

FAIRFIELD MOUNTAINS, INC.
RUTHERFORD COUNTY, NORTH CAROLINA

DECLARATION OF COVENANTS AND RESTRICTIONS

DATED: JULY 14, 1977

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DECLARATION OF COVENANTS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Fairfield Mountains, Inc., a North Carolina Corporation, hereinafter referred to as "Developer", is the Developer of the lands hereinafter described in Article II of this Declaration; and,

WHEREAS, Developer is developing said lands as part of a common master plan of development and intends to add other lands, to the development as herein provided under Article II and to create thereon a residential and commercial community with streets, security force, fire protection, and other common facilities for the use and benefit of the owners of the said properties described herein and the properties that may be added as provided under Article II; and,

WHEREAS, Developer desires to provide a method for the construction and maintenance of these facilities in order to provide for the preservation of property values in this community and for the maintenance of the streets, lakes, playgrounds, parks, and other common facilities, as herein defined, and to accomplish this purpose, intends and does hereby subject the real property described in Article II, together with such additions as may hereinafter be made to the property in accordance with the provisions of Article II, to the covenants, restrictions, easements, liens and charges hereinafter set forth for the benefit of said property and each owner thereof; and,

WHEREAS, the Fairfield Mountains Property Owners Association,

a non-profit corporation organized and existing under and by virtue of the laws of the State of North Carolina, with its principal office located in Lake Lure, Rutherford County, North Carolina, has joined in this Declaration, intending to bind itself to perform certain functions as hereinafter set forth, and to exercise the powers and duties as provided herein;

NOW, THEREFORE, the Developer declares that, except as otherwise provided herein, the real property described in Article II and such authorized additions thereto as may hereafter be made, is and shall be held, transferred, sold, conveyed and occupied, subject at all times to the covenants, restrictions, easements, liens and charges (collectively referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I - DEFINITIONS

Section 1. The following words, when used in this Declaration or any supplement hereto, or upon the plat of any properties, described in Article II or any additional plats made subject to the provisions of this Declaration as provided in Article II, shall have the following meanings:

(A) "Property" or "Properties shall mean and include all properties that are subject to this Declaration, including all additional land which may hereafter become subject to this Declaration in the manner provided in Article II; provided that Article II, Section 1 Properties shall not be included in such definition where such property is expressly excluded from an Article or a Section.

(B) "Article II, Section 1 Properties" shall mean all those properties described in Article II, Section 1 of this Declaration.

(C) "P.O.A." shall mean and refer to Fairfield Mountains Property Owners Association, its subsidiaries, successors and assigns.

(D) "Common Properties" shall mean and refer to those areas so designated upon any recorded subdivision plat of the

property which are intended to be devoted to the common use and enjoyment of Owners of the properties and shall also mean and refer to any improvement or area designated by the Developer as Common Property in writing on the plat or by recorded instrument delivered to the Club, and shall specifically include, but not to the exclusion of other improvements which may hereinafter be designated as Common Properties by the Developer, the following: roads and streets, lakes, medical facilities, fire stations, libraries, arts and crafts centers" and permanent parks.

(E) "Limited Common Properties" shall mean and refer to those areas of land so designated upon any recorded subdivision plat of The Properties intended to be devoted to the common use and enjoyment of the owners of specifically designated property; and also those areas so designated from time to time by the Developer for the purposes aforesaid.

(F) "Roads and Streets" shall mean and refer to every way for passage by vehicle, whether or not dedicated to the owners exclusively or to the general public, and whether or not known by the name of road, street, avenue, place, land or other name. The designation shall not mean private driveways.

(G) "Utility Easement" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Utility Easements," or as may be provided in or by this Declaration, or any Supplemental Declaration.

(H) "Reserved Properties" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Reserved Properties."

(I) "Lot" shall be the numbered lots in the numbered blocks as, shown on any recorded subdivision plat of The Properties.

(J) "Commercial Lot" shall mean and refer to any lot so designated upon: any recorded subdivision plat of The Properties, or as may be, so designated by this Declaration, or any Supplemental Declaration.

(K) "Residential Lot" shall mean and refer to any lot so designated upon any recorded subdivision plat of The Properties, or as may be so designated by this Declaration, or any Supplemental Declaration.

(L) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(M) "Single Family Detached" shall mean and refer to any building intended for use by a single family and not attached to any other building.

(N) "Single Family Attached" shall mean and refer to any building containing one or more Living Units attached but each Living Unit located on a separate Parcel of Land.

(O) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units located on a single Parcel of Land.

(P) "A Parcel of Land" shall be less than a lot, a single lot, more than a lot, or several lots, or a plot of land described by a metes and bounds description.

(Q) "Owner" shall mean and refer to the record owner of a Parcel of Land, including the Developer, or other record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties.

(R) "Member" shall mean and refer to all those persons or entities who are members of the P.O.A. as provided in Article III, Section 1, hereof.

(S) "Developer" shall mean Fairfield Mountains, Inc., its subsidiaries, and its successors and assigns.

(T) "Assessments", "Dues", "Dues Assessments." These words and each of them where used herein shall mean and include dues charged by the P.O.A. as an annual or monthly membership charge, as well as any regular, special or capital improvement assessment or charge which the P.O.A. may impose on its membership in accordance with its Charter and By-Laws.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION:

ADDITIONS THERETO

Section 1. Properties. The real property, which shall be referred to herein as "Article II, Section 1, Properties" and which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration except where otherwise provided, is situated in the County of Rutherford, State of Carolina, and is described as follows: (All filing references I refer to the office of the Recorder, Rutherford County, North Carolina.)

Golf Estates I:	Lots 9-14, 16, 18, 19, 29, 40, 45, 46, 53-55, 57, 60, 61, 67, 68, 71-73, 76, 77, 84-86, 88, 92, 93, per Plats filed in Plat Book 8, Pages 18 and 16.
Young's Mountain South:	Lots 1-6, 9, 12-23, 25-27, 32, 33, 35-59, 61-63, 65-113, per Plats filed in Plat Book 8, Page 99 and Plat Book 9, Page 38.
Bald Mountain Lake East:	Lots 41, 49, 50, 52.
Bald Mountain Lake West:	Lot 17.
Young's Mountain:	Block 1, Lots 2, 3, 10.
Young's Mountain:	Block. 2, Lots 5-8, 14.
Young's Mountain:	Block 6, Lots 7, 8, 10, 12-15, 28-34.
Young's Mountain:	Block 8.
Young's Mountain:	Block 10, Lot 8.
Young's Mountain:	Block 11, Lots 9-12, 14.
Chalet Village:	Block 1, Lot 3 2-4, 6.
Chalet Village:	Block 2, Lots 3, 5-8.
Chalet Village:	Block 3, Lots 5-7.
Chalet Village:	Block 4, Lot 4.

Section 2. Additions to Property.

(a) Developer shall have the right but not the obligation to bring within the plan of this Declaration additional properties, regardless of whether or not said properties are presently owned by the Developer, in future stages of the devel-

opment, provided that such proposed additions shall be acceptable to the P.O.A. Under no circumstances shall this Declaration or any Supplemental Declaration bind the Developer to make any further additions of properties to the Declaration.

Developer hereby declares that upon recordation of this Supplemental Declaration the real property described in Exhibit A and Exhibit B shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A and Exhibit B shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A and Exhibit B shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration. ^{1[1]}

(b) The additions authorized hereunder shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the plan of the covenants and restrictions of this Declaration to such property, and the Owners, of Lots and Living Units in such additions shall be entitled to all privileges herein provided.

(c) Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or change the application of this Declaration to property then subject to the Declaration.

^{1[1]} Supplemental Declaration of Covenants & Restrictions June 9, 1987 Book 503 Page 773-775

Section 4. Additions Limited to Developer. No one other than the Developer, shall have the right to place additional lands under the covenants and restrictions or to cause additional lands to be entitled to the benefits arising hereunder unless the Developer shall agree in writing with the P.O.A. that such additional lands may be included hereunder.

Section 5. Severability as to Each Property. Notwithstanding any provision contained herein, if any Lot or Lots or Parcel of Land described in this Article II or in the future added to this Declaration as provided herein, shall for any reason fail to be validly bound by the terms of this agreement, such failure as to such Lot, Lots or Parcel shall in no way prevent or limit the effectiveness of this agreement with respect to all other properties that are properly included hereunder.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE
PROPERTY OWNERS ASSOCIATION

Section 1. Membership. The membership in the Property Owners Association (hereinafter referred to as P.O.A.) shall be classified as (a) Regular Membership and (b) Developer Membership.

Every person, co-owner or entity who is a record owner of a fee interest in any Lot or Living Unit which is subject by covenants of record to assessment by the P.O. A., or who has entered into a contract of purchase with the Developer covering such a Lot or Living Unit, shall be a member of the P.O. A., provided that any such person or entity (except the Developer) who holds such interest merely as security for the performance of an obligation shall not be a member.

Every, person; co-owner or entity who is a record owner of a fee interest in any Lot or Living Unit which is not part of The Properties and required to be a Regular Member of the P.O.A., may become a Regular Member; provided final approval for membership in the P.O. A., for such owner, shall be conditioned upon such owner (co-owners) subjecting his lot to these recorded Declaration of Covenants and Restrictions for Fairfield Mountains by the execution and recordation of appropriate documentation accomplish same. The Board of Directors of the P.O.A. shall have the authority to assess dues at a lower or equal, but not higher, rate than for Regular Members, against such owners joining the P.O.A.

Section 2. General Rules Pertaining to All Regular Memberships. The following general rules shall apply to all Regular Memberships:

(A) The Board of Directors of the P. O. A. shall establish the dues structure with such categories as they deem appropriate. The dues may be changed from time to time as deemed necessary by the Board of Directors.

(B) The initial dues for Regular Memberships shall be \$ 20 per month (\$240 Annually). Any member who becomes delinquent for more than thirty days in payment of dues shall automatically be suspended as a member, and can only be reinstated by paying all delinquent dues in full. During such suspension, a member shall not have voting rights or the privileges of using the P.D.A. facilities.

(C) Each member and his household shall be entitled to the use and enjoyment of all facilities owned and operated by the P.D.A. A member's household is defined as his spouse and all dependent relatives making their permanent home with the member.

(D) In the event the title or fee interest to any Lot or Living Unit is in two or more persons (other than husband and wife), then only one of the co-owners shall be entitled to membership and the co-owners shall designate this person in writing.

(E) All members shall be eligible for election as officers and as members of the Board of Directors of the P.D.A.

(F) Regular Members who dispose of their Lot or Living Unit shall automatically surrender their membership.

(G) Each purchaser of a fee interest in a Lot or Living Unit in Fairfield Mountains from the Developer where the Lot or Living Unit is subject to a recorded restrictive covenant requiring the owner to become and remain a member of this P.D.A., shall automatically become a Regular Member, and shall be required to maintain such membership so long as such ownership exists. The same provision shall apply to each successor in title to any such Lot or Living Unit. If an owner fails to pay the required dues, the delinquent dues shall become a lien on his Lot or Living Unit, and the P.O.A. may enforce this lien by court proceedings. ~~Regular Members shall each have one vote in conducting the affairs of the P.O.A.~~

"Each Regular Member shall have one (1) vote in conducting the affairs of the POA for each lot or living unit owned, provided that the Regular Member is not delinquent in payment of any assessments, special assessments or

other charges due the POA and is otherwise a member in good standing with the POA." ^{2[2]}

Section 3. Developer Membership. The Developer, Fairfield Mountains, Inc., a subsidiary of Fairfield communities Land Company, and its successors and assigns, may hold a Developer

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Membership in the P.O.A. Officers, directors and other designated personnel of Fairfield-Mountains, Inc., and Fairfield Communities Land Company shall have the same privileges as Regular Members (but not including the right to vote) and shall be eligible for election to the Board of Directors. Dues of the Developer Member shall be \$100.00 per month.

~~The Developer shall have the privilege of issuing temporary guest cards to the P.O.A. to assist in the sale and development of the Fairfield Mountains properties. The Developer Membership shall terminate at such time as Fairfield Mountains is fully developed or at such earlier time as Developer, its successors and assigns finally conclude the sale and development of Fairfield Mountains and so advise the P.O.A. in writing. The Developer, during the time it is a member, shall be entitled to elect a majority of the members of the Board of Directors.~~

"The Developer shall have the privilege of issuing temporary guest cards to the P.O.A. to assist in the sale and development of the Fairfield Mountains properties. The Developer Membership shall terminate at such time as Fairfield Mountains or its successors and assigns finally conclude the development and sale of Fairfield Mountains and so advises the P.O.A. in writing. The Developer for a period of ten (10) years, or until fifty-one percent (51%) of the plated lots subject to these Declarations have been sold and deeded, whichever occurs first, shall be entitled to elect a majority of the members of the Board of Directors." ^{3[3]}

Section 4. Guest Privileges. Any person who is entitled to the use and enjoyment of the P.O.A. facilities may be accompanied by guests in

^{2[2]} Second Amendment March 2, 1989 Book 546 Page 586

^{3[3]} First Amendment June 23, 1978 Book 395 Page 09

the use of these facilities. The P.O.A. may also exclude or limit the number of guests for special functions.

ARTICLE IV

MEMBERSHIP IN FAIRFIELD MOUNTAINS COUNTRY CLUB

Membership. The recreational amenities presently, consisting of 18-hole golf course, country club and related facilities are an integral part of the community and their maintenance as an operating facility affects the property value and community desirability for all property owners, accordingly as part of the plan of development, the P.O.A. has contracted with the Fairfield Mountains Country Club (hereinafter referred to as CLUB), as owner and operator of the above referenced recreational amenities, to provide that all members of the P.O.A. shall automatically become Social members of the Club as part of their membership in the P.O.A. This membership for all property owners, their heirs, successors or assigns is a Social membership and the dues which are payable to the Club are paid by the P.O.A. for

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each of its members. The dues which the P.O.A. will pay to the Club are presently \$120 per year for each of its members. Said dues are subject to change by the Club in accordance with its by-laws. Property owners who are Social Members shall be entitled to first priority of a Golf-Tennis membership to the extent that such memberships are available. Golf-Tennis memberships are optional and the property owner may resign the Golf-Tennis membership at any time. Golf-Tennis memberships are presently an additional \$240/year and are payable by the member directly to the Club. Such dues are subject to change as provided in the by-laws of the Country Club. The rights and privileges of Social Members and Golf-Tennis Members shall be established by the Country Club according to its by-laws.

ARTICLE V

UTILITY EASEMENTS

Section 1. This Article does not apply to Article II, Section 1 Properties.

Section 2. Reservations of Utility Easements. Developer hereby reserves and is given a perpetual, alienable and releasable easement,

privilege and right on, over and under the grounds as hereinafter designated of The Properties to erect, maintain and use electric and telephone poles, wires, cables, conduits, water mains, drainage lines and drainage ditches, drainage structures, sewers and other suitable equipment and structures for drainage and sewerage collection and disposal purposes or for the installation, maintenance, transmission and use of electricity, telephone, gas, lighting, heating, water, drainage, sewerage, cable TV, and other conveniences or utilities on, in, over and under all of the Common Properties upon The Properties and on, in, over and under all of the easements including, but not limited to, Roads and Streets, shown on any subdivision plat of The Properties (whether such easements are shown on said subdivision plat to be for drainage, utilities or other purposes) and in, over and under a 5-foot strip at the back of each lot of The

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Properties and on, in, over and under a 5-foot strip along the interior of all side lot lines of each lot of The Properties and on, in, over and under a 5-foot strip at the front of each Lot of The Properties. The Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights referred to in this Section or any such privileges, easements and rights reserved on any plat of The Properties except Article II, Section 1 Properties. The owners, other than the Developer, of the lot or lots subject to the privileges, rights and easements referred to herein shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the property which is subject to said privileges, rights and easements. All such easements, including those designated on any plat of The Properties, are and shall remain private easements and the sole and exclusive property of the Developer.

ARTICLE VI

RESERVED PROPERTIES

Section 1. Real Properties Designated as "Reserved Properties" are Reserved from Declaration and Plats. Any area upon a plat covered by this Declaration or any Supplemental Declaration designated as "Reserved Properties", shall remain the privately-owned and, the sole and exclusive property of the Developer, and neither this Declaration nor any Supplemental

Declarations nor the plats in connection with same shall in anywise apply to such "Reserved Properties" unless at a later time same shall be included under the provisions of the Declaration or a Supplemental Declaration as provided in Article II hereof.

Section 2. Utilities Reserved from Declaration. Utilities, unless conveyed by written instrument to the P.O.A. are specifically reserved unto the Developer. It is contemplated, utilities for The Properties shall be furnished either by Developer, its subsidiaries or related companies or by companies furnishing such

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services in the vicinity of The Properties and the Developer retains and has the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such consideration, which consideration shall belong to the Developer, as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to:

- A. Water System
- B. Natural, Liquefied or Manufactured Gas System,
- C. Electrical System,
- D. Telephone System
- E. Antenna Television Transmission and Distribution Facilities and System.

In the event the Developer elects to furnish any of the utility services aforesaid, it may organize a company, or companies, to furnish such utility services, and shall have the right to enter into agreements with such company, or companies, to furnish the utility services reserved, or any of them, even though such company, or companies, so organized shall be wholly or partially owned by the Developer. Nothing herein contained shall be construed or interpreted as an obligation on the part of the Developer to provide the utilities reserved, although the Developer will use its best efforts consistent with economic feasibility to so provide same.

ARTICLE VII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES

Section 1. Water System. It is contemplated the water system shall be constructed by Developer. Developer shall be the sole judge as to the time when the water system shall be constructed and extended. In the event the Developer shall decide it is not economically feasible to extend the water system to a particular area, it shall not be obligated to do so until such time as it shall become economically feasible. Developer shall determine the

most feasible manner of providing for a permanent central water system and may transfer ownership to the P.O.A.; in which event, the water system shall become a Common Property and shall be operated, maintained and improved by the P.O.A. and all Revenues shall belong to the P.O.A.

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Section 2. Roads and Streets. It is contemplated the roads and streets shall be constructed by the Developer and that those roads and streets which are not dedicated to the general public will be a part of the Common Properties. However, the Developer shall be the sole judge as to when such roads and streets, whether dedicated to the public or as Common Properties, shall be constructed and extended from time to time. The Developer shall also be the sole judge as to the extent the roads and streets will be improved. In the event the Developer shall decide it is not economically feasible to extend improved roads or streets to a particular area, it shall not be obligated to do so. To the extent not provided by public authorities, the cost of maintenance, capital improvements, operation, taxes and other expenses incident to the roads and streets, regardless of whether dedicated to the public or as Common Properties, shall be borne by the P.O.A. which may levy assessments against each Lot and Living Unit as herein provided.

Section 3. Fire Department, medical facilities, libraries, Arts and Crafts Centers, Social Centers, and permanent parks. It is contemplated that the Developer and/or P.O.A. may construct the above referenced Common Facilities. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to these Common Properties shall be the obligation of the P.O.A., and shall be paid from dues or assessments against each Lot and Living Unit as herein provided, and also from fees for the use of the Common Properties. The P.O.A. and Developer shall be the sole judge as to the time when the Common Facilities shall be constructed, and if the P.O.A. and Developer shall decide that it is not economically feasible to construct any or a portion of such due to the failure to sell sufficient Lots or Living Units, neither shall be obligated to construct same.

ARTICLE VIII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF LIMITED COMMON PROPERTIES

Section 1. Construction and Maintenance. Developer may

designate certain facilities as Limited Common Properties for the benefit of a particular area or for the benefit of particular classes of P.O.A. membership. Developer may also, but shall not be required to, restrict the right of owners of Lots or Living Units in specific areas from using some or all of the Common Properties. Maintenance, capital improvements, operation, taxes, and other expenses incident to these Limited Common Properties, shall be the obligation of the owners of the Lots or Living Units entitled to the use and enjoyment of the particular Limited Common Properties. If owners in a certain area are restricted in their use of Common Properties of the P.O.A., then the P.O.A. shall determine an equitable allocation of the dues and assessments charged or chargeable by the P.O.A. for use and maintenance of its various Common Properties so that such owners will be chargeable only with the share allocable to the Common Properties benefiting them. In order to perform construction and maintenance on Limited Common Properties built by Developer, Developer may organize a non-profit corporation which shall have as members all those owners of Lots and Living Units entitled to the use and enjoyment of the particular Limited Common properties and the non-profit corporation shall have, as to such Lots and Living Units, the same powers which the P.O.A. has as provided in this I Declaration, including the power to levy dues and assessments against such particular Lots and Living Units in order to obtain funds for such Limited Common Properties.

Section 2. Upon the failure of the non-profit corporation belonging to the owners of the property entitled to the use and enjoyment of the particular Limited Common Properties to provide for the construction and maintenance of the particular Limited Common Properties the P.O.A. may perform same and apportion the charge against the Lots and Living Units entitled to the benefit of the particular Limited Common Properties and same shall constitute a lien against such property subject only to the lien by reason of a first mortgage or deed of trust against such property.

