

**SPRING MOUNTAIN ESTATES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

PURPOSE

- a) To ensure the best use and most appropriate development and improvements of the described lots;
- b) To protect the owners of Spring Mountain Estates against any improper use that will impair or depreciate the value of the property and/or other lots in the subdivision;
- c) To guard against poorly designed and proportioned structures and structures built of improper or unsuitable material as regulated and controlled by Franklin County Building Codes and North Carolina Building Codes.
- d) To preserve, so far as practical, the natural beauty of Spring Mountain Estates; and
- e) To encourage the building of attractive homes thereon with appropriate locations thereof on said building sites and to secure and maintain proper setbacks from streets, ridges and adjacent property lines.

**ARTICLE I
DEFINITIONS**

- 1 "Association" shall mean and refer to Spring Mountain Estates Owners Association and its successors and assigns.
- 2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties.
- 3 "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- 4 "Lot" shall mean and refer to a plot of land shown upon said recorded subdivision map of the Properties. "Lot" shall also mean and refer to any re-subdivision of any plot of land shown on said recorded subdivision map of

the properties as hereinafter described and subject to the provisions of Article V hereunder.

ARTICLE II
RE-SUBDIVISION OF LOTS

No lot shall be subdivided nor its boundary lines relocated for any purposes except to merge an additional lot or part thereof so as to create a lot larger than the original.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

- 1 Every Owner of a Lot as shown on said recorded subdivision plat shall be a member of Spring Mountain Estates Property Owners Association.

Membership: Membership shall be adjoined to and may not be separated from ownership of any Lot which is subject to the assessment. Each new member shall be required to provide actual notice to the Association within ten (10) days from the date of his acquisition of title to property within the subdivision qualifying him for membership in the Association.

- 2 Owners shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, only one vote may be cast for the Lot.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to his successors in title. All outstanding assessments must be paid upon the sale or transfer of any lot by the Owner thereof.

The assessments levied by the Association shall be used for the improvement and maintenance of the subdivision roads as shown on recorded plats of survey and to construct, maintain, operate, insure, repair and replace as necessary the roads, drainage facilities, culverts, utilities, subdivision signs and any other items that shall apply to the Association. Assessments may be used for such other purposes as are consistent with this Article and as may be directed by the Association.

The annual assessment shall be Two Hundred Dollars (\$200.00) per Lot. The annual assessment may not be increased by more than 10% annually. A 10% increase of the annual assessment may only take effect with a two-thirds (2/3) vote of the membership.

NOTICE AND QUORUM FOR ANY ACTION

Written notice of any meeting called for the purpose of taking any action shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the such meeting called, the presence of members or of proxies entitled to cast two-thirds (2/3) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such meeting shall be held more than 60 days following the preceding meeting.

RATE AND DATE OF ASSESSMENT

Assessments will be collected on an annual basis. The Assessment shall be due the first day of January each year. Notice that the Assessment is due will be sent to every owner thirty (30) days prior to the due date.

NONPAYMENT OF ASSESSMENT

Any assessment not paid within sixty (60) days after the due date shall bear interest from the due date at the rate of eighteen (18 %) percent per annum with an additional late fee of \$25.00. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the North Carolina General Statutes, or its successors, and in either event interest, cost and reasonable attorney's fees of any such action shall be added to the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the subdivision access roads or abandonment of his Lot. Should any deficiency remain after foreclosure, the Association may also bring an action against the Owner for said deficiency.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Monarch Development Corp. and Avant Construction accept no responsibility for maintaining or repairing subdivision roads, access roads to the Properties, drainage, culverts or utilities. The Spring Mountain Estates Association was formed for this purpose.

ARTICLE V RESTRICTIONS

No lot shall be used except for single family residential purposes with no commercial use, congregate living or multi-family use allowed.

1 Dwelling Size:

- a. Any dwelling erected upon any Lot shall contain not less than 1,400 square feet, outside measurement of enclosed floor heated area exclusive of porches, bridgeways, steps and garages.
- b. All exposed foundation walls of dwellings shall be covered with either brick, rock, stucco, log or materials conforming to the exterior of the dwelling. Detached buildings must conform to the dwelling constructed on the Lot with respect to use of either brick, rock, stucco, log or other materials used on such residence.

2 Setbacks:

No building shall be constructed within the minimum building setback lines.

