tract or on any subdivided portion of such tract which is subject to these restrictions shall contain a minimum of 1,000 square feet of heated living area on the first floor if such dwelling is a one story dwelling. In the event that such dwelling is a two story dwelling, there shall be a minimum of 800 square feet on the first floor. In computing the square footage of the living area of the first floor, the area of the basement shall not be included.
5. Any commercial use of any land which is subject to these restrictions must be approved by developer and by seventy-five percent (75%) of the owners of the twelve (12) tracts comprising B & C Ranch Tracts and any subdivided portions thereof.
6. At such time as developer shall have sold and conveyed six (6) of the twelve tracts comprising B & C Ranch Tracts, all of the then owners of each of the tracts situated in B & V Ranch Tracts which have been sold by developer and the owners of any subdivided portions of such tracts shall be immediately obligated to: (1) join B & C Ranch Tracts Property Owners Association after it has been organized and incorporated by developer, (2) participate in the activities of the association on the basis of a one vote per tract or subdivided portion of any tract, (3) pay their prorata share of the cost of incorporating, organizing and operating the association, and (4) pay their prorata share of all road maintenance and other assessments thereafter levied by the association. Each subsequent owner of a tract or subdivided portion of any tract situated in B & C Ranch Tracts shall upon acquiring such ownership be immediately obligated to: (1) join the association, (2) participate in the activities of the association on the basis of one vote per tract or subdivided portion of any tract, and (3) pay his/her/its prorata share of the cost of operating the association and all road maintenance and other 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 acquires title to his/her/its tract or subdivided portion of any tract.

In the event that an owner of a tract or subdivided portion of any tract, has not paid an assessment levied by the association within thirty (30) days after such assessment is levied, such levy shall constitute a lien against such owner's land from the date of 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 (1 1/2%) per month from the date of delinquency and costs of collection, including attorneys' fees. Each notice of assessment and lien shall state the amount of such assessment and such other charges and a description of the tract or subdivided portion of any tract which is being assessed. Each notice of assessment and lien shall be signed by an officer of 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 association the right and power to bring all actions against him/her/it personally for the collection of such charges set out in such notice of assessment and lien as a debt or to foreclose such lien in the same manner as other liens for improvement of real property. The lien provided for herein shall be in favor of the association for the benefit of all other owners. The association acting on behalf of the owners shall have the power to bid on the land which is the subject of any foreclosure or to

acquire, hold, lease, mortgage or convey said land. No owner of a tract or subdivided portion of any tract may waive or otherwise except liability for the assessments provided for herein including, by way of illustration, but not limitation, abandonment of a tract or subdivided portion of any tract. All payments shall be applied first to costs and attorneys' 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 association shall cause to be recorded a further notice stating satisfaction and the release of such lien.

Upon the request of the owner of any tract or subdivided portion of any tract, the association shall furnish to such owner, or to any lending institution, attorney, or real estate salesperson designated by such owner, a statement certifying that all assessments then due from said owner have been paid or indicating the amount then due.

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 any common areas, common property or other real or personal property owned by the association, to any owner of any tract or subdivided portion of any tract or to any persons claiming under such owner unless and until all assessments and charges to which such owner is subject have been paid.

Any membership fees levied by the association as annual assessments shall be used for the maintenance, improvement, care, operation, upkeep and preservation and protection of the roads which connect the tracts in B & C Ranch Tracts with the public road and all legal expenses, accounting expenses, staff expenses, and other overhead incurred by the association in operating the association and managing its affairs and property, including the establishment and maintenance of a reasonable operating reserve fund to cover unforeseen contingencies and deferred expenses.

7. All dwellings or outbuildings must be located a minimum of 50 feet from all lot lines and 80 feet from all road rights-of-way.
8. No litter, garbage or refuse shall be allowed to accumulate on the above described property except in receptacles provided for such purposes.
9. No junk vehicles shall be allowed to remain on the above described property.
10. The above described property and all improvements placed thereon shall at all times be maintained in such a manner as to prevent their becoming unsightly, unsanitary or a hazard to health.
11. These restrictions shall be enforceable by developer and by the owners of all other tracts and portions of tracts in B & C Ranch Tracts which are subject to these restrictions.