ARTICLE IX

PROPERTY RIGHTS OF THE COMMON PROPERTIES

Section 1. Members' Easement of Enjoyment. Subject to the provisions of Article V, Article VIII and Section 3 of this Article IX, every member, so long as such membership shall continue, shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Section 2. Title to Common Properties. The Developer shall convey the Common Properties to the P.O.A. after the construction of same is completed, or at an earlier time.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

~~(a) the right of the Developer and/or the P.O.A. to borrow money for the purpose of constructing, improving and maintaining the common Properties and in aid thereof to mortgage said properties or execute a deed of trust or other trust instrument covering such properties. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such properties, to charge service or use charges, admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the P.O.A. and all rights of the Members shall be fully restored; and,~~

"(a) the right of the P.O.A. to borrow money for the purpose of constructing, improving, and maintaining the Common Properties and in aid thereof to mortgage said properties or execute a deed of trust or other trust instrument covering such properties. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such properties to charge service or use charges, admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such ,properties shall be returned to the P.O.A. and all rights of the Members shall be fully restored; and," ^{4[4]}

(b) the right of the P.O.A. to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and,

(c) the right of the P.O.A. to suspend the enjoyment rights of any Member for any period during which any assessment, service or use charge, remains unpaid, and for any period not to exceed thirty days for any infraction of its published rules and regulations; and,

(d) the right of the P.O.A. to charge reasonable service or use charges, admission and other fees for the use, service and enjoyment of the Common Properties; and,

(e) the right of the P.O.A. to make any recreational facilities available by lease, or otherwise, subject to sub-paragraph "f" hereof, to another Country Club, which shall be a non-profit corporation, with the right of the other country club to charge dues to members and permit persons who are not members to become members of the other country club for a membership payment and also for payment of dues, and with the understanding the other country club shall have the right to make rules and regulations which shall be enforceable as to members; and,

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(f) the right of the Developer until all Lots and Living Units located within The Properties shall have been sold to make use of the Common Properties to encourage sales; and,

(g) the right of individual members to the exclusive use of parking spaces as provided in Section 4 hereof; and,

(h) the right of the P.O.A. to dedicate, transfer, sell, convey, lease or mortgage all or any part of the Common Properties and. to pledge revenues of the P.O.A. including the right to sell and lease back or sell and reacquire all or some parts of said properties to or from any public agency, authority, political subdivision, utility or lending institution for the purpose of improving, maintaining, constructing or acquiring Common Properties and additions thereto subject to such conditions and for such consideration as may be determined by the Board of Directors to be in the best interest of the P.O.A. in furtherance of its purposes. Such action shall be taken at a regular or special meeting of the Board and notice of the proposed action shall be given in writing to each Board member at least seven days prior to such meeting. Such action must be authorized by a majority of the entire membership of the Board.

Section 4. Parking Rights. Subject to reasonable rules and conditions, the P.O.A. shall maintain and designate at least one parking space conveniently located with respect to each Living Unit for which the Developer may request same and such parking space shall be for the exclusive use of members residing therein, their families or guests. The use of, such space by any other member, or person, may be enjoined by the P.O.A. of the member entitled thereto. The right of the exclusive use of such parking space and to its maintenance by the P.O.A. shall be appurtenant to and shall pass with title to each Living Unit.

ARTICLE X

PROPERTY RIGHTS OF THE LIMITED COMMON PROPERTIES

Section -1. Owners' Easement of Enjoyment. Lands designated upon plats at "Limited Common Properties", and also as may be so designated from time to time by the Developer, shall be devoted to the common use and enjoyment of the owners of specifically designated Lots and Living Units to the exclusion of the common use and enjoyment of other owners of Lots and Living Units upon The Properties. The owners of the specifically designated Lots and Living Units, subject to Article IV hereof, shall have a right and easement of enjoyment in and to the particular Limited

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Common Properties and such easement shall be appurtenant to and shall pass with every such specifically designated Lot or Living Unit.

Section 2. Title to Limited Common Properties. The Developer may retain the legal title to the Limited Common Properties until construction of any improvements is completed and shall then convey the title of the particular Limited Common Properties to the non-profit corporation created to serve such Limited Common Properties as provided in Article VIII; or, if Developer deems it more desirable and the P.O.A. agrees, then Developer may convey to the P.O.A. and it shall perform as provided in Section 2, Article VIII hereof.

ARTICLE XI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Limitation with Respect to certain "Article II, Section 1" Properties. Section 2 of this Article XI shall not apply to any Property described in Article II, Section 1 if such Property was purchased from the Developer by the Owner or his transferors by contract or deed dated prior to July 14, 1977, unless such property has been subjected to these Declarations pursuant to Article III, Section 1 hereof.

Section 2. Creation of Lien. Except as provided in Section 1, each Owner of any Lot or Living Unit by acceptance of a deed from Developer, or by entering into a contract of purchase with the Developer, whether or not it shall be so expressed in any such deed, contract of purchase, or other conveyance, shall be deemed to covenant and agree to pay to the P.O.A.: (1) annual assessments of charges; (2) special assessments for capital

improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

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Section 3. Purpose of Assessments. The assessments levied hereunder by the P.O.A. shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the improvements situated upon The Properties, including but not limited to the payment of taxes and insurance thereon, and construction of capital improvements, repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The limitation aforesaid shall not preclude the use of assessments levied hereunder for maintenance of roads and streets within The Properties, even though same have been dedicated to the public.

Section 4. Basis of Annual Dues Assessment. Effective July 14, 1977,¹ the annual dues assessment shall be \$ 240 per Lot or Living Unit for all Regular Members; provided that the Board of Directors may charge an annual dues assessment for those Lot or Living Unit owners who purchased prior to July 14, 1977 in an amount equal to or less but not greater than other Regular Members. The Developer shall pay an annual dues assessment of not more than \$100.00 without regard to the number of Lot or Living Units owned. The annual assessment for Regular and Developer Members may be changed by the Board of Directors of the P.O.A.

The Board of Directors of the P.O.A. may classify areas in accordance with the level of improvements currently being furnished to such areas, and may reduce the assessments for any particular year as to the Lots in a particular area, if improvements have not yet been completed for such area.

~~Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments, the P.O.A. may levy against all Regular Members a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the roads~~

~~and streets or other common properties within The Properties, even though same may have been dedicated to the public, and also a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be for a stated period of time and shall be levied by affirmative vote of 51% of the Regular Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Regular Members at least thirty days in advance and shall set forth the purpose of the meeting. Developer Members shall not be subject to such assessments and need not be given notice of any meeting called to make such assessments nor shall they be entitled to vote at such a meeting.~~

"Section 5. Special Assessments for Capital Improvements and Acquisitions

In addition to the annual assessments, the POA may levy against all Regular Members a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the roads and streets or other Common Properties within the Properties, even though same may have been dedicated to the public, and also a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, also including the purchase of real property, buildings, golf courses, restaurants, marinas, swimming pools, tennis courts and other recreational facilities or amenities, provided that any such assessment shall be for a stated period of time and shall be levied by affirmative vote of 51% of the Regular Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Regular Members at least thirty days in advance and shall set forth the purpose of the meeting. Developer Members shall not be subject to such assessments and need not be given notice of any meeting called to make such assessments nor shall they be entitled to vote at such a meeting." ^{5[5]}

Section 6. Quorum for Any Action Authorized Under Section 5. The Quorum of any action authorized by Section 5 hereof shall be as follows:

At the first meeting called as provided in Section 5 hereof, the presence at the meeting of Regular Members or of proxies, entitled to cast 50% of the total votes that may be cast on the particular question to be presented, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, the meeting may be recessed to a day and time certain not less than seven days nor more than thirty days thereafter, and notice of such date shall be given. The required quorum, when the meeting reconvenes, shall be one-half of the previously required quorum.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual dues assessments provided for herein shall commence on the 14th day of July, 1977, except for Lot or Living Unit owners who purchased their property in the development prior to July 14, 1977 (the date of recording of these covenants), which shall commence on the 1st day of the month following acceptance by the Club of application for membership.

Dues assessments for Regular Memberships shall be payable monthly; or as otherwise determined from time to time by the

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Board of Directors of the P.O.A. The first annual assessments shall be for the balance of the calendar year in which the property becomes subject to this Declaration and shall be apportioned over the remaining months of such calendar year, and payments shall be payable on the 1st day, or such other day as may be fixed by the Board of Directors of the P.O.A., of each month for the remainder of the calendar year. The assessments for any year, after the first year, shall become due and payable on the first day, or such other day as fixed by the Board lot Directors of the Club, of January of each year, and shall be apportioned over 12 months and the first payment shall be payable on such day of January as fixed aforesaid, and the remaining payments payable on the same day of each month thereafter for the remainder of the year. In the event of default as to a monthly payment and if the default is not remedied within thirty days, the P.O.A. shall have the option of declaring the assessment for the entire year due and payable.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 4 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to The Properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment, and it shall also be payable monthly with the same option on the part of the P.O.A. in the event of default.

Section 8. Duties of the Board of Directors. The Board of Directors of the P.O.A. shall fix the date of commencement and the amount of the assessment against each Lot or Living unit of a Regular Member for each assessment period at least thirty days in

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advance of such date or period and shall, at that time, prepare a roster of the properties and assessment applicable thereto which shall be kept in the office of the P.O.A. and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to every Owner subject thereto. The P.O.A. shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the P.O.A., setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Delegation of Collection. of Assessment. The P.O.A. may delegate to Developer the duty of collecting the dues assessments, but all such collections shall belong to the P.O.A. Due to the common interest of the Developer and the P.O.A., the P.O.A. in the delegation of the collection of the assessments may agree that the failure on the part of an Owner to pay an assessment as herein provided shall be a reason or ground for which the Developer may rescind a contract of sale as to a Lot or Living Unit.

~~Section 10. Effect of Non Payment of Assessment; The Lien; Remedies of P.O.A. If the assessments are not paid on the date when due (being the date specified in Section 7 hereof), then such assessment shall become delinquent as provided in Section 7 hereof and shall, upon the election of the P.O.A. to declare the entire assessment due and payable, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns; provided however where the Regular Member does not hold the Lot or Living Unit in fee, same being held by Developer subject to Regular Member's installment contract, such lien shall cease upon the rescission and termination of the contract and the return of the Lot or Living Unit to Developer's inventory.~~

~~If the assessment is not paid as provided in Section 7 and the P.O.A. shall declare the entire assessment due and payable, the assessment shall bear interest from date of delinquency at the rate of 6% per annum, and the P.O.A. may foreclose the lien against said property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.~~

"If the assessment is not paid as provided in Section 7 and the POA declares the entire assessment due and payable the amount of such notice shall be deemed to have been performed on the due date of such assessment to "improve" such property and/or to create an "improvement" thereon, as defined in Chapter 44A, Article II, Part I of the General Statutes of North Carolina; the lien arising therefrom shall constitute a "lien of mechanics, laborers, and materialmen I dealing with the Owner", and such lien may be perfected and enforced pursuant to the provisions of said Part I. Any action to enforce such lien may, at the POA's option, include a prayer for collection of assessments levied against such property since the filing date of said Claim of Lien. The POA may purchase said property at any sale thereof contemplated under North Carolina Statute S 44A-14". ^{6[6]}

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon The Properties subject to assessment: provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments charge and lien created herein:

- A. Common Properties,
- B. Limited Common Properties,
- C. Utility Easements and all other Easements,
- D. Reserved Properties,
- E. Utilities,

- F. Water System and Properties,
- G. All Recreational Facilities,
- H. All Lots or Living Units owned by Developer and not subject to contract of sale. Such exemption from assessment to cease upon sale of property by contract or deed.

ARTICLE XII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the home upon

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The Properties and placed on the dividing lines between Lots shall constitute a party wall and to the extent not inconsistent with the provisions, of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right I of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

ARTICLE XIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee. No building, fence, wall,

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improvement, or other structure shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change or alterations therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of Developer, or by an Architectural Control Committee composed of three or more representatives appointed by said Board. In the event said Board, or is designated committee, failes to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIV

EXTERIOR MAINTENANCE

Section 1. In, the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance as to buildings or grounds the Developer or the P.O.A. may, but shall not be obligated to, provide exterior maintenance as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Section 2. Assessment of Cost. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become a part of the annual assessment or charge to which said Lot or Living Unit is subject under Article XI hereto and, as part of such assessment or charge, it shall be a lien subject, however, to lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided in Article XI hereof. Upon collection by the P.O.A., the cost shall be paid to Developer, if the Developer has performed the work.

Section 3. Access at 'Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article XIV, the Developer or the P.O.A. through its respective duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday.

ARTICLE XV

PROTECTIVE COVENANTS

Attached hereto as "Exhibit A" and incorporated herein by reference as fully as though set forth word for word are protective covenants. Such covenants shall be considered to be part of the "Declaration" and shall apply to and bind all The Properties except Article II, Section 1 Properties. Paragraphs 11 and 12 of the Protective Covenants shall apply to and bind Article II, Section 1 Properties.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Duration. All provisions, covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the P.O.A., or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 25 Years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by the then Owners of two-thirds of the Lots or Living Units has been recorded, agreeing to change said covenants and restrictions in whole or in part. For purposes of meeting the two-thirds requirements, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted. Provided, however, that no such agreement to change shall be effective unless made and recorded 3 years in advance of the effective date of such change, and unless written notice of

the proposed agreement is sent to every Owner at least 90 days in advance of any action taken.

Section 2. Notices. Any notice given or required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the United States mail with postage paid, addressed to the last known address of the person who appears as Member or Owner on the records of the P.O.A. at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the P.O.A. 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.

Section 4. Assignability. All provisions of this Declaration shall be binding upon and shall inure to the benefit of the parties, their successors and assigns. Developer or the P.O.A. may assign or convey all or any part of their rights, privileges or obligations hereunder at any time, but such assignment or conveyance shall not relieve the assignor from fulfilling its obligations hereunder or causing them to be fulfilled by such assignee.

Section 5. Amendments. ~~The provisions of this Declaration may be amended if such amendment is adopted by affirmative vote of a majority vote of the votes cast by the voting members of the P.O.A. and such amendment is also adopted by Developer.~~

"The provisions of this Declaration may be amended if such amendment is accepted by the affirmative vote of a majority of POA members in good standing, present in person or by proxy, and such amendment is also adopted by Developer." ⁷⁽⁷⁾ Any such amendment must be in writing and properly executed and recorded.

Section 6. Severability. Invalidation of any provision, covenants or restriction contained herein shall not invalidate any other provisions and they shall remain in full force and full effect.

IN WITNESS WHEREOF, FAIRFIELD MOUNTAINS, INC., Developer herein, and FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION,

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P.O.A. herein, have executed this agreement for the purposes as set forth and have caused this Declaration to be executed by their duly authorized corporate officers this 31st day of August, 1977.

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ACKNOWLEDGMENT

STATE OF NORTH CAROLINA)

) ss,

COUNTY OF RUTHERFORD)

On this 31st day of August, 1977, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named George F. Donovan and Joe T, Gunter to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS, INC" a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 31st day of August 1977,

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA)

) ss.

COUNTY OF RUTHERFORD)

On this 31st day of August, 1977, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named Robert E, Bland and Ed B. Garrett to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said I corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 31st day of August ,1977.

EXHIBIT A

PROTECTIVE COVENANTS

1. Application. These Protective Covenants shall apply to all of the Properties as provided in the Declaration. They shall also apply to additions to The Properties unless the Developer shall specifically except from these protective Covenants such additions or a portion thereof in the Supplemental Declaration by which the Developer subjects such additions to this Declaration.

2. Architectural Control Committee. When the Architectural Control Committee, hereinafter referred to as A.C.C., is referred to in these Protective Covenants, it shall mean either the Board of Directors of the Developer or the Architectural Control Committee appointed by the Board of Directors pursuant to Article XII of the Declaration.

3. Amendment, Rescission or Additions. Developer may amend, rescind or add to the Protective Covenants from time to time, but unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such Amendment, Rescission or Additions shall not make the Protective Covenants as to those Lots zoned as Residential less restrictive than as provided in the Federal Housing Administration's then current edition of "Minimum Property Standard for Single Living Units."

4. Zoning. The notes upon the recorded subdivision plats shall control as to use of the Lots reflected thereon unless changed as provided in Paragraph 3 above. Structures upon Lots designated as commercial or industrial upon a recorded subdivision plat shall be entirely controlled as to kind, shape, height, materials, and other features by the A.C.C. and may be used for residential or other purposes with consent of the A.C.C.

The A.C.C. may change the use classification of Lots to permit a

residential use of a Lot restricted to commercial or industrial with the consent of the Owner of the Lot. As to Lots designated as Residential Lots upon a recorded subdivision plat, the notes upon the recorded subdivision plat shall control regarding the residential structure types (Single Family Detached, Single Family Attached and Multifamily Structure) which shall be permitted, provided that Single Family Detached is a permitted use on any such property regardless of designation. The notes upon the recorded subdivision plat shall also control as to minimum square footage of each Single Family Detached structure, Single Family Attached structure, as well as each Living unit in a Multifamily structure. Provisions of Article XII shall control as to kind, shape, height, materials, et cetera, in regard to all structures erected upon or moved upon Residential Lots.

5. No residential lot shall be used except for residential, purposes or, with permission of the A.C.C., non-profit, civic, religious, educational and community purposes such as, but not limited to, churches, schools, fire and police stations, community buildings, libraries or parks. On Single Family Detached lots no residential building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling not to exceed two and one-half (2 1/2) stories in height and private garages for the occupants' vehicles and other outbuildings incidental to the residential use of the lot.

6. Resubdivision. No lot shall be subdivided except upon written approval of the A.C.C.

7. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

8. Setbacks. No building shall be placed closer to the Roads and Streets than a setback line shown on a recorded subdivision plat and if no setback line is shown, then the

applicable setback shall be 25 feet, except where such requirement creates an undue hardship upon the Owner, such setback may be modified as necessary to prevent the hardship by, the A.C.C.

9. Side Yards. Where Lots are zoned as Residential, the following shall apply, unless the recorded plat provides otherwise:

(a) A Single Family Detached structure or any building incident thereto shall not be closer to a side lot line than 5 feet, except where such restriction creates an undue hardship upon the Owner the A.C.C. may modify this restriction so as to alleviate the hardship.

(b) A Single Family Attached structure shall not be required to have a side yard, and a common or party wall may be constructed upon the dividing lines between Lots so that the wall may be partially upon one Lot and partially upon the other, or said common wall may be entirely upon one of the two lots involved.

(c) There shall be no requirements as to a side yard where Multifamily structures are involved, and subject to approval by the A.C.C., Multifamily structures may be constructed up to or upon the dividing lines between Lots.

The A.C.C. shall decide all questions relative to locations of Commercial structures upon Lots where such structures are permitted.

10. Land Near Lakes, Water Courses, Golf Courses, Permanent Parks, Permanent Recreational Plots. No building shall be placed nor shall any material or refuse be placed or stored upon any Lot or other Parcel of Land within 20 feet of the property line of any Lake or within 20 feet of the edge of any open Water Course, or within 20 feet of the property line of any Golf Course, Permanent Park or Permanent Recreational Plot. Clean fill may be placed nearer to the property line of a Lake or the edge of an open Water Course in the event the written permission

of the A.C.C. is first obtained. Likewise, by written permission of the A.C.C., a boat dock or boat house may be placed closer than 20 feet to the property line of a Lake or the edge of an open Water Course. The decision of the A.C.C. as to the permission aforesaid shall be final and conclusive.

~~11. Construction of Buildings. The contractor, builder, person or entity constructing a building upon The Properties shall, prior to beginning the construction of any such building, furnish to the A.C.C. proof that a suitable completion bond has been made to insure completion of the building and to indemnify the Owner against material and mechanic liens. At the same time there shall be furnished to the A.C.C. satisfactory proof that builders' risk insurance, including Workmen's Compensation insurance, if applicable, will be in effect for the construction period. If the Owner is his own builder, he shall furnish to the A.C.C. such credit information and proof of financial ability to complete the building within the time requirements of these Protective Covenants, as shall be required by the A.C.C. In such case, the Owner shall also furnish to the A.C.C. proof of builders' risk insurance, including Workmen's Compensation insurance, if applicable, to be in effect for the construction period.~~

11. Construction of Buildings. No building, fence, wall, improvement, change to landscaping, TV satellite dishes or shortwave, CB, radio or TV antenna systems, or other structure shall be commenced, erected, or thereafter maintained upon the properties, nor shall any exterior additions or modifications of any existing structure be commenced, erected or thereafter maintained until the plans and specifications have been first submitted to and approved the Architectural Control Committee (hereafter also referred to as ACC).

A. APPLICATION FOR ACC PERMIT

All of the following documents are required before the ACC will review the plans and approve or disapprove the house or project to be constructed:

1. ELEVATION AND FLOOR PLAN

A complete floor plan is required. An elevation view of the front, both sides, and rear of the house is required. On all four of these elevation drawings, indicate the finish grade line and existing grade and give dimensions on all corners of both. All roof pitches shall be specified on the plans. Square footage for heated and non heated areas of the home must be listed on these plans.