- a. Fifteen (15) feet from the boundary line of subdivision access road right of way adjacent to said building.
- b. Fifteen feet from any subdivision Lot line not adjoining the subdivision road.

3 Animals

No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except dogs, cats, other household pets or horses. A maximum of two (2) horses shall be allowed per Lot.

4 Trash/Junk

No trash or garbage shall be allowed to accumulate on any individual Lot. It will be the responsibility of the Lot owner to discard trash and garbage at the nearest collection center.

No trade materials or inventories may be stored on the premises. No owner shall accumulate on his Lot any form of junk or inoperable vehicles.

5 Vehicles

The use of motorcycles, ATV's and other recreational vehicles shall be limited to subdivision road rights of way. The speed limit for all motor vehicles operated within said development shall not exceed twenty (20) miles per hour.

6 Structures

No mobile home, modular manufactured home, trailer, tent, temporary house, temporary garage or other temporary outbuilding shall be placed or erected on any Lot. The only structures allowed in Spring Mountain Estates are log structured cabins/cabin homes. Once construction has commenced on a lot, said construction shall be completed within twelve (12) months. Each lot owner shall keep and maintain his Lot and any improvements located thereon in good order. If an owner of said Lot fails to maintain his Lot and structure in good order, the Association may repair and maintain such Lot and all expenses incurred must be paid to the Association by the Lot owner. All use of Lots within the subdivision must be in full compliance with federal, state and local laws.

7 Lot Timber and Exterior Elements

Clearcutting of timber on any Lot is not allowed except for use as a building site, and in any event, the cutting of timber shall be done in such a manner so as to preserve the wooded integrity of the development. Tree top cutting and thinning, for purposes of opening views is allowed, so long as the wooded integrity of the Lot is not jeopardized.

No outside clotheslines are permitted within the subdivision. No barbed wire fence or chain linked fence shall be commenced, erected or maintained upon or within the subdivision. Any storage tanks or trash containers shall be hidden from view and stored properly.

- 8 The street names within Spring Mountain Estates are permanent and will not be changed. The issue regarding street names is not subject to voting rights.

ARTICLE VI EASEMENTS

- 1 There is a 10 foot easement located around the perimeter of each lot and within the road right of the subdivision. This easement is for utilities and or any other public conveyances.
- 2 There is a right of way road easement on the road that travels through lot 24, 23 and 22. This allows the owner(s) of lot 23 and 22 to travel to and from their lot. There is a right of way road easement on the road that travels through lot 14. This allows the owner of lot 15 to travel to and from his lot.

ARTICLE VII EXCAVATION AND GRADING

No excavation or grading work on any Lot shall be performed in such manner as to cause erosion upon or hardships to adjoining property owners. If any hardship is caused the Lot owner will correct it within 10 business days. If the work is not corrected by the Lot owner, the Association will perform the needed work to correct the hardship. The cost of such work, when performed by the Association, shall be paid by said owner of the lot and such costs shall be enforceable as in cases for the enforcement of liens as provided in Article IV.

All property owners must provide and install on each and every driveway, a minimum of one (1) metal corrugated culvert, if one does not exist, to allow proper drainage of roadways and property. This installation will be the sole cost of the owner and must be installed at the time driveway construction is commenced. It is the responsibility of the lot owner to maintain this culvert to allow proper drainage. Each lot owner must construct a water ditch line as their driveway is

constructed so as to provide drainage along the drive into the upper end of the culvert. The purpose of this ditch line is to direct water surplus from the driveway into the culvert and not allow water run off onto the common road system.

ARTICLE VIII
GENERAL PROVISIONS

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time hereafter by an instrument signed by not less than seventy five (75%) percent of the Lot owners. Any amendments must be recorded.

ARTICLE IX
VARIANCES

The Board of Directors of the Property Owners Association, in its discretion, may allow reasonable variances and adjustments of these Restrictions in order to alleviate practical difficulties and hardship in their enforcement and operation. To be effective, a variance hereunder shall be executed on behalf of the Association and shall refer specifically to this Declaration.

I understand these covenants and restrictions as they pertain to my lot and acknowledge that the majority of property owners of Spring Mountain Estates have agreed to these covenants.

PROPERTY OWNER _____

SIGNATURE _____

DATE _____

LOT # _____