2. PLOT PLAN

a. A plot plan is required showing the exterior perimeter (both building line and roof overhang line) of the home in relation to lot lines

with minimum dimensions from the property line to the roof overhang line on all sides. Refer to the set back requirements in Paragraph 8 above.

b. Sidewalks where needed must be shown in detail on the plans.

c. Show septic tank and field line on plot plan.

d. All items which are planned to be added to the lot or roadside berm, such as fences, walls, drives, sidewalks, light posts, mailbox posts, driveway headwalls, etc. shall be shown on the plot plan or another drawing with sufficient detail or description so that the ACC can make an informed decision.

3. TREE PLAN AND LANDSCAPING PLAN (See Section B Below)

4. DRAFTING AND REVISIONS

For all plans (floor, elevation, plot, tree, and landscaping) listed above, a title block is required in the lower right corner of each of these plans indicating owner's name, contractor, subdivision, block, lot, draftsman, and date drawn. All plans shall be submitted as original, unmarked blueprints drawn to scale. Any changes or additions shall be made to the original drawing (with the revision date noted on all plans revised) and a new, unmarked blueprint submitted to the ACC for their consideration unless waived by the ACC. ACC approval of any change is required prior to proceeding with the revised work.

5. SPECIFICATIONS are required for roofing (weight and slope), exterior siding, and trim (paint color samples, siding and brick samples, and roofing samples are required), windows, and exterior doors if not covered in detail on plans. Exterior white paint, thin imitation stone or brick on exterior walls, asphalt shingles on exterior walls, corrugated metal or baked glazed finish on exterior walls, will not be approved by the ACC.

6. Copy of Builder's Risk Insurance. This is to assure the ACC that the home will be completed in case of fire, storm, etc.

7. Copy of Worker's Compensation Insurance.

8. Copy of Contractor's General Liability Insurance that will cover blasting (if blasting is necessary) in addition to all other general liability. A minimum coverage of \$100,000.00 is required for this General Liability Insurance.

9. Copy of one of the following items (only one) to assure the Committee that the Owner has the Financial Capability to complete the home:

a) Completion Bond.

b) Signed copy of a home loan commitment from a recognized lending institution.

c) Letter from a bank stating that sufficient funds are on hand to complete this home.

d) Copies of stocks, bonds, or certificates of deposit.

e) Other proof satisfactory to the ACC.

10. A copy of the Health Department's Septic System Approval if the house will not be served by central sewer.

11. Copy of prime Contractor's State of North Carolina Contractor's License, except as specified in SECTION E (2) below.

12. A one time filing fee of \$25.00 payable to Fairfield Mountains Property Owners Association to cover costs of plan review, copies, mailing, etc.

13. Submit a completed ACC application form as from time to time adopted and amended by the ACC, completely filled out in ink and signed by all Owners and the Contractor.

14. A security deposit of \$2,000.00. The security deposit will be held by the ACC pending the completion of the construction project. This deposit will be refunded after final inspection of the construction project and site minus any penalties (fines) for violations of these rules and regulations levied by the ACC in accordance with the provisions of PARAGRAPH TWENTY-EIGHT below.

All of the documents previously listed must be submitted in one complete package. The ACC will take no action until all are received except as indicated in the immediately following paragraph. Hand carry or mail these plans and documents to Administrator, Architectural Control Committee, Fairfield Mountains, Rt. 1, Lake Lure, North Carolina 28746. Please direct all questions concerning these requirements to telephone number 704-625-9111. All items submitted become the of the ACC and shall remain on file with the ACC. This file is retained active for a period of 5 years. After this 5 year period this file will be available for the current Owners or disposed of by the ACC. The ACC shall not be liable for the accidental or intentional loss or destruction of the file after the construction is completed and final inspection made by the ACC.

If you have an abnormal situation or unusual house plans and you want to obtain only an indication from the ACC whether these plans probably would or would not be acceptable, you may submit these plans without any of the other requirements to the ACC and the ACC will give you a preliminary indication or opinion. Of course this does not constitute an approval.

15. Clearing of the lot cannot start until all final pins showing corners of the structure are installed and the ACC has conducted an inspection.

16. After obtaining ACC approval, any proposed changes in plans or specifications shall be submitted to the ACC for approval prior to proceeding with the revised work. This includes the installation of home additions, decks, fences, carports, detached garages, and storage sheds added to the property before or after home completion and occupancy by the Owner.

17. If a new home is not started within 6 months after ACC approval the approval becomes null and void and the total application has to be resubmitted.

18. A driveway with a minimum width of ten (10) feet must be constructed out of concrete, asphalt, gravel or any other ACC approved surface. The driveway must be located and at least graveled prior to building construction commencing.

19. The ACC may visit the proposed site and consider all plans and specifications which are submitted and assure themselves that the new home will be in harmony with existing homes on adjoining or surrounding lots. If not, a redesign may be required before approval is granted.

20. Special approval must be granted by the ACC if a LP gas tank is to be installed on a lot. Special landscaping is required to screen such tank.

B. TREE PLAN AND LANDSCAPE PLAN DETAILS

Trees are one of Fairfield Mountains' primary assets. The ACC and normally all homeowners want to save as many trees as possible. ,

For the purpose of definition and clarity, following are the four (4) types of tree clearing to be designated on your tree plan:

1) CLEAR CUT

a) Definition - removal of all trees and brush.,

b) Specifications - unless the Owners have a very good reason to do otherwise, the ACC only allows clear cutting a maximum of ten (10') feet from house building line (not the house overhang line) and five (5') feet maximum from the driveway and sidewalks. This initial clear cut clearing line shall be clearly identified on the lot and subject to ACC inspection prior to start of clearing.

c) No tree over 3 inches in diameter shall be removed from a residential lot (other than the site of the structure and driveway) without the approval of the ACC.

2) DEVELOPED LAWN AREA

a) Definition - partial clearing of area with some type of ground treatment to be specified such as seeded or mulch. Thin trees enough to allow sunlight for grass to grow good but leave enough trees so the lawn does not look bare and has a good appearance from the street.

b) Specification - in wooded areas indicated as developed lawn with seeded, the owner shall leave a minimum of four good quality trees per 1,600 square feet of area. Where there is less than the specified amount of trees, special treatment shall be designed for these areas and should be specified as such on the tree plan and landscape plan. These good quality trees can be scattered or can be left in a group or bunch. In areas where mulch is used instead of grass, the ACC recommends leaving more trees than specified for grass.

3) UNDERBRUSHED

a) Definition - only underbrush removed and all small and large trees shall remain as "Clean Woods."

b) Specifications - only trees and brush under one and one-half (1-1/2") inches in diameter may be removed and tree limbs may be removed up to six (6) feet high. No trees over one and one-half (1-1/2") inches in diameter shall be removed. No equipment shall be used to do this underbrushing other than chainsaws.

4) NATURAL

a) Definition - area to be left in a natural state.

b) Specifications - areas designated as natural on the tree clearing plan are not disturbed in any way.

Contractors and Owners are asked to take special care to follow their tree plan exactly as approved and to protect as many of the remaining trees as possible during all phases of the construction or upon completion. The ACC may require additional landscaping to conform to the original approved landscape and tree plan if it is not followed.

Areas to receive fill to maintain lines indicated on plans must be shown on Tree Clearing Plan as "Clear Cut" with the reason given if fill is to be placed above the natural root system of the existing trees. Utility line construction and septic tank and field line construction may require the removal of a few additional trees as the work is being done. This clearing shall not be done with original clearing and shall be held to an absolute minimum when found necessary. The location of the electric service entrance shall be shown on the house plan and the service line shown on the plot plan if possible. This is required to show the ACC that every effort has been made to minimize the number of trees required to be removed. It is recommended that the power line use the same clearing as the drive wherever possible.

C. CLEANUP

1. When clearing the lot do not temporarily store cleared trees, stumps, dirt, or blasted rock on any part of the road right-of-way. Take care not to stop up roadway culverts or ditches in any way. Also, do not load any dirt, rocks, stumps, or trees onto trucks parked in the road right-of-way if the road is paved. Do not track any appreciable mud or dirt from construction trucks and vehicles out onto any paved roads. Wait until the weather is dry enough not to track mud on the paved roads, and gravel the driveway onto the lot to prevent tracking. Provide a gravel driveway or other gravel access to the home construction site at an early stage of construction to help in this regard.
2. Keep the construction site clean and neat as possible at all times. Keep a barrel or a trash receptacle on the job at all times for papers, cans, and small trash. The licensed contractor shall have a foreman or superintendent to check each home under construction

near the end of each working day and assure that all debris is picked up and that all materials are stacked in a neat manner by the end of each working day. All such stacks of materials shall be plumb and

square and perpendicular with the home or the street and shall appear neat and orderly from the street or an adjoining home. Spot checks by the ACC Inspector shall be made as time permits and pictures made of violations. Cleanup violations will be considered a serious offense by the ACC and will result in disciplinary action for repeat offenders.

There is no location on Fairfield Mountains property where Contractors may dispose of trees, stumps or any other construction debris.

3. The Contractor is required to obtain from the Security Department a burning permit for any burning on or around the lot. This permit may be issued for a maximum period of one week. During very dry weather Security may elect not to issue burning permits. Under no circumstance shall any fire, (blazing, smoldering, or smoking) be left unattended. Every hot coal must be completely extinguished before leaving.
4. If any burning is done on the lot without a permit, or if anyone is burning and not complying with the requirements on the burning permit, a \$25.00 fine for each violation shall be assessed by the ACC, said fine to be deducted from the Security Deposit set forth in Section A (14) above in accordance with the provisions of PARAGRAPH TWENTY-EIGHT below.

D. MINIMUM GUIDELINES REQUIRED DURING CONSTRUCTION:

1. The guidelines, regulations and specifications contained in the North Carolina Building Code shall constitute minimum guidelines required for all construction at Fairfield Mountains.
2. All exposed concrete blocks shall be stuccoed, plastered, or painted.
3. No mobile homes, or structures having the appearance of a mobile home, are permitted.
4. All front, side, and rear lot set-back lines as established by the Lake Lure Zoning Ordinance, other Lake Lure Ordinances, plats, and covenants and restrictions, must be observed.
5. There shall be provisions made to drain the surface water away from all sides of the home. There shall be a minimum of 4" of fall at a minimum of 2 % slope going away from the grade line at the house to a ditch or swale directing water away from the home. This swale or ditch directing water away from the home on the high side or level side of the home shall have a minimum slope of 2%. If you plan any other type of storm drain system show the details on the drawings.
6. Do not channel water (such as a pipe from roof downspouts, storm drain, or a man made ditch) and discharge it onto another lot. If you channel water in any way then this water must be channeled into the roadway ditches or a well defined natural draw or ditch. Overhangs, gutters, downspouts with splash blocks or underground drains are recommended.
7. At the time the lawn is seeded and landscaped the home owner and/or his contractor is required to topsoil and seed both sides of the roadway ditch line in the road right-of-way between his lot and the shoulder of the road in front of his lot. Also, do the same for any other ditch line or back slope nearby that was damaged as a result of the home construction work. In doing this, take care not to fill in the roadway ditch. Keep the invert of the ditch low enough to carry all water. If blasting of rock in the ditch

line is required the Engineering Department will do the blasting and removal of the rock prior to your topsoil and seeding work. Any other work (besides topsoiling and seeding) that the Homeowner wants to do in this area of the roadway ditch such as stone work, concrete work, or installing a culvert in ditch line (other than under driveway) shall be approved by the ACC prior to the commencement of any work. The Homeowner is responsible for mowing and maintaining this ditch line (from a beautification standpoint) in front of his home. Neither the Developer nor the Property Owners Association assumes any responsibility for beautifying and maintaining this ditch line area in front of your home.

8. At or before completion of home construction, the lawn is to be cleaned and landscaped in a manner that the exterior appearance is very attractive to the Owner, neighbors, and the ACC. This lawn work is to be completed within the six (6) months construction period, unless this period expires in the winter months. In this case, all of this work must be completed by April 30th of the following Spring.

9. The roadway and sidewalk culverts shall be corrugated metal, prestressed concrete, or certified cylinder unless otherwise approved by the ACC.

10. In order to keep the community more secure, and in order to minimize noise and nuisances during normal non-working hours, construction work will only be allowed Monday through Saturday between 7:00 a.m. and 5:00 p.m. or sundown, whichever ever comes last. No contractor or subcontractor or their employees shall be driving around the project at night. On rare occasions, if there is a very good reason for a contractor or subcontractor to work after sundown; prior to going to the job, that contractor shall locate a security officer and fill out a form for working past sundown giving a specific location, all employee names that will be working, all vehicle descriptions that will be used and license numbers, time, etc., and get permission from the security officer. This will help our security department keep our community safe.

11. SILT CURTAIN - The contractor is responsible to provide adequate protection from silt and/or dirt being washed from his construction site into lakes, onto golf courses, roadside ditches, adjacent property or drainage ditches. If any dirt or silt is washed from his construction site such dirt or silt shall be cleaned up and returned to the site or taken to a dump site off Fairfield Mountains. As a minimum a hay bale dam is required in the ditch line of all job sites, on all lot line bordering a lake, and all lot lines bordering a golf course where the lot slopes down to the golf course. All silt curtain protection must be maintained in condition to serve its intended purpose until the home is complete and the grass is about 3" (three inches) high and well established. All properties within the city limits of the Town of Lake Lure must also comply with the town's Sedimentation Ordinance, as amended from time to time.

12. Temporary toilet facilities shall be placed on the construction site and shall remain in place until such time as the house toilet facilities are operable.

E. CONTRACTOR SPECIFICATIONS

1. STATE OF NORTH CAROLINA LICENSED CONTRACTOR

The ACC requires that all General Contractors building homes at Fairfield Mountains have a valid State of North Carolina Contractor's License. The ACC reserves the right to refuse issuance of a building permit to any contractor for just cause. The estimated cost of building the home shall not exceed the maximum dollar value specified on the Contractor's license.

2. HOMEOWNER ACTING AS OWN GENERAL CONTRACTOR

The ACC prefers that licensed Contractors build all homes at Fairfield Mountains; however, the ACC will permit a homeowner to act as his own General Contractor. In such case, the owner shall furnish to the ACC such

credit information and proof of financial ability to complete the building within the time requirements of these Protective Covenants, as shall be required by the ACC.

3. WATER SAVING FIXTURES AND APPLIANCES

For the most effective and least costly treatment of waste water, Fairfield Mountains and the ACC require that you install water saving fixtures and appliances. The water saving fixtures will reduce your monthly water bills and help protect this important natural resource. Following are the specific requirements:

1. Toilets - Standard toilets are designed to hold 5 to 7 gallons of water in the tank reservoir. We require using a water saving toilet which uses a maximum of 3 gallons per flush.

2. Shower Heads - Normal flow from a standard shower is 7 to 10 gallons per minute. We require using a water saving shower head which uses a maximum of 4 gallons per minute.

3. Lavatory or Sink Faucets - Normal flow from a standard faucet is 5 to 7 gallons per minute. We require using water saving faucets which have a maximum flow of 3 gallons per minute.

F. INSPECTIONS

The ACC may inspect new home construction from time to time. The purpose of such inspection is to maintain compliance with ACC requirements and to endeavor to maintain the standards necessary for a quality Resort Community. The primary purpose of this inspection is to protect the Resort Community. The Homeowner is cautioned not to rely on ACC inspection to assure a quality job from his contractor. The ACC assumes absolutely no responsibility in assuring that the Homeowner obtains a quality job from his Contractor.

The ACC is currently conducting scheduled and some unscheduled inspections of all single detached homes under construction to assure compliance with the Architectural Control Committee requirements.

1. The first inspection will be of the silt curtain (See Section D, Paragraph 11), "clear cut clearing line" (See Section B, Paragraph 1(b), and location of final pins (See Section A, Paragraph 15). This is to assure the silt curtain is properly installed and secured around the perimeter where needed to prevent silt from washing onto adjoining properties. The clear cut clearing line must be clearly identified on the lot per plans submitted and approved by the ACC.

2. The second inspection will be after the footer is poured but before the second row of blocks is installed. All dimensions to lot lines will be checked and if the setback requirements are not adhered to, the blocks must be removed. Absolutely do not install the second row of blocks until this inspection has been made.

3. The final inspection shall be made after the "Checklist for submittal upon completion of single detached houses" has been turned in to the ACC Administrator and before the Owners take occupancy or the final sewer tie-on is made.

It is the Contractor's responsibility to notify the ACC Administrator, at least one working day prior to needing any of these inspections. If you forget or ignore these; required inspections a notice will be written to you and after two notifications that you have failed to notify the inspector you will be required to meet with the full ACC and explain your non-compliance and the ACC at that time will decide if disciplinary actions or penalties (fines) are required.

Periodically, other site inspections may be made. These inspections will be unscheduled and will be for such reasons as:

- 1) Check clean up of site for trash and scrap building materials;
- 2) Check silt curtain to assure that it is still secure and in place;
- 3) Spot check to see that the home is being built in accordance with the plans as approved by the ACC;
- 4) Check anchor bolts to see if they are installed correctly.

These check list items may change from time to time as the Architectural Control Committee feels is necessary to assure quality construction of homes at Fairfield Mountains.

SECTION TWO: Paragraph 19 is deleted in its entirety and in lieu thereof inserted the following:

19. Signs. All signs are prohibited except as follows:

- (a) signs erected by the POA for identification of streets, traffic control and directional purposes;
- (b) signs not exceeding 12" by 24" indicating names and addresses of occupants;
- (c) a sign no larger than 24" by 24" may be erected by the General Contractor, for a period not to exceed four months, during the construction of a house. Only the General Contractor is allowed a temporary construction sign. Financial institutions and sub-contractors, etc., may not display signs;
- (d) any signs required by governmental law or regulation, or the ACC to be posted (i.e. building permits and ACC permits);
- (e) any other sign in which a written permit is first obtained from the ACC; and
- (f) under no circumstances shall a property owner post a sign in the interior of any dwelling unit visible from the street or any adjacent property line.

Any sign not in compliance with these regulations will be removed by the ACC.

SECTION THREE: Paragraph 28 is deleted in its entirety and in lieu thereof inserted the following:

28. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person, persons or corporation violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the POA, ACC or Developer to enforce any covenant or restriction herein contained shall in no event be deemed a waive of the right to do so thereafter. Among the actions the ACC, POA, or Developer may take include, but are not necessarily limited, to the following:

1. An action to require specific performance, mandatory injunction to compel compliance, or prohibitory injunction to prohibit the violation of these covenants and restrictions.

2. Institution of an action against the violator for compensatory and/or nominal damages.

3. The ACC shall have the right to request the POA to correct violators of ACC permits, including requesting the POA to complete the exterior of a home, establish silt fences, contract for landscaping, or to take any other action to bring a structure into compliance with these Rules. If the POA so elects, whether upon request of the ACC or upon its own initiative, it may correct any violation, including completion of the exterior of a home, by contracting for said services and charging any fees incurred as an assessment against the property owner, said assessment to be collected through the procedures followed by the POA for all other assessments.

4. The ACC shall have the right to levy fines and penalties against applicants for ACC building permits who violate any of these regulations pertaining to construction. Fines may be deducted from, the \$2,000.00 security deposit referred to in Paragraph 11, Section A, Paragraph 14, above, and the applicant fined is responsible for all fines levied in excess of the \$2,000.00 security deposit. The ACC shall consider the following criteria in determining the amount of the fine.

A. The degree of harm to the resort or other property owners;

B. The length of time the ACC building permit applicant is in violation of these regulations;

C. The prior history of the person fined for violations of a like or similar nature;

D. The costs of correcting the violation if the ACC or POA elects to do so; and

E. Any other fact deemed significant.

All fines levied by the ACC shall be mailed to the applicant fined at the address shown on the application for ACC permit. Fines levied may be appealed within 14 days to the POA for review. The POA shall have the right to uphold the fine assessed, reduce the amount of fine, or retract the fine. Any appeal from the verdict of the POA shall be made within 14 days to either the District or Superior Courts of the General Court of Justice, Civil Division, Twenty Ninth Judicial District of the State of North Carolina. ^{8[8]}

12. Time for Completion of Buildings. Commercial structures, Single Family Attached structures, and Multifamily structures shall be completed according to plans and specifications both as to exterior and interior within such time as shall be fixed by the A.C.C. when the plans and specifications for the particular structure are approved by the A.C.C. The following shall apply to the construction of a Single Family Detached structure as well as garage and outbuildings permitted:

(a) The exterior of any Single Family Detached structure, garage, or outbuildings permitted which shall be erected upon or moved upon any Lot of The Properties covered by

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these Protective Covenants shall be completely finished within six months of the date of the start of construction.

(b) The interior of any Single Family Detached structure, garage or outbuildings permitted, which shall be erected upon or moved upon a Lot of The Properties covered by these Protective Covenants shall be completely finished within twelve months following the start of construction.

The contractor, builder or Owner will submit all structures to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided or as may be provided by the A.C.C. In the event of non-compliance with completion dates as herein provided, the Developer and/or the P.O.A. shall have the right, but not the obligation, to hire a contractor and/or contractors (including Developer) to perform the work and furnish the materials necessary for compliance and the

particular party acting shall bill the Owner for the amount expended plus 12% for administration. In the event the Owner does not pay same, the Developer and/or the P.O. A., as the case may be, shall have the legal right to file a lien against the property involved and proceed, in law or equity to sell the property to obtain said charges. All money received over and above said charges and court costs shall be paid over to the Owner.

13. Electric Wiring and Plumbing. Electric wiring and plumbing installed in any structure erected upon or moved upon The Properties shall be in accordance with standards prescribed by the A.C.C.

14. Sewage Disposal. No privately-owned sewage disposal system shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the appropriate State and Federal agencies and approved by the A.C.C.

15. Water Supply. No privately-owned water system

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shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the State Health Department and approved by the A.C.C.

16. Outbuildings. Outbuildings or accessory buildings, such as a garage, servants' quarters or guest house, shall be permitted on Lots upon which a Single Family Detached structure has been constructed or is under construction; provided the building and/or buildings are occupied by servants employed on the premises or temporarily by guests, and are not occupied as rental units by non-servant or non-guest occupants, and provided the A.C.C. shall approve the design, plans, specifications, et cetera, of such buildings.

Outbuildings or accessory buildings permitted upon Lots or Parcels of Land upon which there is constructed a commercial building, Single Family Attached structure, or Multifamily structure, shall be entirely within the discretion of the A.C.C.

17. Protective Screening. There shall be compliance with all protective screening areas as reflected upon any recorded subdivision plat of The Properties. Except as otherwise provided herein regarding street intersections under "Sight Distance at Intersections", shrub plantings, fences or walls shall be maintained throughout the entire length of such areas by the Owner or Owners at their own expense to form an effective screen in order to protect and beautify the area. No building or structure except a screening fence or wall or utility or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utility and drainage facilities.

18. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations

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between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

~~19. Signs. All signs are prohibited in areas zoned upon any recorded subdivision plat as Residential except:~~

~~(a) Signs erected by the P.O.A. for identification of streets, traffic control and directional purposes;~~

~~(b) Signs of a temporary nature advertising property for sale and construction signs, which signs shall not exceed 5 square feet in area;~~

~~(c) Signs erected by Developer in connection with its sales program.~~

~~The erection of signs in areas zoned commercial upon any recorded subdivision plat shall require a permit of the A.C.C. and no such sign,~~

~~except as provided in sub-paragraph (a) above shall be erected without the permit of the A.C.C.^{9[9]}~~

20. Model Houses. No provision of these Protective Covenants shall preclude the Developer in furtherance of its sales program from erecting, maintaining and utilizing Model Houses in any area zoned upon a recorded subdivision plat as Residential for such purposes as it may consider necessary during the development stages.

21. Businesses Prohibited in Residential Areas.

Except for the business of the Developer in furtherance of its

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sales program the practice of any profession or the carrying on of any business is prohibited within any area zoned as Residential upon any recorded subdivision plat of The Properties.

22. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved in the Declaration and will be reserved in any Supplemental Declaration and may also be reserved as indicated upon any recorded sub-division plat of The Properties. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements, or which may obstruct or retard the flow of water through drainage channels within the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which the P.O.A., a public authority or utility company is responsible.

23. Nuisances. No obnoxious or offensive activity shall be carried on upon any Lot or Parcel of Land of The Properties.

24. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Parcel of Land of The Properties, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

25. Garbage and Refuse Disposal. No Lot or Parcel of Land of The Properties shall be used or maintained as a dumping ground for rubbish.

^{9[9]} Amendment to Protective Covenants July 12, 1987 Book 505 Page 657

Trash, garbage or other waste shall be kept in a clean and sanitary condition, and disposition of same shall be prompt.

26. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or Parcel

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of Land of The Properties, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or Parcel of Land. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or Parcel of Land.

27. Conflict with Declaration. The provisions of the Declaration shall prevail in all respects as to these Protective Covenants, in the event of conflict between these Protective Covenants and the Declaration.

~~28. Enforcement. These Protective Covenants shall be enforced as provided in the Declaration of which the Protective Covenants are a part.~~

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NORTH CAROLINA

RUTHERFORD COUNTY

505-651

AMENDMENT TO PROTECTIVE COVENANTS

WITNESSETH:

WHEREAS, Fairfield Mountains, Inc., as the Developer, executed Protective Covenants recorded in Deed Book 386, at Page 432, Rutherford County Registry, which Protective Covenants applied to certain properties as provided in the Declaration of Covenants and Restrictions dated August 31, 1977, and recorded in Deed Book 386, at Page 404, Rutherford County Registry, as well as all later additions to the Properties unless specifically excepted from these Protective Covenants by the Supplemental Declarations by which the Developer subjects such additions to the Declaration;

AND WHEREAS Paragraph 3 of the aforesaid Protective Covenants authorized the Developer to amend, rescind or add to the Protective Covenants from time to time; and

WHEREAS, Fairfield Communities, Inc. is the successor in interest to Fairfield Mountains, Inc., the original Developer, and shall hereafter be referred to as Developer in this Amendment; and

WHEREAS Developer now desires to amend the Protective Covenants hereinabove referred to by these amendments;

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES, THE PROTECTIVE COVENANTS RECORDED IN DEED BOOK 386, AT PAGE 432, RUTHERFORD COUNTY REGISTRY, ARE HEREBY AMENDED AS FOLLOWS:

SECTION ONE: Paragraph 11, Construction of Buildings, is deleted in its entirety and in lieu thereof there is inserted the following paragraphs:

11. Construction of Buildings. No building, fence, wall, improvement, change to landscaping, TV satellite dishes or shortwave, CB, radio or TV antenna systems, or other structure shall be commenced, erected, or thereafter maintained upon the properties, nor shall any exterior additions or modifications of any existing structure be commenced, erected or thereafter maintained until the plans and specifications have been first submitted to and approved by the Architectural Control Committee (hereafter also referred to as ACC).

A. APPLICATION FOR ACC PERMIT

All of the following documents are required before the ACC will review the plans and approve or disapprove the house or project to be constructed:

1. ELEVATION AND FLOOR PLAN

A complete floor plan is required. An elevation view of the front, both sides, and rear of the house is required. On all four of these elevation drawings, indicate the finish grade line and existing grade and give dimensions on all corners of both. All roof pitches shall be specified on the plans. Square footage for heated and non heated areas of the home must be listed on these plans.

2. PLOT PLAN

a. A plot plan is required showing the exterior perimeter (both building line and roof overhang line) of the home in relation to lot lines with minimum dimensions from the property line to the roof overhang line on all sides. Refer to the set back requirements in Paragraph 8 above.

b. Sidewalks where needed must be shown in detail on the plans.

c. Show septic tank and field line on plot plan.

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d. All items which are planned to be added to the lot or roadside berm, such as fences, walls, drives, sidewalks, light posts, mailbox posts, driveway headwalls, etc. shall be shown on the plot plan or another drawing with sufficient detail or description so that the ACC can make an informed decision.

3. TREE PLAN AND LANDSCAPING PLAN (See Section B Below)

4. DRAFTING AND REVISIONS

For all plans (floor, elevation, plot, tree, and landscaping) listed above, a title block is required in the lower right corner of each of these plans indicating owner's name, contractor, subdivision, block, lot, draftsman, and date drawn. All plans shall be submitted as original, unmarked blueprints drawn to scale. Any changes or additions shall be made to the original drawing (with the revision date noted on all plans revised) and a new, unmarked blueprint submitted to the ACC for their consideration unless waived by the ACC. ACC approval of any change is required prior to proceeding with the revised work.

5. SPECIFICATIONS are required for roofing (weight and slope), exterior siding, and trim (paint color samples, siding and brick samples, and roofing samples are required), windows, and exterior doors if not covered in detail on plans. Exterior white paint, thin imitation stone or brick on exterior walls, asphalt shingles on exterior walls, corrugated metal or baked glazed finish on exterior walls, will not be approved by the ACC.

6. Copy of Builder's Risk Insurance. This is to assure the ACC that the home will be completed in case of fire, storm, etc.

7. Copy of Worker's Compensation Insurance.

8. Copy of Contractor's General Liability Insurance that will cover blasting (if blasting is necessary) in addition to all other general liability. A minimum coverage of \$100,000.00 is required for this General Liability Insurance.

9. Copy of one of the following items (only one) to assure the Committee that the Owner has the Financial Capability to complete the home:

- a) Completion Bond.
- b) Signed copy of a home loan commitment from a recognized lending institution.
- c) Letter from a bank stating that sufficient funds are on hand to complete this home.
- d) Copies of stocks, bonds, or certificates of deposit.
- e) Other proof satisfactory to the ACC.

10. A copy of the Health Department's Septic System Approval if the house will not be served by central sewer.

11. Copy of prime Contractor's State of North Carolina Contractor's License, except as specified in SECTION E (2) below.

12. A one time filing fee of \$25.00 payable to Fairfield Mountains Property Owners Association to cover costs of plan review, copies, mailing, etc

13. Submit a completed ACC application form as from time to time adopted and amended by the ACC, completely filled out in ink and signed by all Owners and the Contractor.

14. A security deposit of \$2,000.00. The security deposit will be held by the ACC pending the completion of the construction project. This deposit will be refunded after final inspection of the construction project and site minus any penalties (fines) for violations of these rules and regulations levied by the ACC in accordance with the provisions of PARAGRAPH TWENTY-EIGHT below.

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All of the documents previously listed must be submitted in one complete package. The ACC will take no action until all are received except as indicated in the immediately following paragraph. Hand carry or mail these plans and documents to Administrator, Architectural Control Committee, Fairfield Mountains, Rt. 1, Lake Lure, North Carolina 28746. Please direct all questions concerning these requirements to telephone number 704-625-9111. All items submitted become the property of the ACC and shall remain on file with the ACC. This file is retained active for a period of 5 years. After this 5 year period this file will be available for the current Owners or disposed of by the ACC. The ACC shall not be liable for the accidental or intentional loss or destruction of the file after the construction is completed and final inspection made by the ACC.

If you have an abnormal situation or unusual house plans and you want to obtain only an indication from the ACC whether these plans probably would or would not be acceptable, you may submit these plans without any of the other requirements to the ACC and the ACC will give you a preliminary indication or opinion. Of course this does not constitute an approval.

15. Clearing of the lot cannot start until all final pins showing corners of the structure are installed and the ACC has conducted an inspection.

16. After obtaining ACC approval, any proposed changes in plans or specifications shall be submitted to the ACC for approval prior to proceeding with the revised work. This includes the installation of home additions, decks, fences, carports, detached garages, and storage sheds added to the property before or after home completion and occupancy by the Owner.

17. If a new home is not started within 6 months after ACC approval the approval becomes null and void and the total application has to be resubmitted.

18. A driveway with a minimum width of ten (10) feet must be constructed out of concrete, asphalt, gravel or any other ACC approved surface. The driveway must be located and at least gravelled prior to building construction commencing.

19. The ACC may visit the proposed site and consider all plans and specifications which are submitted and assure themselves that the new home will be in harmony with existing homes on adjoining or surrounding lots. If not, a redesign may be required before approval is granted.

20. Special approval must be granted by the ACC if a LP gas tank is to be installed on a lot. Special landscaping is required to screen such tank.

B. TREE PLAN AND LANDSCAPE PLAN DETAILS

Trees are one of Fairfield Mountains' primary assets. The ACC and normally all homeowners want to save as many trees as possible.

For the purpose of definition and clarity, following are the four (4) types of tree clearing to be designated on your tree plan:

1) CLEAR CUT

a) Definition - removal of all trees and brush.

b) Specifications - unless the Owners have a very good reason to do otherwise, the ACC only allows clear cutting a maximum of ten (10') feet from house building line (not the house overhang line) and five (5') feet maximum from the driveway and sidewalks. This initial clear cut clearing line shall be clearly identified on the lot and subject to ACC inspection prior to start of clearing.

c) No trees over 3 inches in diameter shall be removed from a residential lot (other than the site of the structure and driveway) without the approval of the ACC.

2) DEVELOPED LAWN AREA

505 054

a) Definition - partial clearing of area with some type of ground treatment to be specified such as seeded or mulch. Thin trees enough to allow sunlight for grass to grow good but leave enough trees so the lawn does not look bare and has a good appearance from the street.

b) Specifications - in wooded areas indicated as developed lawn with lawn seeded, the owner shall leave a minimum of four good quality trees per 1,600 square feet of area. Where there is less than the specified amount of trees, special treatment shall be designed for these areas and should be specified as such on the tree plan and landscape plan. These good quality trees can be scattered or can be left in a group or bunch. In areas where mulch is used instead of grass, the ACC recommends leaving more trees than specified for grass.

3) UNDERBRUSHED

a) Definition - only underbrush removed and all small and large trees shall remain as "Clean Woods."

b) Specifications - only trees and brush under one and one-half (1 1/2") inches in diameter may be removed and tree limbs may be removed up to six (6) feet high. No trees over one and one-half (1 1/2") inches in diameter shall be removed. No equipment shall be used to do this underbrushing other than chainsaws.

4) NATURAL

a) Definition - area to be left in a natural state.

b) Specifications - areas designated as natural on the tree clearing plan are not disturbed in any way.

Contractors and Owners are asked to take special care to follow their tree plan exactly as approved and to protect as many of the remaining trees as possible during all phases of the construction or upon completion. The ACC may require additional landscaping to conform to the original approved landscape and tree plan if it is not followed.

Areas to receive fill to maintain lines indicated on plans must be shown on Tree Clearing Plan as "Clear Cut" with the reason given if fill is to be placed above the natural root system of the existing trees. Utility line construction and septic tank and field line construction may require the removal of a few additional trees as the work is being done. This clearing shall not be done with original clearing and shall be held to an absolute minimum when found necessary. The location of the electric service entrance shall be shown on the house plan and the service line shown on the plot plan if possible. This is required to show the ACC that every effort has been made to minimize the number of trees required to be removed. It is recommended that the power line use the same clearing as the drive wherever possible.

C. CLEANUP

1. When clearing the lot do not temporarily store cleared trees, stumps, dirt, or blasted rock on any part of the road right-of-way. Take care not to stop up roadway culverts or ditches in any way. Also, do not load any dirt, rocks, stumps, or trees onto trucks parked in the road right-of-way if the road is paved. Do not track any appreciable mud or dirt from construction trucks and vehicles out onto any paved roads. Wait until the weather is dry enough not to track mud on the paved roads, and gravel the driveway onto the lot to prevent tracking. Provide a gravel driveway or other gravel access to the home construction site at an early stage of construction to help in this regard.

2. Keep the construction site clean and neat as possible at all times. Keep a barrel or a trash receptacle on the job at all times for papers, cans, and small trash. The licensed contractor shall have a foreman or superintendent to check each time under construction near the end of each working day and assure that all debris is picked up and that all materials are stacked in a neat manner by the end of each working day. All such stacks of materials shall be plumb and

505 655

square and perpendicular with the home or the street and shall appear neat and orderly from the street or an adjoining home. Spot checks by the ACC Inspector shall be made as time permits and pictures made of violations. Cleanup violations will be considered a serious offense by the ACC and will result in disciplinary action for repeat offenders.

There is no location on Fairfield Mountains property where Contractors may dispose of trees, stumps, or any other construction debris.

3. The Contractor is required to obtain from the Security Department a burning permit for any burning on or around the lot. This permit may be issued for a maximum period of one week. During very dry weather Security may elect not to issue burning permits. Under no circumstances shall any fire, (blazing, smoldering, or smoking) be left unattended. Every hot coal must be completely extinguished before leaving.

4. If any burning is done on the lot without a permit, or if anyone is burning and not complying with the requirements on the burning permit, a \$25.00 fine for each violation shall be assessed by the ACC, said fine to be deducted from the Security Deposit set forth in Section A (14) above in accordance with the provisions of PARAGRAPH TWENTY-EIGHT below.

D. MINIMUM GUIDELINES REQUIRED DURING CONSTRUCTION:

1. The guidelines, regulations and specifications contained in the North Carolina Building Code shall constitute minimum guidelines required for all construction at Fairfield Mountains.

2. All exposed concrete blocks shall be stuccoed, plastered, or painted.

3. No mobile homes, or structures having the appearance of a mobile home, are permitted.

4. All front, side, and rear lot set-back lines as established by the Lake Lure Zoning Ordinance, other Lake Lure Ordinances, plats, and covenants and restrictions, must be observed.

5. There shall be provisions made to drain the surface water away from all sides of the home. There shall be a minimum of 4" of fall at a minimum of 2% slope going away from the grade line at the house to a ditch or swale directing water away from the home. This swale or ditch directing water away from the home on the high side or level side of the home shall have a minimum slope of 2%. If you plan any other type of storm drain system show the details on the drawings.

6. Do not channel water (such as a pipe from roof downspouts, storm drain, or a man made ditch) and discharge it onto another lot. If you channel water in any way then this water must be channeled into the roadway ditches or a well defined natural draw or ditch. Overhangs, gutters, downspouts with splash blocks or underground drains are recommended.

7. At the time the lawn is seeded and landscaped the home owner and/or his contractor is required to topsoil and seed both sides of the roadway ditch line in the road right-of-way between his lot and the shoulder of the road in front of his lot. Also, do the same for any other ditch line or back slope nearby that was damaged as a result of the home construction work. In doing this, take care not to fill in the roadway ditch. Keep the invert of the ditch low enough to carry all water. If blasting of rock in the ditch line is required the Engineering Department will do the blasting and removal of the rock prior to your topsoil and seeding work. Any other work (besides topsoiling and seeding) that the Homeowner wants to do in this area of the roadway ditch such as stone work, concrete work, or installing a culvert in ditch line (other than under driveway) shall be approved by the ACC prior to the commencement of any work. The Homeowner is responsible for mowing and maintaining this ditch line (from a beautification standpoint) in front of his home. Neither the Developer nor the Property Owners Association assumes any responsibility for beautifying and maintaining this ditch line area in front of your home.

505 656

8. At or before completion of home construction, the lawn is to be cleaned and landscaped in a manner that the exterior appearance is very attractive to the Owner, neighbors, and the ACC. This lawn work is to be completed within the six (6) months construction period, unless this period expires in the winter months. In this case, all of this work must be completed by April 30th of the following Spring.

9. The roadway and sidewalk culverts shall be corrugated metal, prestressed concrete, or certified cylinder unless otherwise approved by the ACC.

10. In order to keep the community more secure, and in order to minimize noise and nuisances during normal non-working hours, construction work will only be allowed Monday through Saturday between 7:00 a.m. and 5:00 p.m. or sundown, whichever ever comes last. No contractor or subcontractor or their employees shall be driving around the project at night. On rare occasions, if there is a very good reason for a contractor or subcontractor to work after sundown; prior to going to the job, that contractor shall locate a security officer and fill out a form for working past sundown giving a specific location, all employee names that will be working, all vehicle descriptions that will be used and license numbers, time, etc., and get permission from the security officer. This will help our security department keep our community safe.

11. SILT CURTAIN - The contractor is responsible to provide adequate protection from silt and/or dirt being washed from his construction site into lakes, onto golf courses, roadside ditches, adjacent property or drainage ditches. If any dirt or silt is washed from his construction site such dirt or silt shall be cleaned up and returned to the site or taken to a dump site off Fairfield Mountains. As a minimum a haybale dam is required in the ditch line of all job sites, on all lot lines bordering a lake, and all lot lines bordering a golf course where the lot slopes down to the golf course. All silt curtain protection must be maintained in condition to serve its intended purpose until the home is complete and the grass is about 3" (three inches) high and well established. All properties within the city limits of the Town of Lake Lure must also comply with the town's Sedimentation Ordinance, as amended from time to time.

12. Temporary toilet facilities shall be placed on the construction site and shall remain in place until such times as the house toilet facilities are operable.

E. CONTRACTOR SPECIFICATIONS

1. STATE OF NORTH CAROLINA LICENSED CONTRACTOR

The ACC requires that all General Contractors building homes at Fairfield Mountains have a valid State of North Carolina Contractor's License. The ACC reserves the right to refuse issuance of a building permit to any contractor for just cause. The estimated cost of building the home shall not exceed the maximum dollar value specified on the Contractor's license.

2. HOMEOWNER ACTING AS OWN GENERAL CONTRACTOR

The ACC prefers that licensed Contractors build all homes at Fairfield Mountains; however, the ACC will permit a homeowner to act as his own General Contractor. In such case, the owner shall furnish to the ACC such credit information and proof of financial ability to complete the building within the time requirements of these Protective Covenants, as shall be required by the ACC.

3. WATER SAVING FIXTURES AND APPLIANCES

For the most effective and least costly treatment of waste water, Fairfield Mountains and the ACC require that you install water saving fixtures and appliances. The water saving fixtures will reduce your monthly water bills and help protect this important natural resource. Following are the specific requirements:

1. Toilets - Standard toilets are designed to hold 5 to 7 gallons of water in the tank reservoir. We require using a water saving toilet which uses a maximum of 3 gallons per flush.

505 0657

2. Shower Heads - Normal flow from a standard shower is 7 to 10 gallons per minute. We require using a water saving shower head which uses a maximum of 4 gallons per minute.

3. Lavatory or Sink Faucets - Normal flow from a standard faucet is 5 to 7 gallons per minute. We require using water saving faucets which have a maximum flow of 3 gallons per minute.

F. INSPECTIONS

The ACC may inspect new home construction from time to time. The purpose of such inspection is to maintain compliance with ACC requirements and to endeavor to maintain the standards necessary for a quality Resort Community. The primary purpose of this inspection is to protect the Resort Community. The Homeowner is cautioned not to rely on ACC inspection to assure a quality job from his contractor. The ACC assumes absolutely no responsibility in assuring that the Homeowner obtains a quality job from his Contractor.

The ACC is currently conducting scheduled and some unscheduled inspections of all single detached houses under construction to assure compliance with the Architectural Control Committee requirements.

1. The first inspection will be of the "silt curtain" (See Section D, Paragraph 11), "clear cut clearing line" (See Section B, Paragraph 1(b), and location of final pins (See Section A, Paragraph 15). This is to assure the silt curtain is properly installed and secured around the perimeter where needed to prevent silt from washing onto adjoining properties. The clear cut clearing line must be clearly identified on the lot per plans submitted and approved by the ACC.

2. The second inspection will be after the footer is poured but before the second row of blocks is installed. All dimensions to lot lines will be checked and if the setback requirements are not adhered to the blocks must be removed. Absolutely do not install the second row of blocks until this inspection has been made.

3. The final inspection shall be made after the "Checklist for submittal upon completion of single detached houses" has been turned in to the ACC Administrator and before the Owners take occupancy or the final sewer tie-on is made.

It is the Contractor's responsibility to notify the ACC Administrator, at least one working day prior to needing any of these inspections. If you forget or ignore these required inspections a notice will be written to you and after two notifications that you have failed to notify the inspector you will be required to meet with the full ACC and explain your non-compliance and the ACC at that time will decide if disciplinary actions or penalties (fines) are required.

Periodically, other site inspections may be made. These inspections will be unscheduled and will be for such reasons as:

- 1) Check clean up of site for trash and scrap building materials;
- 2) Check silt curtain to assure that it is still secure and in place;
- 3) Spot check to see that the home is being built in accordance with the plans as approved by the ACC;
- 4) Check anchor bolts to see if they are installed correctly.

These check list items may change from time to time as the Architectural Control Committee feels is necessary to assure quality construction of homes at Fairfield Mountains.

SECTION TWO: Paragraph 19 is deleted in its entirety and in lieu thereof inserted the following:

505 658

19. Signs. All signs are prohibited except as follows:

(a) signs erected by the POA for identification of streets, traffic control and directional purposes;

(b) signs not exceeding 12" by 24" indicating names and addresses of occupants;

(c) a sign no larger than 24" by 24" may be erected by the General Contractor, for a period not to exceed four months, during the construction of a house. Only the General Contractor is allowed a temporary construction sign. Financial institutions and sub-contractors, etc., may not display signs;

(d) any signs required by governmental law or regulation, or the ACC to be posted (i.e. building permits and ACC permits);

(e) any other sign in which a written permit is first obtained from the ACC; and

(f) under no circumstances shall a property owner post a sign in the interior of any dwelling unit visible from the street or any adjacent property line.

Any sign not in compliance with these regulations will be removed by the ACC.

SECTION THREE: Paragraph 28 is deleted in its entirety and in lieu thereof inserted the following:

28. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person, persons or corporation violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the POA, ACC or Developer to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Among the actions the ACC, POA, or Developer may take include, but are not necessarily limited, to the following:

1. An action to require specific performance, mandatory injunction to compel compliance, or prohibitory injunction to prohibit the violation of these covenants and restrictions.

2. Institution of an action against the violator for compensatory and/or nominal damages.

3. The ACC shall have the right to request the POA to correct violators of ACC permits, including requesting the POA to complete the exterior of a home, establish silt fences, contract for landscaping, or to take any other action to bring a structure into compliance with these Rules. If the POA so elects, whether upon request of the ACC or upon its own initiative, it may correct any violation, including completion of the exterior of a home, by contracting for said services and charging any fees incurred as an assessment against the property owner, said assessment to be collected through the procedures followed by the POA for all other assessments.

4. The ACC shall have the right to levy fines and penalties against applicants for ACC building permits who violate any of these regulations pertaining to construction. Fines may be deducted from the \$2,000.00 security deposit referred to in Paragraph 11, Section A, Paragraph 14, above, and the applicant fined is responsible for all fines levied in excess of the \$2,000.00 security deposit. The ACC shall consider the following criteria in determining the amount of the fine.

A. The degree of harm to the resort or other property owners;

B. The length of time the ACC building permit applicant is in violation of these regulations;

505 659

- C. The prior history of the person fined for violations of a like or similar nature;
- D. The costs of correcting the violation if the ACC or POA elects to do so; and
- E. Any other fact deemed significant.

All fines levied by the ACC shall be mailed to the applicant fined at the address shown on the application for ACC permit. Fines levied may be appealed within 14 days to the POA for review. The POA shall have the right to uphold the fine assessed, reduce the amount of fine, or retract the fine. Any appeal from the verdict of the POA shall be made within 14 days to either the District or Superior Courts of the General Court of Justice, Civil Division, Twenty Ninth Judicial District, of the State of North Carolina.

IN WITNESS WHEREOF, FAIRFIELD COMMUNITIES, INC., Developer herein, and FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., P.O.A. herein, have executed this agreement for the purposes as set forth and have caused this Declaration to be executed by their duly authorized corporate officers this 12th day of July, 1987.

FAIRFIELD COMMUNITIES, INC.

By: [Signature]
Senior Vice President

Attest: [Signature]
 Secretary

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

By: [Signature]
 President

ATTEST:
[Signature]
 Secretary

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA
 COUNTY OF RUTHERFORD

On this 12th day of July, 1987, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named David Stone and Eddie Ruth King to me personally well known, who stated that they were the Senior Vice President and Secretary of FAIRFIELD COMMUNITIES, INC., a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 12th day of July, 1987.

Cindy L Reagan
 Notary Public

My commission expires:
7/28/94

ACKNOWLEDGMENT

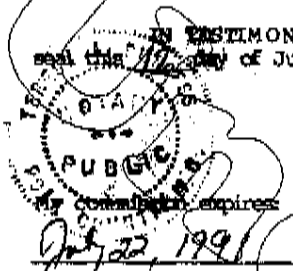
STATE OF NORTH CAROLINA

505 660

COUNTY OF RUTHERFORD

On the 12 day of July, 1987, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named Stanley and Myrtle to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 12 day of July, 1987.



[Signature]
Notary Public

North Carolina, Rutherford County

The foregoing certificate of James A. Buss Notary Public/Notaries Public is/are certified to be correct. This instrument was presented for registration and recorded in this office at Book 505 Page 660

This 29 day of July, 1987, at 3 o'clock P.M.

[Signature]
C.E. Jones, Register of Deeds
Rutherford County, N.C.

Original

This Instrument prepared by: Fairfield Communities, Inc., Legal Department

SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

TO

DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

503 769

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration,") on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" (hereinafter referred to as "First Amendment") recorded on June 28, 1978 in Book 395, Page 08, both in the Office of the Register of Deeds in and for Rutherford County, North Carolina subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and,

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants and restrictions set forth in the Master Declaration the real property described, respectively, in Exhibit A and Exhibit B, attached hereto and incorporated herein by reference. Upon recordation of this Supplemental Declaration the real property described in Exhibit A and Exhibit B shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A and Exhibit B shall be an additional category of "Exempt Property" as defined in ARTICLE XI,

503 770

Section 12 of the Master Declaration. No portion of the real property described in Exhibit A and Exhibit B shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the property described in Exhibit A and Exhibit B hereto is acceptable as an addition to Fairfield Mountains and executes this Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE 11, Section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Supplemental Declaration the real property described in Exhibit A and Exhibit B shall be "Property" as defined in ARTICLE 1, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A and Exhibit B shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A and Exhibit B shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its _____ Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 9th day of June, 1987.

FAIRFIELD COMMUNITIES, INC.

BY Terry P. Ma
Title: Senior Vice President

(CORPORATE SEAL)
ATTEST: 1987
SECRETARY

503 771

For the purpose of indicating its approval of the foregoing Supplemental Declaration of Covenants and Restrictions To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its _____ President and attested by its Asst Secretary on this 15 day of June, 1987.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

BY _____ PRESIDENT

(CORPORATE SEAL)

ATTEST

SECRETARY

STATE OF ARKANSAS)
COUNTY OF PULASKI) SS.

I, Cindy L. Reagan, a Notary Public in and for said County and State, do hereby certify that on the 9th day of June, 1987, before me personally came Terry L. Flores, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President and that Eddie Ruth Ewing is the Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Senior Vice President; that the said Senior Vice President and 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.

Witness my hand and notarial seal this the 9th day of June, 1987.

NOTARY
CINDY L. REAGAN
My Commission Expires:
2/28/94

Cindy L. Reagan
Notary Public

STATE OF NORTH CAROLINA)
COUNTY OF McDowell) SS.

503-772

I, Donna C. McElroy, a Notary Public in and for said County and State, do hereby certify that on the 15th day of June, 1987, before me personally came Steve B. Starn, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that Wayne Keith is the Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and 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.

Witness my hand and notarial seal this the 15th day of June, 1987.

[Signature]
Notary Public

My Commission Expires:

July 19, 1989

North Carolina, Rutherford County

The foregoing certificate of [Signature]

Notary Public/Notaries Public is/are certified to be correct. This instrument was presented for registration and recorded in this office at Book 503 Page 772

This 15th day of June 19 87 at 10 o'clock A.M.

[Signature]
C. E. Jones, Register of Deeds
Rutherford County, N. C.

[Signature]
Deputy Register of Deeds

Exhibit A

Parcel 1 (34.46 acres)

503 773

Lying and being in Chimney Rock Township, Rutherford County, North Carolina and being that property conveyed to L. M. Pearson and Thomas D. Infantino and wife, Frances Infantino by Deed dated September 23, 1969 of record in Deed Book 321, Page 141 and Deed Book 321, Page 143, Rutherford County Registry and being described by metes and bounds in accordance with a plat and survey by J. J. Wells dated September 25, 1930 as follows:

BEGINNING at a point in the center of State Road 1306, said point being located near the intersection of State Road 1306 and State Road 1316, said point marking the Northeast corner of that property owned by Rampart Investments, Inc. and being further located South 74 degrees 3 minutes East 799.57 feet from NCCS Coordinate Station "The Mountains"; and proceeds thence North 47 degrees 00 minutes 30 seconds East 12.98 feet to a point in the center of State Road 1305 where said road is intersected by State Road 1316; thence, along and with the center of State Road 1306 North 53 degrees 15 minutes East 94.91 feet, North 45 degrees 14 minutes East 61.45 feet, North 35 degrees 48 minutes 30 seconds East 132.17 feet, North 40 degrees 03 minutes 10 seconds East 43.72 feet, North 79 degrees 50 minutes 10 seconds East 35.41 feet, South 69 degrees 07 minutes 20 seconds East 53.73 feet, South 45 degrees 11 minutes 30 seconds East 93.46 feet, South 35 degrees 00 minutes 20 seconds East 153.95 feet, South 47 degrees 17 minutes East 95.18 feet, South 57 degrees 46 minutes 40 seconds East 132.41 feet, South 67 degrees 55 minutes 40 seconds East 118.57 feet, South 75 degrees 24 minutes 10 seconds East 254.83 feet, South 59 degrees 47 minutes East 52.05 feet, South 46 degrees 51 minutes 50 seconds East 56.90 feet, South 39 degrees 37 minutes 30 seconds East 152.40 feet, South 51 degrees 39 minutes East 94.09 feet, South 59 degrees 24 minutes 40 seconds East 323.45 feet, South 61 degrees 03 minutes 50 seconds East 187.36 feet, South 62 degrees 21 minutes 30 seconds East 263.18 feet, thence, leaving State Road 1306 and running along and with the common boundary with Frank Wilson South 11 degrees 19 minutes 40 seconds West (crossing an iron pin at 30.33 feet) 159.40 feet; thence, North 87 degrees 15 minutes West 957.10 feet to an iron pin; thence, along and with the common boundary with the property owned by Marche Jann Powers North 67 degrees 35 minutes 20 seconds West (crossing an iron pin at 1,316.26 feet) 1,355.33 feet to a point in the center of State Road 1306, said point being located South 14 degrees 24 minutes 30 seconds West 100.92 feet and South 87 degrees 36 minutes 20 seconds East 22.11 feet from an existing concrete monument; thence, along and with the center of State Road 1306 North 15 degrees 56 minutes 30 seconds East 158.68 feet, North 26 degrees 16 minutes 40 seconds East 216.60 feet, North 35 degrees 53 minutes 40 seconds East 62.10 feet, North 44 degrees 46 minutes 10 seconds East 174.00 feet, North 30 degrees 55 minutes East 46.67 feet, and North 17 degrees 7 minutes East 29.72 feet; thence, leaving State Road 1306 North 64 degrees 17 minutes West (crossing iron pins at 19.70 feet and 104.04 feet) 112.04 feet to a point; thence North 13 degrees 14 minutes West 63.66 feet to a point; thence, South 26 degrees 42 minutes 50 seconds East (crossing an iron pin and a concrete monument at 38.05 feet and 103.66 feet, respectively) 116.31 feet to a point in State Road 1306; thence following State Road 1306 North 06 degrees 17 minutes 40 seconds East 74.65 feet, North 18 degrees 55 minutes 40 seconds East 72.91 feet, and North 39 degrees 41 minutes 40 seconds East 99.92 feet to the point and place of BEGINNING.

That within the described tract it contains 34.46 acres more or less.

This conveyance is subject to easements for the usual public utilities, that portion of the within described properties that may lie within the right of way for State Road #1306, and any rights or easements that Carolina Mountain Power Company, its successors and assigns, may have in that portion of the property lying between Contours 992 and 995 above sea level.

The above described property was conveyed to L.M. Pearson and Thomas V. Infantino and wife Frances Infantino by deeds dated September 23, 1969 of record in Deed Book 321, Page 141 and Deed Book 321, Page 143, Rutherford County Registry.

Exhibit A

(continued)

Parcel 2 (209.36 acres)

503 774

Lying and being in Chimney Rock Township, Rutherford County, North Carolina, to the South of State Road 1306 and being by metes and bounds in accordance with a plat and survey by J. J. Wells, R.L.S., dated December 20, 1977 partially revised June 1, 1981, as follows:

BEGINNING at an iron pin on the North side of State Road 1306 (Buffalo Road) corner of the Logan Estate property with property now or formerly owned by Frank Wilson, said beginning point also being situated North 54 degrees 58 minutes 10 seconds West 957.08 feet from a nail in the center of said Buffalo Road over a culvert, which pin is located North 23 degrees 37 minutes 30 seconds East 21 feet from an iron pin on the South side of said Buffalo Road; thence, along and with the common boundaries with properties now or formerly owned by Wilson and Pearson North 74 degrees 55 minutes West 280.60 feet and North 86 degrees 20 minutes West 1,327.14 feet to an existing rock corner marking a common corner with properties now or formerly owned by Pearson and Powers; thence, along the common boundary with Powers South 22 degrees 34 minutes 10 seconds West 578.38 feet to a rock corner, South 53 degrees 34 minutes 50 seconds West 390.92 feet to a rock corner, South 29 degrees 50 minutes West 447.61 feet to a rock corner, South 50 degrees 57 minutes 40 seconds West 332.99 feet to a rock corner, South 44 degrees 08 minutes 20 seconds West 343.51 feet to a rock corner, South 4 degrees 12 minutes 50 seconds West 1,535.80 feet to a rock corner; thence, South 56 degrees 00 minutes East 1,320.51 feet to an iron pin; thence, North 88 degrees 15 minutes East 555.37 feet to an iron pin; thence, along and with the common boundary with Gonzales North 33 degrees 03 minutes East 1,127.2 feet to an iron pin, North 7 degrees 09 minutes 10 seconds East 214.62 feet to an iron pin, South 66 degrees 31 minutes 20 seconds East 241.04 feet to an iron pin, South 72 degrees 03 minutes 20 seconds East 221.49 feet to an iron pin, North 89 degrees 50 minutes East 246.60 feet and North 81 degrees 50 minutes 50 seconds East 328.48 feet to an iron pin in the common boundary with properties now or formerly owned by Accola, thence, along and with the common boundary with Accola, North 3 degrees 23 minutes 40 seconds West 983.30 feet to an iron pin; thence, along and with property retained by the Logan heirs North 18 degrees 07 minutes West 1,230.86 feet to an iron pin, North 24 degrees 40 minutes 20 seconds East 275.00 feet to an iron pin and South 87 degrees 19 minutes 40 seconds East 285.48 feet to a point in the Northern margin of State Road 1306 (Buffalo Road); thence, North 54 degrees 58 minutes 10 seconds West 999.16 feet to the point and place of BEGINNING, containing 209.36 acres, more or less.

Exhibit B

503 775

That certain lot or parcel of land situated in the City of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina and more particularly described as follows:

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a part of that 528 acre tract described as Tract Number Two in deed from The Chebry Company to Marilyn Powers Moore and Martha Jane Powers dated June 4, 1971, and recorded in Deed Book 331 at page 76, Rutherford County Registry, that part thereof herein conveyed being bounded on the north by lands heretofore conveyed to Fairfield Mountains, Inc. by deed of record in Deed Book 399 at page 66, Rutherford County Registry, on the west by property now or formerly owned by Carolina Evangelistic Association, Inc., on the south by a 96 acre tract conveyed to Marilyn Powers Moore by deed dated September 10, 1985, and on the east by the lake known as Lake Lure and being more particularly described according to a plat entitled "Division of Marilyn Powers Moore and Martha Jane Powers Property" dated August 26, 1985, as follows:

Beginning at an iron pipe set in the western shore line of Lake Lure at the 992 foot above sea level contour line, said iron pipe being located South 32 deg. 34 min. 12 sec. West 4102.71 feet from a brass pin in the east end of the spillway of the dam of Bald Mountain Lake, and said iron pin also marking the southeasternmost corner of that 300 acre tract heretofore conveyed to Fairfield Mountains, Inc. by deed of record in Deed Book 399 at page 66, Rutherford County Registry, and running thence from said beginning point and with the southern line of the Fairfield Mountains, Inc. 300 acre tract as described in Deed Book 399 at page 66, North 86 deg. 00 min. West (passing an iron pin at 10 feet) a total distance of 410 feet to an aluminum monument, and North 86 deg. 20 min. West 1857.96 feet to a stone and an aluminum monument; thence South 84 deg. West approximately 924 feet to a chestnut oak in the line of the Carolina Evangelistic Association, Inc. property as described in Deed Book 280 at page 525, Rutherford County Registry; thence with the line of Carolina Evangelistic Association, Inc., South 8 deg. 45 min. East approximately 1410 feet to a stake, and South 1 deg. 30 min. West approximately 290 feet to a new concrete monument; thence four new lines as follows: (1) due East 1740 feet to an iron pin, (2) North 60 deg. East 150 feet to an iron pin, (3) South 87 deg. 29 min. East 571 feet to an iron pin and (4) South 87 deg. 29 min. East (passing an iron pin set approximately 450 feet from a manhole) 774 feet to a new concrete monument in the western shore line of Lake Lure; thence with the western shore line of Lake Lure and the 992 foot above sea level contour line, in an easterly, northerly and northwesterly direction approximately 1900 feet back to the point and place of beginning, and containing 123 acres, more or less.

THIS INSTRUMENT PREPARED BY FAIRFIELD COMMUNITIES, INC., LEGAL DEPARTMENT

AMENDMENT TO

515 501

SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

WHEREAS, Fairfield Mountains, Inc., a North Carolina corporation, executed on the 14th day of July, 1977, a Declaration of Covenants and Restrictions with Protective Covenants attached thereto, incorporated therein and forming a part of said Declaration; and

WHEREAS, said Declaration was filed for record at 12:01 p.m. on the 1st day of September, 1977, in the Office of the Register of Deeds in and for Rutherford County, North Carolina, and is recorded in Deed Book 386, Page 404, et seq. and

WHEREAS, Fairfield Mountains Property Owners Association, a nonprofit corporation organized under the laws of the State of North Carolina, hereinafter referred to as "P.O.A.", joined in said Declaration for the purpose of indicating its agreement to perform the obligations placed upon it by the Declaration; and

WHEREAS, Fairfield Communities, Inc. (as the successor corporation of Fairfield Mountains, Inc., by virtue of Articles of Merger between Fairfield Communities, Inc. and Fairfield Mountains, Inc. recorded in Corporation Book 10, page 146, Rutherford County Registry), as the developer of said property and in accord with Article II of said Declaration desires to make a revision to the property owned by Allen W. Akers and E. Lorraine Akers by combining the hereinafter described land; and

WHEREAS, the owners, Allen W. Akers and E. Lorraine Akers desire to make a revision to the property purchased by them on April 27, 1985, by contract #048602148 and addendum thereto; and

WHEREAS, the P.O.A. has agreed that said lands hereinafter described are acceptable as a revision and shall be covered and included under the terms, provisions, assessments and liens as provided in the Declaration above referred to.

NOW, THEREFORE, in compliance with Article II, Section 2, of said Declaration the following lands are hereby dedicated and made fully subject to

515 302

said Declaration and shall constitute revisions to the Property under the Declaration at the time it was executed. The lands referred to are situated in the County of Rutherford, State of North Carolina, and are described as follows:

Youngs Mountain, Block 11, Lots 9, 10, 11 and 12 being combined into one lot with Lot 9 being the surviving lot.

The property described herein shall be subject to all the terms and provisions of the original Declaration of Covenants and Restrictions, as amended from time to time, except that the surviving Youngs Mountain, Block 11, Lot 9 may be subdivided into two individual lots by the owner thereof; subject, however, to the additional conditions and restrictions hereinafter set forth.

In the event of any resubdivision of the surviving Lot 9 of Youngs Mountain Block 11, as hereinabove specifically permitted, all lots created by such resubdivision shall be fully subject to and included under the terms, provisions, assessments and liens as provided in the original Declaration of Covenants and Restrictions, as amended from time to time, and subject to the following additional conditions and restrictions:

- (1) Any proposed resubdivision of the surviving Lot 9 shall be done by a licensed registered land surveyor at the sole expense of the then owner thereof, and shall be submitted to the Developer for approval.
- (2) The final resubdivision plat of the surviving Lot 9, bearing the Developer's approval thereon, shall be filed of record in the Office of the Register of Deeds for Rutherford County, North Carolina.
- (3) No single family detached structure shall be constructed on any lot which shall have a floor space of less than 1200 square feet.
- (4) In the event the surviving Lot 9 is re-subdivided into two lots, both lots must be accessible by utilizing existing roads.

The P.O.A. joins in this Amendment to Supplemental Declaration for the purpose of indicating the acceptability of the property and its agreement to perform as to this property the obligations placed upon it by the original Declaration, as amended from time to time, and/or this Amended Supplemental Declaration.

IN WITNESS WHEREOF, this instrument is executed by Fairfield Communities, Inc., as Developer and on behalf of the Architectural Control Committee, and

515 503

by the P.O.A. through their respective corporate officers who are duly authorized to execute same in multiple counterparts, any one of which shall be deemed an original, and by Allen W. Akers and E. Lorraine Akers, this 11th day of August, 1987.

FAIRFIELD COMMUNITIES, INC.



By: [Signature]
Senior Vice President

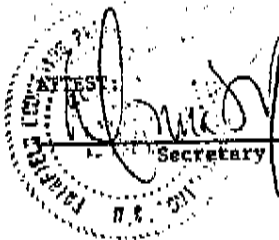
N/A
Witness

[Signature]
Allen W. Akers

N/A
Witness

[Signature]
E. Lorraine Akers

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION



By: [Signature]
President

ACKNOWLEDGMENT

515-504

STATE OF ARKANSAS)
COUNTY OF PULASKI) SS.

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Thomas J. [unclear] and [unclear], to me personally well known, who stated that they were the [unclear] and [unclear] of FAIRFIELD COMMUNITIES, INC., a Delaware corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 3rd day of August, 1987.

[Signature]
Notary Public

My Commission Expires:

July 14, 1995



ACKNOWLEDGMENT

STATE OF FLORIDA)
COUNTY OF ORANGE) SS.

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Allen W. Hesse and S. Lorraine Hesse, to me personally well known, who stated that they were the owners of Youngs Mountain Block 11, Lot 9 located at Fairfield Mountains, Lake Lure, North Carolina, and were duly authorized to execute the foregoing instrument, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 11th day of AUGUST, 1987.

[Signature]
Notary Public

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. OCT. 1, 1990
BONDED THROUGH GENERAL REG. OFF.



ACKNOWLEDGMENT

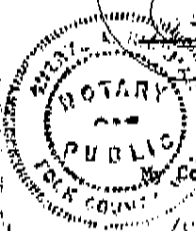
STATE OF NORTH CAROLINA)
COUNTY OF Polk) SS.

515 505

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Harold V. Jones and Donna P. Jones, to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 24 day of February, 19 88.

Harold V. Jones
Notary Public



NORTH CAROLINA, RUTHERFORD COUNTY

The foregoing certificates of Conlin Harvey, Myra D. Myers and Cheryl A. Rickman, Notaries Public, are certified to be correct. This instrument was presented for registration and recorded in this office at Book 515, Page 501.

This 29 day of February, 19 88 at 11:30 o'clock A.M.

C. F. Jones
Register of Deeds
Rutherford County, North Carolina

FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION \
OF COVENANTS AND RESTRICTIONS TO DECLARATION
OF PROTECTIVE COVENANTS FOR

SHUMONT ESTATES PHASE I

BOOK **534** PAGE **535**

THIS FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS TO DECLARATION OF PROTECTIVE COVENANT FOR SHUMONT ESTATES PHASE I ("First Amendment to Supplemental Declaration") is made this 2nd day of January 1989 by Fairfield Communities, Inc., a Delaware corporation ("Declarant") as successor to Fairfield Mountains, Inc.

WHEREAS, Declarant is the owner and developer of the real property described in the "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" filed on the 24th day of June, 1987 in Book 503 at Page 769 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjects the property described therein to the terms, conditions, and restrictions of the "Declaration of Covenants and Restrictions" ("Master Declaration") filed on the 1st day of September, 1977 in Deed Book 386, Page 404 as amended by the "First Amendment to Declaration of Covenants and Restrictions" ("First Amendment to Master Declaration") recorded on the 28th day of June, 1978 in Book 395, Page 8, both in the Office of the Register of Deeds Rutherford County, North Carolina.

WHEREAS, Declarant, by execution and recordation of this First Amendment to Supplemental Declaration, wishes to establish a lot subdivision within the property described on Exhibit A attached hereto to be known as Shumont Estates Phase I consisting of Lots, Common Area, and Roads, as described in the Master Declaration.

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina non-profit corporation ("Master Association") is charged with the management and operation of Fairfield Mountains and joins in the execution of this document to agree that the subdivision is acceptable and agree to the terms and conditions of membership for Lot Owners in the Master Association as provided in the Master Declaration.

WHEREAS, the Property comprising the Subdivision consists of three separate land use areas, designated and defined herein and depicted upon the Subdivision plat as Lots, Common Area, and Roads. Each Lot is individually numbered and the boundaries of each is depicted on the Subdivision plat recorded concurrently with this document. No Lot bears the same identifying number. Each Lot shall be restricted to a Single Family Dwelling. Each

Single Family Dwelling shall have fully enclosed floor area, exclusive of roofed or unroofed porches, terraces, garages, carports, or other out buildings, of not less than 1,200 square feet, with at least 1,000 square feet on the main floor.

WHEREAS, the Common Area, designated on the Subdivision plat recorded concurrently with this document as "Proposed Lake 12.64 Acres" shall have a boundary as shown on the Subdivision plat by bearing and distance and not by the location of the Lake itself as determined by water elevation. No gasoline motors shall be used with boats or other watercraft, unless specifically authorized by Master Association rules and regulations. The Common Area is and shall remain private property for the benefit of the members of the Master Association and recordation of the Subdivision plat (or any supplement or amendment thereto) is not intended and shall not be construed as dedication of the Common Area to the public or Persons other than Owners and their guests.

1. Ownership. Declarant shall convey the Common Area to the Master Association, and the Master Association, by its execution of this First Amendment to Supplemental Declaration, agrees to accept conveyance of the Common Area, free and clear of all liens and encumbrances but subject to easements, rights-of-way, and restrictions of record. Declarant may convey the Common Area to the Master Association at any time following recordation of this Declaration and shall convey the Common Area to the Association no later than the earlier to occur of (1) conveyance of fifty percent (50%) of all Lots in the Subdivision to Owners, or (2) ten (10) years from the date this Declaration is recorded.
2. Use. The Common Area shall be for the use and enjoyment of all members of the Master Association, subject to such rules and regulations as may be promulgated from time to time by the Master Association Board of Directors. Declarant reserves to itself the right to use and enjoy the Common Area as an Owner so long as it is the record title holder to one or more Lot(s) in the Subdivision, and the right to reasonable use in connection with its sales and development programs at Fairfield Mountains. The Common Area shall not be available to and is not intended for use by the general public.
3. Maintenance. Maintenance of the Common Area and repair or replacement of any Improvements thereon after completion by the Declarant shall be the obligation of the Master Association.

WHEREAS, the boundary of each Lot shall be as shown on the Subdivision; plat (or any supplement or amendment thereto) regardless of the actual water level of the Lake. No Owner of a Lot contiguous to the Common Area shall have rights with respect to any lake or stream, the land thereunder, the water therein, or its or their elevation, use or conditions, nor shall such Owner have any riparian rights incident or appurtenant thereto. No person shall acquire title to any land in the Subdivision by accretion, reliction, submergence or changing water levels. Declarant or the Master Association shall have their right at any time to dredge or otherwise remove any accretion or deposit from the Common Area in order that the shoreline of the lake to which said Lot is contiguous may be moved inland toward or to the boundary of said Lot. Neither Declarant nor the Master Association shall be liable for damages caused by erosion, washing or other action of the water of any lake or stream, whether or not located upon the Common Area. Declarant or the Master Association shall have the right to raise and lower the water level of the Lake in the Subdivision; provided, however, that such right shall not permit raising the water level over one vertical foot above the normal lake elevation of the lake and further provided that the Lake shall not be extended beyond the boundaries of the Common Area.

NOW, THEREFORE, pursuant to the terms of the Master Declaration and the Supplemental Declaration, the property described in EXHIBIT A attached hereto, a part of the property described in said Supplemental Declaration is hereby subdivided, as reflected upon the Subdivision plat recorded concurrently herewith in Plat Book 14, Page 101/102 of the Office of the Register of Deeds, Rutherford County, North Carolina and containing 110 lots and entitled "Shumont Estates Phase I".

IN WITNESS WHEREOF, this instrument is executed by Fairfield Communities, Inc. and the Fairfield Mountains Property Owners Association, Inc. through their respective corporate officers who are duly authorized to execute same in multiple counterparts, any of which shall be deemed an original, this 2nd day of January, 1987.

North Carolina, Rutherford County

The foregoing certificate of
Notary Public/Notaries Public is/are certified to be correct. This
Instrument was presented for registration and recorded in this office
at Book 534, Page 535.

This 17 day of February, 1989 at 2:00 o'clock PM.
Fay H. Huskey, Register of Deeds
Rutherford County, N.C.

BOOK **534** PAGE **540**

BOUNDARY DESCRIPTION

SHUMONT ESTATES, PHASE I

FAIRFIELD COMMUNITIES, INC.

Lying within the Fairfield Mountains Development in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a portion of Tract Two of Deed Book 490, Page 57 of the Rutherford County Register of Deeds office, and being more particularly described as follows:

TRACT ONE - LOTS AND COMMON AREAS

BEGINNING at a point in the southern right-of-way of Buffalo Creek Road (S.R. 1306);

Thence S 88° 41' 33" W, 162.87 feet to an iron pin, the northwest corner of Lot 1 and the terminus of the 21st call of Deed Book 490, Page 57, Tract 2;

Thence S 20° 34' 53" W, 275.07 feet to an iron pin, a corner of Lot 2 and the terminus of the 20th call of Deed Book 490, Page 57, Tract 2;

Thence S 22° 14' 05" E, 1,230.86 feet to an iron pin, the terminus of the 19th call of Deed Book 490, Page 57, Tract 2;

Thence S 09° 21' 28" E, 982.96 feet to an axle, the terminus of the 18th call of Deed Book 490, Page 57, Tract 2;

Thence S 77° 46' 28" W, 328.51 feet to an iron pin, the terminus of the 17th call of Deed Book 490, Page 57, Tract 2;

Thence S 85° 47' 08" W, 246.91 feet to an iron pin, corner of Lots 76 and 77, and the terminus of the 16th call of Deed Book 490, Page 57, Tract 2;

Thence N 77° 09' 16" W, 221.22 feet to an iron pin in the south line of Lot 77;

Thence N 70° 37' 18" W, 241.15 feet to an iron pin in the south line of Lot 79;

Thence, leaving the boundary of Deed Book 490, Page 57, Tract 2, N 57° 18' 07" W, 80.11 feet to a point in the right-of-way of Shumont Estates Drive;

Thence N 57° 17' 31" W, 25.00 feet to a point in the centerline of Shumont Estates Drive, corner of Lot 79;

Thence with said centerline, N 32° 42' 29" E, 49.68 feet to a point in said centerline, corner of Lot 80;

Thence, leaving said centerline, N 57° 17' 31" W, 145.17 feet to an iron pin, corner of Lots 80 and 81;

Thence N 25° 12' 43" W, 300.00 feet to a concrete monument, corner of Lots 82 and 88, and being the beginning point of the proposed lake tract described hereafter;

Thence N 68° 54' 52" W, 182.54 feet to an iron pin, corner of Lots 88 and 89;

Thence N 14° 50' 11" W, 266.69 feet to an iron pin, corner of Lots 89 and 90;

Thence N 14° 41' 28" W, 245.68 feet to the centerline of Flynn Court;

Thence with the said centerline in a curve to the left having a radius of 206.91 feet and an arc distance of 2.54 feet, also having a chord bearing and distance of N 81° 27' 23" E, 2.54 feet;

Thence with the said centerline in a curve to the left having a radius of 290.48 feet and an arc distance of 83.79 feet; also having a chord bearing and distance of N 72° 50' 29" E, 83.50 feet;

Thence leaving said centerline N 04° 02' 10" W, 222.50 feet to an iron pin corner of Lots 94 and 95;

Thence S 85° 57' 50" W, 91.75 feet to a concrete monument, corner of Lot 95;

Thence N 04° 02' 10" W, 270.00 feet to an iron pin, corner of Lots 97 and 98;

Thence N 09° 02' 10" W, 190.00 feet to a concrete monument" corner of Lot 99;

Thence N 21° 58' 26" E, 80.07 feet to 'an iron pin, corner of Lot 100;

Thence N 18° 25' 03" W, 188.31 feet to the centerline of Wilkerson Court;

Thence with said centerline in a curve to the right having a radius of 329.92 and an arc distance of 6.88 feet; also having a chord bearing and distance of S 72° 10' 49" W, 6.88 feet;

Thence leaving said centerline N 02° 59' 01" W, 282.79 feet to a concrete monument, corner of Lot 102;

Thence N 30° 54' 36" E, 278.1,0 feet to an iron pin, corner of Lots 104 and 105;

Thence N 28° 51' 48" E, 98.49 feet to a concrete monument, corner of Lot 105; and being in the line of the 4th call of Deed Book 490, Page 57, Tract 2;

Thence S $88^{\circ} 21' 11''$ E, 721.21 feet to an iron pin, corner of Lots 108, 109 and 110, and in the southern right-of-way of Buffalo Creek Road (S.R. 1306); and being in the line of the 4th call of Deed Book 490, Page 57, Tract 2;

Thence with said right-of-way, S $65^{\circ} 36' 12''$ E, 304.70 feet to the centerline of Shumont Estates Drive; .

Thence with said right-of-way S $65^{\circ} 36' 10''$ E, 19.89 feet;

Thence with said right-of-way S $64^{\circ} 04' 53''$ E, 190.05 feet to the Point of Beginning.

Containing 74.35 acres, more or less.

TRACT TWO "PROPOSED LAKE SITE"

BEGINNING on a concrete monument, a corner of Lots 82 and 88 as described hereinbefore;

Thence from said beginning point S $25^{\circ} 12' 43''$ E, 300 feet to an iron pin, corner of Lots 80 and 81;

Thence S $57^{\circ} 17' 31''$ E, 145.17 feet to a point in the center of Shumont Estates Drive, a corner of Lot 80;

Thence with Shumont Estates Drive, S $32^{\circ} 42' 29''$ W, 49.68 feet;

Thence with a curve to the left having a radius of 3,188.42 feet, an arc length of 228.66 and a chord bearing and distance of S $30^{\circ} 39' 13''$ W, 228.61 feet;

Thence, leaving Shumont Estates Drive, S $70^{\circ} 27' 57''$ W, 142.18 feet;

Thence S $76^{\circ} 56' 31''$ W, 281.36 feet;

Thence S $64^{\circ} 20' 27''$ W, 336.36 feet;

Thence S $81^{\circ} 01' 13''$ W, 97.47 feet;

Thence S $38^{\circ} 54' 37''$ W, 229.84 feet;

Thence S $13^{\circ} 47' 01''$ E, 144.26 feet;

Thence S $76^{\circ} 30' 06''$ W, 43.54 feet;

Thence N $44^{\circ} 30' 41''$ W, 98.60 feet

Thence N $28^{\circ} 10' 07''$ W, 136.97 feet;

Thence N $60^{\circ} 51' 27''$ W, 77.14 feet;

Thence N 11° 19' 07" W, 61.56 feet;

Thence N 68° 21' 46" E, 91.66 feet;

Thence N 48° 26' 23" E, 157.61 feet;

Thence N 13° 52' 49" E, 139.78 feet;

Thence N 35° 53' 30" E, 119.97 feet;

Thence N 29° 17' 21" W, 58.60 feet;

Thence N 89° 27' 44" W, 125.40 feet;

Thence N 61° 31' 56" W, 133.99 feet;

Thence N 55° 42' 27" E, 194.49 feet

Thence S 78° 52' 30" E, 160.59 feet;

Thence S 57° 04' 19" E, 121.40 feet;

Thence N 84° 00' 30" E, 205.12 feet;

Thence N 52° 46' 08" E, 224.66 feet;

Thence N 43° 12' 55" E, 333.54 feet to the Point of Beginning. Containing 12.64 acres.

NONDISTURBANCE AND NOTICE TO CREDITORS INSTRUMENT

WHEREAS Section 721.08(3), Florida Statutes, requires any person having an interest in a timeshare plan to execute a Nondisturbance and Notice to Creditors Instrument in compliance with said statute; and

WHEREAS The First National Bank of Boston has or may have a mortgage lien on the real estate described in Exhibit A upon which timeshare plans have and will be constructed by FAIRFIELD COMMUNITIES, INC., (herein referred to as Developer); and

WHEREAS this instrument is being executed in order to comply with Section 721.08(3), Florida Statutes;

THEREFORE, the undersigned acknowledge, covenant and agree that, provided any purchaser of a timeshare period on the property described herein is not in default of its obligations:

1. This instrument may be enforced by the Developer and any purchaser of the timeshare plan.
2. This instrument is effective between such timeshare purchaser and the interestholders despite any rejection or cancellation of the contract between the timeshare purchaser and the developer during any bankruptcy proceedings of the Developer.
3. So long as The First National Bank of Boston has any interest in the timeshare plan, it shall fully honor the rights of such timeshare purchasers in and to the timeshare plan and will honor the purchasers' right to cancel their contracts and receive appropriate refunds in accordance with such contracts and will comply with Chapter 721, Florida Statutes, and the rules promulgated thereunder.
4. Notice of (a) the existence of timeshare plan of the real property described in Exhibit A is hereby given, and (b) the rights of purchasers under those timeshare plans is hereby given.

IN WITNESS WHEREOF, the undersigned have caused this document to be executed on the date indicated.

FAIRFIELD COMMUNITIES, INC.

By:

Its: Senior Vice-President & General Counsel

Date: December 22, 1988

This instrument prepared by Fairfield Communities, Inc., Legal Department

THIRD AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FAIRFIELD MOUNTAINS
RUTHERFORD COUNTY, NORTH CAROLINA

BOOK 588 · 275

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FAIRFIELD MOUNTAINS ("Third Amendment to Declaration") is made this 7th day of January, 1992, by Fairfield Communities, Inc., a Delaware corporation, the successor corporation of Fairfield Mountains, Inc. ("Developer").

WHEREAS, on the 1st day of September, 1977, Developer filed of record a document entitled "Declaration of Covenants and Restrictions" ("Declaration") with Protective Covenants in Book 386, Page 404 et seq. in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which subjected the property described therein to certain covenants, conditions and restrictions; and

WHEREAS, on the 28th day of June, 1978, Developer filed of record a document entitled "First Amendment to Declaration of Covenants and Restrictions" ("First Amendment to Declaration") in Book 395, Page 08 et seq. in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 24th day of June, 1987, Developer filed of record a document entitled "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" ("Supplemental Declaration") in Book 503, Page 769 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 29th day of July, 1987, Developer filed of record a document entitled "Amendment to Protective Covenants" in Book 505, Page 851 et seq., in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Protective Covenants as provided therein; and

WHEREAS, on the 25th day of September, 1989, Developer filed of record a document entitled "Second Amendment to Declaration of Covenants and Restrictions Fairfield Mountains Rutherford County, North Carolina" ("Second Amendment") in Book 546, Page 585 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a non-profit corporation organized under the laws of the State of North Caro-

BO. 583 276

line, ("POA") joined in the execution of said Declaration for the purpose of indicating its agreement to perform the obligations placed upon it by the Declaration, as amended; and

WHEREAS, the Developer and the Board of Directors of the POA believe that it is in the best interest of the POA to amend ARTICLE XI, Section 5 of the Declaration as reflected below; and

WHEREAS, pursuant to ARTICLE XVI, Section 5 of the Declaration and that certain Resolution passed by the POA by majority vote on June 17, 1991, the following amendment is hereby made to the Declaration.

NOW, THEREFORE, the Declaration shall be and is hereby amended as follows:

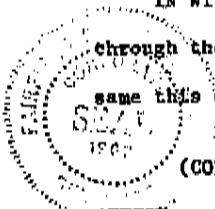
ARTICLE XI, SECTION 5 is amended by deleting same in its entirety and substituting the following therefore:

"Section 5. Special Assessments for Capital Improvements and Acquisitions

In addition to the annual assessments, the POA may levy against all Regular Members a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the roads and streets or other Common Properties within the Properties, even though same may have been dedicated to the public, and also a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, also including the purchase of real property, buildings, golf courses, restaurants, marinas, swimming pools, tennis courts and other recreational facilities or amenities, provided that any such assessment shall be for a stated period of time and shall be levied by affirmative vote of 51% of the Regular Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Regular Members at least thirty days in advance and shall set forth the purpose of the meeting. Developer Members shall not be subject to such assessments and need not be given notice of any meeting called to make such assessments nor shall they be entitled to vote at such a meeting."

The POA joins in this Third Amendment to Declaration for the purpose of indicating its acceptance of the Amendment herein and its agreement to such Amendment.

IN WITNESS WHEREOF, this instrument is executed by the Developer and POA through their respective corporate officers who are duly authorized to execute same this day and date above written.



(CORPORATE SEAL)

ATTEST:

David Kling
Asst. Secretary

FAIRFIELD COMMUNITIES, INC.

BY: [Signature]
President



ATTEST:

Barbara [Signature]
Secretary

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

BY: [Signature]
President

STATE OF ARKANSAS)
COUNTY OF PULASKI)

ss.

Bl. 588 277

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Joe T. Gunter, and Daniel Kling to me personally known, who stated that they are the Sr. Vice President and Assistant Secretary of FAIRFIELD COMMUNITIES, INC., a Delaware corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 14th day of January, 19 92.

NOTARY
My Commission Expires:
Feb 16 1992

Sherry J. Soloff
Notary Public

STATE OF NORTH CAROLINA)
COUNTY OF RUTHERFORD)

ss.

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named JOSEPH SATRAPE, and BARBARA WILLIS to me personally known, who stated that they are the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 24th day of JANUARY, 19 92.

NOTARY
My Commission Expires:
March 9, 1993

Susan Wood
Notary Public

North Carolina, Rutherford County
The foregoing certificate of Sherry J. Soloff
Susan Wood

Notary Public
Date: 588 275
20th January 92 3:40 PM
Jay H. Huskey Jess D. Hasty
Fry, R. D. Huskey, Clerk of Court, Rutherford County, N. C. Deputy Register of Deeds

INSTRUMENT PREPARED BY FAIRFIELD COMMUNITIES, INC.

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SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

WHEREAS, Fairfield Communities, Inc., a Delaware corporation, successor to Fairfield Mountains, Inc. hereinafter called "DEVELOPER", joined by the Fairfield Mountains Property Owners Association, Inc., a North Carolina not-for-profit corporation, hereinafter referred to as "POA", executed on the 31th day of August, 1977 a Declaration of Covenants and Restrictions with Protective Covenants attached thereto, incorporated therein and forming a part of said Declaration; and

WHEREAS, said Declaration was filed of record on September 1, 1977 in Book 386, Page 404 et seq., in the Office of the Register of Deeds in and for Rutherford County, North Carolina, and further recorded on June 28, 1978 in Book 395, Page 08 et seq., in the Office of the Register of Deeds in and for Rutherford County, North Carolina, the "First Amendment to Declaration of Covenants and Restrictions", and as further amended by "Second Amendment to Declaration of Covenants and Restrictions" recorded on September 25, 1989 in Book 546, Page 585, in the Office of the Register of Deeds in and for Rutherford County, North Carolina, and on June 24, 1987 in Book 503, Page 769 Developer additionally filed of record the "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" and on July 29, 1987 in Book 505, Page 651 et seq. the "Amendment to Protective Covenants", all in the Office of the Register of Deeds in and for Rutherford County, North Carolina (together the "Declaration"); and

WHEREAS, the DEVELOPER in accord with ARTICLE II of said Declaration desires to make a .86 acre tract an addition to the property covered by the Declaration for the purpose of creating a medical office building thereon; and

WHEREAS, it is agreed by all parties hereto that said medical office building is needed within Fairfield Mountains; and

WHEREAS, it is the intent of the DEVELOPER to cause said lands, hereinafter described, to be surveyed and subdivided and to cause certain restrictions and covenants to be placed upon said lands; and

WHEREAS, it is the intent of DEVELOPER to convey said lands to Rutherford Hospital, Inc., a North Carolina non-profit corporation, who shall have the duty and obligation to develop, construct, and maintain said medical office building; and

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WHEREAS, it is the desire of the DEVELOPER that the lands hereinafter described shall be covered as fully by the aforesaid original Declaration as though said lands had been included with the other property described in said original Declaration; and

WHEREAS, the POA is specifically agreeable to all provisions of this Supplemental Declaration agreeable to perform all obligations placed upon it by this Supplemental Declaration; and

WHEREAS, it is the desire of the DEVELOPER to provide for the preservation of the values and amenities within Fairfield Mountains and, to this end, desires to subject the real property described hereinafter to certain safeguards, covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property, and the owner or owners thereof;

NOW THEREFORE, in compliance with ARTICLE II, Section 2, of said Declaration the following lands consisting of .86 acres and designated as Tract 2 is hereby dedicated and made subject to said Declaration and Protective Covenants except as amended and modified herein, as though the same had been included in the Declaration at the time it was executed. The lands referred to are situated in the County of Rutherford, State of North Carolina, and are described in EXHIBIT A attached hereto ("Property") and depicted as a part of the Plat recorded concurrently herewith in Plat Cabinet 15, Slide 8 in the Office of the Register of Deeds in and for Rutherford County, North Carolina.

The POA joins in this Supplemental Declaration for the purpose of indicating the acceptability of the property and its agreement to perform as to this additional property the obligations placed upon it by the original Declaration.

As a part of this Supplemental Declaration, certain safeguards, covenants, restrictions, easements, charges and liens hereinafter referred to as "Restrictive Covenants" are hereby placed upon the described land along with those in the Declaration.

RESTRICTIVE COVENANTS

1. INTENT AND PURPOSES: It is the desire and intent of Fairfield Communities, Inc. to place certain safeguards, covenants, restrictions, easements, charges and liens upon the land for the use and benefit of the future owners of said property; therefore, in consideration of the premises and in consideration of the mutual

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agreements herein made and set forth, Fairfield Communities, Inc., its successors, assigns and grantees, and for their successors in title, do hereby agree, subject to Paragraph 20(a) hereof, that said property described in EXHIBIT A attached hereto and located in Fairfield Mountains, North Carolina, shall be and is hereby restricted as to use in the manner and to the extent hereafter set forth, and likewise all provisions relative thereto as hereafter set forth shall fully apply as to such land.

All persons, firms and corporations who now own, or who shall hereafter acquire any interest in the land mentioned herein, or affected hereby, shall by acceptance of such conveyance, be bound by the restrictions and provisions herein set forth, with the same force and effect as though they had joined in the execution of this instrument, it being the intention of Fairfield Communities, Inc. that all restrictions and provisions set forth herein shall be held to be covenants running with the land, binding upon all persons interested in said land throughout the whole period of time for which these restrictions and provisions shall remain in effect.

2. ARCHITECTURAL CONTROL COMMITTEE: When the Architectural Control Committee, hereinafter referred to as A.C.C., is alluded to in these Restrictive Protective Covenants, it shall mean either the Board of Directors of the Developer or the A.C.C. appointed by the Board of Directors pursuant to ARTICLE XIII of the Declaration. The provision of ARTICLE XIII of the Declaration shall prevail in all respects as to these Restrictive Protective Covenants, in the event of conflict between these Restrictive Protective Covenants and ARTICLE XIII of the Declaration.
3. AMENDMENT, RECISSION OR ADDITIONS: The Board of Directors of the A.C.C. or the Developer, its successors and assigns, may amend, rescind or add to the Restrictive Protective Covenants from time to time, however, unless the Property is specifically exempted from the Restrictive Protective Covenants by the Declaration or a Supplemental Declaration at the time the Property is subjected to the plan of the Declaration, such Amendment, Rescission or Additions shall not make the Restrictive Protective Covenants as to the Property described in EXHIBIT A consisting of .86 acres zoned less restrictive for the construction or use of the Property as a medical office building than as the present zoning restrictions set by the City of Lake Lure.

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4. LAND USE: Tract 2 depicted upon the plat aforesaid shall be controlled by the plat notes on the recorded plat thereof and shall not be otherwise used without the prior written approval of the A.C.C.
5. RE-SUBDIVISION: No portion of the Property so designated shall be re-subdivided except upon written approval of the A.C.C. and Developer, its successor and assigns.
6. TEMPORARY STRUCTURES: No structure of temporary character, trailer, basement, tent, shack, garage, or other outbuilding shall be used on Tract 2 depicted upon the plat at any time as a residence, either temporarily or permanently.
7. CONSTRUCTION ON TRACT: No building, appurtenances thereto, fence, wall or other structure shall be erected placed or altered on the tract until full and complete construction plans and specifications and a topographical site plan showing the location of the proposed structure shall have been presented to and approved in writing by the A.C.C. as to quality of workmanship and material, structural design and appearance, harmony of external design with the existing structures within the Development, and as to location with respect to property, topography and finish grade elevation. The Committee may require additional submissions which are, in its discretion, necessary for a full and complete review of the proposed construction in keeping with its responsibilities hereunder. Prior to beginning construction of a building, appurtenances thereto or any other structure upon the tract herein, the owner of the property shall furnish to the A.C.C. either (1) proof that a suitable completion bond has been made by the contractor or builder to insure completion of the structure and to indemnify the owner against materialman's and mechanic's liens or (2) such other financial assurance that the medical office building to be located on the property described in EXHIBIT A shall be completed and all potential materialman's and mechanic's liens shall have been paid, as the A.C.C. may reasonably require.

Rutherford Hospital, Inc. shall furnish the Committee with satisfactory proof that builder's risk insurance, including workman's compensation insurance, if applicable, will be in effect for the construction period.

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The construction shall be completed according to the plans and specifications both as to exterior and interior within such time as shall be fixed by the A.C.C. when the plans and specifications are approved by the A.C.C.

All structures will be submitted to inspections as required by the A.C.C. and/or its representative to determine compliance with completion dates as herein provided and in accordance with the plans and specifications and other documentation upon which written approval for construction was granted by the Committee. In the event the completion dates and requirements above provided are not met, the Committee shall have the right but not the obligation to hire a contractor to promptly complete the work in accordance with such requirements and to bill Rutherford Hospital, Inc. for the amount expended plus 10% of such amount for administration. In the event that same does not pay said charges, the Committee shall have the right to file a lien against the property and proceed in law or equity to sell the property and obtain said charges. All money received over and above said charges and court costs shall be returned to the owner.

8. ELECTRIC WIRING AND PLUMBING: Electric wiring and plumbing installed in any structure erected upon or moved upon the Property shall be in accordance with standards prescribed by the A.C.C.
9. SEWAGE DISPOSAL: No privately-owned sewage disposal system shall be permitted upon the Property covered by these Protective Covenants unless the central sewer system is not made available, and then not unless such private sewage system is designed, located and constructed in accordance with requirements, standards and recommendations of the North Carolina State Health Department and approved by the A.C.C.
10. WATER SUPPLY: No privately-owned water system shall be permitted upon the Property covered by these Protective Covenants unless the central water system is not made available and then not unless such private system is designed, located and constructed in accordance with requirements, standards and recommendations of the North Carolina State Health Department and approved by the A.C.C.
11. HEIGHT AND SETBACK LIMITATIONS: Structures shall be controlled as to height and setback limits by the A.C.C., provided, however, that

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setback lines may not be less restrictive than those reflected upon the recorded plat, if any.

12. GARBAGE AND REFUSE DISPOSAL: The land shall not be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. Any garbage incidental to the use of the property as herein provided shall not be kept except in covered sanitary containers and disposition of same shall be prompt. There shall be no burning of trash, garbage, or other waste material upon the property without the prior written approval of the A.C.C. provided that the facilities thereto have been installed and are operated and maintained in accordance with the A.C.C. permit and all applicable laws, rules and regulations.
13. SIGHT DISTANCE AT INTERSECTIONS: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner property within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitation shall apply on any property within ten (10) feet from the intersection of street property line with the edge of a driveway or alley. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.
14. NUISANCES: No noxious or offensive activity shall be carried on upon any part of the above described premises nor shall anything be done thereon which may be or may become an annoyance or nuisance to the area or which may be or become offensive by reason of color, design or emission of odor, liquid, gas, smoke, vibration or noise or for any other reason.
15. SIGNS: No sign of any kind shall be displayed to the public view on the property or upon any building or other structure thereon except:
- (a) Signs erected by the appropriate authorities for identification of streets, traffic control or directional purposes;
 - (b) Signs erected by the Developer in connection with its development or sales program or to identify the development;

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(c) Signs erected by the property owner to identify the use or establishment located on the property, provided however said sign shall require a permit of the A.C.C. after submission of plans therefor, including additions or alterations thereto, and may not be erected without such permit.

16. OIL AND MINING OPERATIONS: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the property nor shall oil wells, tunnels, mineral excavations or shafts be permitted upon or in the property. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the property.

17. BUSINESS PROHIBITED: The use of the premises for real estate sales, real estate brokerage or real estate leasing is prohibited within the lands herein described on EXHIBIT A, except for the business of Developer in furtherance of sales programs should said property revert to the Developer, its successors or assigns.

18. LIVESTOCK AND POULTRY: No beehives or the breeding or raising of insects, reptiles, fish, worms, animals, poultry, etc., or any kind shall be permitted on the property when such activity will, in the opinion of the A.C.C., constitute an annoyance to the neighborhood.

19. USE AND OCCUPANCY RESTRICTIONS:

(a) General Appearance and Use: No person or persons shall affix, attach, hang, display or place anything on any exterior walls, doors or windows, or install any clothes lines, garbage racks or garbage pails, awnings or storm shutters, screens, exterior antennas or aerials, or enclosures of any type on any structure constructed on the Property, or shall any person cause any type of ground coverage to be installed or grow any type of plant, shrubbery, flower, vine or grass on the grounds of the Property without the prior written consent of the A.C.C.

(b) The use of any parking area on the Property for habitual parking place for a commercial vehicle, boat or trailer is prohibited.

(c) Rutherford Hospital, Inc. shall not permit or suffer anything to be done or kept on the Property which will obstruct or interfere with the rights of other property owners, or annoy

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them by unreasonable noises or otherwise, nor shall Rutherford Hospital, Inc. commit or permit any nuisance, immoral or illegal acts in or about the Property.

- (d) In the event Rutherford Hospital, Inc. violates or threatens to violate any of the provisions hereof, the POA or Developer shall have the right to proceed in a Court of equity for an injunction to seek compliance. In lieu thereof, or in addition thereto, the POA shall have the right to levy a Personal Charge, enforceable in the same manner as Assessments, against Rutherford Hospital, Inc. and its Property for such sums as are necessary to enjoin any violation or to remove any unauthorized addition or alteration and to restore the affected property to good condition and repair.

20. GENERAL PROVISIONS:

(a) MODIFICATION: The Developer reserves the right to change or cancel any or all of these ^{restrictive} covenants, if in its judgment, the development of this or adjacent property makes that course necessary or advisable or in the event of a reversion of the property to it subsequent to the ~~deeding thereof~~.

(b) TERM: These ^{restrictive} 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 ^{restrictive} 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 a majority of then owners of Tract 2 consisting of .86 acres has been recorded agreeing to change said covenants in whole or in part.

(c) ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any ^{restrictive} covenant which proceedings may be brought either to restrain violation or to recover damages.

(d) SEVERABILITY: Invalidation of any of these ^{restrictive} covenants by judgment or court order shall in no way effect any of the other provisions which shall remain in full force and effect.

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IN WITNESS WHEREOF, FAIRFIELD COMMUNITIES, INC., joined by FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC. for the purposes of indicating their agreement to perform the obligations placed upon them by this instrument, have caused this Declaration to be executed by their respective corporate officers, who are duly authorized to so execute same, in multiple counterparts, any one of which shall be deemed an original, this 22 day of February, 1990.

Attest:


FAIRFIELD COMMUNITIES, INC.


Secretary

By: 
President

Attest:

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.


Secretary

By: 
President

Official

10

STATE OF ARKANSAS)
Lonoke) ss.
COUNTY OF PULASKI)

ACKNOWLEDGMENT

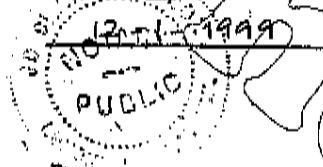
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On this day before me, the undersigned, a Notary Public duly qualified, commissioned and acting within and for the said State and County appeared in person the within named Joel T. Gunter and Eddie Ruth Emery to me well known, who stated that they were St. Will President and Secretary of FAIRFIELD COMMUNITIES, INC., a corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and on behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and Notarial Seal on this 22 day of February, 1990.

Joel C. Dodson
Notary Public

My Commission Expires:



STATE OF NORTH CAROLINA)
COUNTY OF RUTHERFORD) ss.

ACKNOWLEDGMENT

On this day before me, the undersigned Notary Public duly qualified, commissioned, and acting, within and for the said State and County, appeared in person the within named Howard V. Yeran and Dianne M. Searcy, to me well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and on behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and Notarial Seal on this 27th day of February, 1990.

Cheryl T. Keller
Notary Public

My Commission Expires:

4-17-94



Joanne C. Dodson
and Cheryl T. Keller
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23
Joseph H. ...
4/65/13

PROPOSED MEDICAL CENTER SITE

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Lying in the Town of Lake Lure, Chimney Rock Twp., Rutherford County, North Carolina and being a 0.86 acre portion of Tract 3 of the deed from William Merrill Quattlebaum, Jr. to Fairfield Communities, Inc., reference DB 426, Page 538, said 0.86 acres is shown on the plat of Apple Valley Commercial Site as Tract 2, and being more particularly described as follows:

BEGINNING on a railroad spike set in the center of the right-of-way of Whitney Boulevard, said railroad spike standing N 45° 47' 18" E, 730.96 feet from a planted stone, the terminus of the 29th call of said DB 426, Page 538, Tract 3;

Thence from said beginning point, with the centerline of the right-of-way of Whitney Boulevard along the arc of a curve to the left having a radius of 171.59 feet and an arc length of 82.73 feet, said curve having a chord bearing and distance of N 19° 02' 32" E, 81.93 feet;

Thence continuing with the centerline of the right-of-way of Whitney Boulevard N 5° 13' 46" E, 14.03 feet to a railroad spike;

Thence leaving Whitney Boulevard S 40° 13' 43" E, 268.59 feet to an iron rod set;

Thence S 2° 25' 36" E 125.14 feet to an iron rod set approximately 10 feet from the edge of an 8 foot wide cart path;

Thence parallel with and approximately 10 feet from said cart path as follows:

S 58° 39' 42" W, 21.45 feet to an iron rod set;

S 85° 16' 08" W, 22.22 feet to an iron rod set;

N 63° 48' 45" W, 84.26 feet to an iron rod set;

N 82° 45' 01" W, 25.87 feet to an iron rod set;

Thence leaving the cart path N 16° 57' 20" W, 217.31 feet to the Point of Beginning.

Containing 0.86 acres.

EXHIBIT A

This instrument prepared by Fairfield Communities, Inc., Legal Department

SECOND AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FAIRFIELD MOUNTAINS
RUTHERFORD COUNTY, NORTH CAROLINA

BOOK 546 PAGE 585

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FAIRFIELD MOUNTAINS ("Second Amendment to Declaration") is made this 2nd
day of March, 1989, by Fairfield Communities, Inc., a Delaware
corporation, the successor corporation of Fairfield Mountains, Inc.
("Developer").

WHEREAS, on the 1st day of September, 1977, Developer filed of record a
document entitled "Declaration of Covenants and Restrictions" ("Declaration")
with Protective Covenants in Book 386, Page 404 et seq. in the Office of the
Register of Deeds in and for Rutherford County, North Carolina, which
subjected the property described therein to certain covenants, conditions and
restrictions; and

WHEREAS, on the 28th day of June, 1978, Developer filed of record a
document entitled "First Amendment to Declaration of Covenants and
Restrictions" ("First Amendment to Declaration") in Book 395, Page 08 et seq.
in the Office of the Register of Deeds in and for Rutherford County, North
Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 24th day of June, 1987, Developer filed of record a
document entitled "Supplemental Declaration of Covenants and Restrictions to
Declaration of Covenants and Restrictions" ("Supplemental Declaration") in
Book 503, Page 769 et seq. in the Office of the Register of Deeds, Rutherford
County, North Carolina, which subjected the property described therein to the
Declaration; and

WHEREAS, on the 29th day of July, 1987, Developer filed of record a
document entitled "Amendment to Protective Covenants" in Book 505, Page 851 et
seq., in the Office of the Register of Deeds, Rutherford County, North
Carolina, which amended the Protective Covenants as provided therein; and

WHEREAS, Fairfield Mountains Property Owners Association, Inc., a
non-profit corporation organized under the laws of the State of North
Carolina, ("POA") joined in the execution of said Declaration for the purpose
of indicating its agreement to perform the obligations placed upon it by the
Declaration, as amended; and

WHEREAS, the Declaration provides:

- A. That the regular members of the POA shall have one (1) vote in
conducting the affairs of the POA.

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- B. That the nonpayment of assessments shall be a lien of the POA who shall have the remedies as provided for therein.
- C. That the Declaration may be amended by a majority of the votes cast by the voting membership of the POA and adopted by the Developer.

WHEREAS, the Developer and the Board of Directors of the POA believe that it is in the best interest of the POA to amend the Declaration to reflect:

- A. That the regular members of the POA shall have one (1) vote, provided that the member is not delinquent in payment of assessments or dues of the POA.
- B. That the unpaid assessments, together with interest and cost, shall at the option of the POA become a lien upon the filing of notice with the Clerk of the Court, Rutherford County, North Carolina.
- C. That the Declaration may be amended by the majority of the POA, in person or by proxy and as adopted by the Developer.

WHEREAS, pursuant to ARTICLE XVI, Section 5 of the Declaration and that certain Resolution passed by the POA by majority vote on July 13, 1987, the following amendments are hereby made to the Declaration.

NOW, THEREFORE, the Declaration shall be and is hereby amended as follows:

ARTICLE III, SECTION 2, (C) is amended by deleting the last sentence in its entirety and substituting the following sentence therefore:

"Each Regular Member shall have one (1) vote in conducting the affairs of the POA for each lot or living unit owned, provided that the Regular Member is not delinquent in payment of any assessments, special assessments or other charges due the POA and is otherwise a member in good standing with the POA."

ARTICLE XI, SECTION 10. is deleted in its entirety and the following paragraph substituted therefore:

"If the assessment is not paid as provided in Section 7 and the POA declares the entire assessment due and payable, the amount of such assessment (together with interest computed at the simple rate of eighteen percent (18%) per annum from and after the due date thereof) and any cost of collection (including reasonable attorney's fees, if any) shall, at the option of the POA constitute and become a lien upon said property as of the due date thereof upon filing notice with the Rutherford County Clerk of Superior Court (which

303. 546 587

notice shall be deemed to have been performed on the due date of such assessment to "improve" such property and/or to create an "improvement" thereon, as defined in Chapter 44A, Article II, Part I of the General Statutes of North Carolina; the lien arising therefrom shall constitute a "lien of mechanics, laborers, and materialmen dealing with the Owner", and such lien may be perfected and enforced pursuant to the provisions of said Part I. Any action to enforce such lien may, at the POA's option, include a prayer for collection of assessments levied against such property since the filing date of said Claim of Lien. The POA may purchase said property at any sale thereof contemplated under North Carolina Statute S 44A-14".

ARTICLE XVI, SECTION 5. of the Declaration is amended by deleting the first sentence in its entirety and substituting the following sentence therefore:

"The provisions of this Declaration may be amended if such amendment is accepted by the affirmative vote of a majority of POA members in good standing, present in person or by proxy, and such amendment is also adopted by Developer."

The POA joins in this Second Amendment to Declaration for the purpose of indicating its acceptance of the Amendment herein and its agreement to such Amendment.

IN WITNESS WHEREOF, this instrument is executed by the Developer and POA through their respective corporate officers who are duly authorized to execute same this day and date above written.

FAIRFIELD COMMUNITIES, INC.

BY: [Signature]
President

(CORPORATE SEAL)

ATTEST:

[Signature]
Secretary

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

By: [Signature]
President

ATTEST:

[Signature]
Secretary

STATE OF Arkansas)
) ss.
COUNTY OF Polaski)

BOOK 546 PAGE 588

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Terry L. Flora, and Eddie Ruth Ewing to me personally known, who stated that they are the Service President and Secretary of FAIRFIELD COMMUNITIES, INC., a Delaware corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 2nd day of March, 1989.

Diane K. Rabbs
Notary Public

My Commission Expires:

2-7-97



STATE OF NORTH CAROLINA)
) ss.
COUNTY OF Polk)

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Richard J. Reed, and Donna Morrow to me personally known, who stated that they are the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 6th day of June, 1988.

Diane M. Seary
Notary Public

My Commission Expires:

My Commission Expires April 9, 1994

North Carolina, Rutherford County
The foregoing certificate of Diane K. Rabbs

Diane M. Seary
Notary Public/Notaries Public is/are certified to be correct. This

instrument was presented for registration and recorded in this office
at Book 546, Page 588.

This 25 day of Sept, 1988 at 11:00 o'clock A.M.

Ray H. Huskey
Ray H. Huskey, Register of Deeds Deputy Register of Deeds
Rutherford County, N. C.



THIRD AMENDMENT TO SUPPLEMENTAL DECLARATION
OF COVENANTS AND RESTRICTIONS TO DECLARATION
OF PROTECTIVE COVENANTS FOR

SHUMONT ESTATES PHASE IIA

Book **577** Page **349**

THIS THIRD AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS TO DECLARATION OF PROTECTIVE COVENANTS FOR SHUMONT ESTATES PHASE IIA ("Third Amendment to Supplemental Declaration") is made this 26th day of *March*, 1991 by Fairfield Communities, Inc., Debtor in Possession, a Delaware corporation ("Declarant") as successor to Fairfield Mountains, Inc.

WHEREAS, Declarant is the owner and developer of the real property described in the "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" filed on the 24th day of June, 1987 in Book 503 at Page 769 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjects the property described therein to the terms, conditions, and restrictions of the "Declaration of Covenants and Restrictions" ("Master Declaration") filed on the 1st day of September, 1977 in Deed Book 386, Page 404 as amended by the "First Amendment to Declaration of Covenants and Restrictions" ("First Amendment to Master Declaration") recorded on the 28th day of June, 1978 in Book 395, Page 8, both in the Office of the Register of Deeds Rutherford County, North Carolina; and

WHEREAS, Declarant on the 17th day of February, 1989 filed of record a document entitled "First Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Protective Covenants for Shumont Estates Phase I" ("First Amendment") at Book 534, Page 535 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the covenants and restrictions contained in said First Amendment as depicted on the plat entitled "Shumont Estates Phase I" filed concurrently in Plat Book 14, Page 101-102, in same Office; and

WHEREAS, Declarant on the 8th day of February, 1990 filed of record a document entitled "Second Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Protective Covenants For Shumont Estates Phase I" ("Second Amendment") at Book 554, Page 125 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which revised the First Amendment and previously recorded plat for the purpose of revising the entrance of Shumont Estates Drive thereby revising the dimensions of Lots 1-109 and deplatting Lot 110, replatting same into common property as depicted

on the plat entitled "Amended Plat Shumont Estates .Phase I" filed concurrently in Plat Book 15. Page 4 in same Office; and

WHEREAS, Declarant by execution and recordation of this Third Amendment to Supplemental Declaration, wishes to establish a lot subdivision within the property described on Exhibit A attached hereto to be known as Shumont Estates Phase IIA consisting of Lots, Common Area. and Roads, as described in the Master Declaration; and

WHEREAS, the Fairfield Mountains Property Owners Association. Inc., a North Carolina non-profit corporation ("Master Association") joins in the execution of this document to agree that the subdivision is acceptable and agree to the terms and conditions of membership for Lot Owners in the Master Association as provided in the Master Declaration.

NOW, THEREFORE, pursuant to the terms of the Master Declaration and the Supplemental Declaration, the property described in EXHIBIT A attached hereto, which is a part of the property described in said Supplemental Declaration is hereby subdivided, as reflected upon the Subdivision plat recorded concurrently herewith in Plat Book 15, Page 50 of the Office of the Register of Deeds, Rutherford County, North Carolina and containing 19 lots numbered 30 through 32 and 39 through 54 and entitled "Shumont Estates Phase IIA", and as such is subject to the additional covenants, conditions and restrictions contained herein.

I. The Property comprising the Subdivision consists of three separate land use areas, designated and defined herein and depicted upon the Subdivision plat as Lots, Common Area, and Roads. Each Lot is individually numbered and the boundaries of each is depicted on the Subdivision plat recorded concurrently with this document and described above. No Lot bears the same identifying number. Each Lot shall be restricted to a Single Family Dwelling. Each Single Family Dwelling shall have fully enclosed floor area, exclusive of roofed or unroofed porches, terraces, garages, carports, or other out buildings, of not less than 1,200 square feet, with at least 1,000 square feet on the main floor.

II. The Common Area is and shall remain private property for the benefit of the members of the Master Association and recordation of the Subdivision plat (or any supplement or amendment thereto) is not intended and shall not be construed as dedication of the Common Area to the public or Persons other than Owners and their guests.

1. Ownership. Declarant shall convey the Common Area to the Master Association, and the Master Association, by its execution of this Third Amendment to Supplemental Declaration, agrees to accept conveyance of the Common Area, free and clear of all liens and encumbrances but subject to easements, rights-of-way, and restrictions of record. Declarant may convey the Common Area to the Master Association at any time following recordation of this Declaration and shall convey the Common Area to the Association no later than the earlier to occur of (1) conveyance of fifty percent (50%) of all Lots in the Subdivision to Owners, or (2) ten (10) years from the date this Declaration is recorded.
2. Use. The Common Area shall be for the use and enjoyment of all members of the Master Association, subject to such rules and regulations as may be promulgated from time to time by the Master Association Board of Directors. Declarant reserves to itself the right to use and enjoy the Common Area as an Owner so long as it is the record title holder to one or more Lot(s) in the Subdivision, and the right to reasonable use in connection with its sales and development programs at Fairfield Mountains. The Common Area shall not be available to and is not intended for use by the general public.
3. Maintenance. Maintenance of the Common Area and repair or replacement of any Improvements thereon after completion by the Declarant shall be the obligation of the Master Association.

IN WITNESS WHEREOF, this instrument is executed by Fairfield Communities, Inc. and the Fairfield Mountains Property Owners Association, Inc. through their respective corporate officers who are duly authorized to execute same in multiple counterparts, any of which shall be deemed an original, this 26th day of *March*.

FAIRFIELD COMMUNITIES, INC.
DEBTOR IN POSSESSION

ATTEST:

Eddie Ruth Ewing
Secretary

By: **Joe L. Gunter**
President

I, *Sherry J. Soloff*, a Notary Public in and for said County and State, do hereby certify that on the 26th day of *March* 1991, before me personally appeared *Joe T. Gunter* with whom I am personally acquainted, who, being by me duly sworn, says that he is *Senior Vice President* and that *Eddie Ruth Ewing* is Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said *Senior Vice President*; that the said *Senior Vice President* and 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.

WITNESS my hand and notarial seal, this the 26th day of *March*, 1991.

Sherry J. Soloff
Notary Public

On October 3, 1984 Lawyers Title Insurance Corporation made, constituted and appointed Paul A. Lipsmeyer of Little Rock, Arkansas as its true and lawful Attorney-in-Fact for the sole purpose of executing on behalf of Lawyers Title Insurance Corporation certain subdivision plats and supporting supplemental declarations of covenants and restrictions which are filed of record by Fairfield Communities, Inc. and/or any of its subsidiaries.

It is agreed and understood that Lawyers Title Insurance Corporation is executing this document solely in its capacity as Nominee under the terms and conditions of a "Title Clearing Agreement" dated January 27, 1983. By virtue of its execution hereof, Lawyers Title Insurance Corporation is making no warranties or representations as to the accuracy of the information shown hereon.

LAWYERS TITLE INSURANCE
CORPORATION AS NOMINEE BY ITS
ATTORNEY-IN-FACT

By *Paul A. Lipsmeyer*

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)

I, *Sherry J. Soloff*, a Notary Public in and for the aforesaid Count and State, do hereby certify that Paul A. Lipsmeyer, attorney-in-fact for LAWYERS TITLE INSURANCE CORPORATION, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and In behalf of Lawyers Title Insurance Corporation, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Rutherford County, North Carolina, on the 26th day of *March*, 1991, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; that the said Paul A. Lipsmeyer acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Lawyers Title Insurance Corporation.

WITNESS my hand and official seal this 26th day of *March*, 1991.

Sherry J. Soloff
Notary Public

THIRD AMENDMENT TO SUPPLEMENTAL DECLARATION
OF COVENANTS AND RESTRICTIONS TO DECLARATION
OF PROTECTIVE COVENANTS FOR

SHUMONT ESTATES PHASE IIA

Book **577** Page **349**

THIS THIRD AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS TO DECLARATION OF PROTECTIVE COVENANTS FOR SHUMONT ESTATES PHASE IIA ("Third Amendment to Supplemental Declaration") is made this 26th day of *March*, 1991 by Fairfield Communities, Inc., Debtor in Possession, a Delaware corporation ("Declarant") as successor to Fairfield Mountains, Inc.

WHEREAS, Declarant is the owner and developer of the real property described in the "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" filed on the 24th day of June, 1987 in Book 503 at Page 769 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjects the property described therein to the terms, conditions, and restrictions of the "Declaration of Covenants and Restrictions" ("Master Declaration") filed on the 1st day of September, 1977 in Deed Book 386, Page 404 as amended by the "First Amendment to Declaration of Covenants and Restrictions" ("First Amendment to Master Declaration") recorded on the 28th day of June, 1978 in Book 395, Page 8, both in the Office of the Register of Deeds Rutherford County, North Carolina; and

WHEREAS, Declarant on the 17th day of February, 1989 filed of record a document entitled "First Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Protective Covenants for Shumont Estates Phase I" ("First Amendment") at Book 534, Page 535 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the covenants and restrictions contained in said First Amendment as depicted on the plat entitled "Shumont Estates Phase I" filed concurrently in Plat Book 14, Page 101-102, in same Office; and

WHEREAS, Declarant on the 8th day of February, 1990 filed of record a document entitled "Second Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Protective Covenants For Shumont Estates Phase I" ("Second Amendment") at Book 554, Page 125 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which revised the First Amendment and previously recorded plat for the purpose of revising the entrance of Shumont Estates Drive thereby revising the dimensions of Lots 1-109 and deplatting Lot 110, replatting same into common property as depicted

on the plat entitled "Amended Plat Shumont Estates .Phase I" filed concurrently in Plat Book 15. Page 4 in same Office; and

WHEREAS, Declarant by execution and recordation of this Third Amendment to Supplemental Declaration, wishes to establish a lot subdivision within the property described on Exhibit A attached hereto to be known as Shumont Estates Phase IIA consisting of Lots, Common Area. and Roads, as described in the Master Declaration; and

WHEREAS, the Fairfield Mountains Property Owners Association. Inc., a North Carolina non-profit corporation ("Master Association") joins in the execution of this document to agree that the subdivision is acceptable and agree to the terms and conditions of membership for Lot Owners in the Master Association as provided in the Master Declaration.

NOW, THEREFORE, pursuant to the terms of the Master Declaration and the Supplemental Declaration, the property described in EXHIBIT A attached hereto, which is a part of the property described in said Supplemental Declaration is hereby subdivided, as reflected upon the Subdivision plat recorded concurrently herewith in Plat Book 15, Page 50 of the Office of the Register of Deeds, Rutherford County, North Carolina and containing 19 lots numbered 30 through 32 and 39 through 54 and entitled "Shumont Estates Phase IIA", and as such is subject to the additional covenants, conditions and restrictions contained herein.

I. The Property comprising the Subdivision consists of three separate land use areas, designated and defined herein and depicted upon the Subdivision plat as Lots, Common Area, and Roads. Each Lot is individually numbered and the boundaries of each is depicted on the Subdivision plat recorded concurrently with this document and described above. No Lot bears the same identifying number. Each Lot shall be restricted to a Single Family Dwelling. Each Single Family Dwelling shall have fully enclosed floor area, exclusive of roofed or unroofed porches, terraces, garages, carports, or other out buildings, of not less than 1,200 square feet, with at least 1,000 square feet on the main floor.

II. The Common Area is and shall remain private property for the benefit of the members of the Master Association and recordation of the Subdivision plat (or any supplement or amendment thereto) is not intended and shall not be construed as dedication of the Common Area to the public or Persons other than Owners and their guests.

1. Ownership. Declarant shall convey the Common Area to the Master Association, and the Master Association, by its execution of this Third Amendment to Supplemental Declaration, agrees to accept conveyance of the Common Area, free and clear of all liens and encumbrances but subject to easements, rights-of-way, and restrictions of record. Declarant may convey the Common Area to the Master Association at any time following recordation of this Declaration and shall convey the Common Area to the Association no later than the earlier to occur of (1) conveyance of fifty percent (50%) of all Lots in the Subdivision to Owners, or (2) ten (10) years from the date this Declaration is recorded.
2. Use. The Common Area shall be for the use and enjoyment of all members of the Master Association, subject to such rules and regulations as may be promulgated from time to time by the Master Association Board of Directors. Declarant reserves to itself the right to use and enjoy the Common Area as an Owner so long as it is the record title holder to one or more Lot(s) in the Subdivision, and the right to reasonable use in connection with its sales and development programs at Fairfield Mountains. The Common Area shall not be available to and is not intended for use by the general public.
3. Maintenance. Maintenance of the Common Area and repair or replacement of any Improvements thereon after completion by the Declarant shall be the obligation of the Master Association.

IN WITNESS WHEREOF, this instrument is executed by Fairfield Communities, Inc. and the Fairfield Mountains Property Owners Association, Inc. through their respective corporate officers who are duly authorized to execute same in multiple counterparts, any of which shall be deemed an original, this 26th day of *March*.

FAIRFIELD COMMUNITIES, INC.
DEBTOR IN POSSESSION

ATTEST:

Eddie Ruth Ewing
Secretary

By: **Joe L. Gunter**
President

I, *Sherry J. Soloff*, a Notary Public in and for said County and State, do hereby certify that on the 26th day of *March* 1991, before me personally appeared *Joe T. Gunter* with whom I am personally acquainted, who, being by me duly sworn, says that he is *Senior Vice President* and that *Eddie Ruth Ewing* is Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said *Senior Vice President*; that the said *Senior Vice President* and 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.

WITNESS my hand and notarial seal, this the 26th day of *March*, 1991.

Sherry J. Soloff
Notary Public

On October 3, 1984 Lawyers Title Insurance Corporation made, constituted and appointed Paul A. Lipsmeyer of Little Rock, Arkansas as its true and lawful Attorney-in-Fact for the sole purpose of executing on behalf of Lawyers Title Insurance Corporation certain subdivision plats and supporting supplemental declarations of covenants and restrictions which are filed of record by Fairfield Communities, Inc. and/or any of its subsidiaries.

It is agreed and understood that Lawyers Title Insurance Corporation is executing this document solely in its capacity as Nominee under the terms and conditions of a "Title Clearing Agreement" dated January 27, 1983. By virtue of its execution hereof, Lawyers Title Insurance Corporation is making no warranties or representations as to the accuracy of the information shown hereon.

LAWYERS TITLE INSURANCE
CORPORATION AS NOMINEE BY ITS
ATTORNEY-IN-FACT

By *Paul A. Lipsmeyer*

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)

I, *Sherry J. Soloff*, a Notary Public in and for the aforesaid Count and State, do hereby certify that Paul A. Lipsmeyer, attorney-in-fact for LAWYERS TITLE INSURANCE CORPORATION, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and In behalf of Lawyers Title Insurance Corporation, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Rutherford County, North Carolina, on the 26th day of *March*, 1991, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; that the said Paul A. Lipsmeyer acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Lawyers Title Insurance Corporation.

WITNESS my hand and official seal this 26th day of *March*, 1991.

Sherry J. Soloff
Notary Public

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which hereby is acknowledged, Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration.

IN WITNESS WHEREOF, Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its President and attested by its *Acting* Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this the 30th day of *May*, 1991.

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION, INC.

By *J Satrape, Pres. POA*
5/30/91

Attest *Donna Morrow*
Acting Secretary

STATE OF NORTH CAROLINA
COUNTY OF *Rutherford*

I, Cheryl T. Keller, a Notary Public in and for said Count and State., do hereby certify that on the 30th day of *May*, 1991, before me personally appeared *Joseph Satrape* with whom I am personally acquainted, who, being by me duly sworn, says that he is President and that *Donna Morrow* is *Acting* Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the nonprofit corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Acting 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.

WITNESS my hand and notarial seal, this the 30th day of *May*, 1991.

Cheryl T. Keller
Notary Public

My Commission expires:

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which hereby is acknowledged, Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration.

IN WITNESS WHEREOF, Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its President and attested by its *Acting* Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this the 30th day of *May*, 1991.

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION, INC.

By *J Satrape, Pres. POA*
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Attest *Donna Morrow*
Acting Secretary

STATE OF NORTH CAROLINA
COUNTY OF *Rutherford*

I, Cheryl T. Keller, a Notary Public in and for said Count and State., do hereby certify that on the 30th day of *May*, 1991, before me personally appeared *Joseph Satrape* with whom I am personally acquainted, who, being by me duly sworn, says that he is President and that *Donna Morrow* is *Acting* Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the nonprofit corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Acting 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.

WITNESS my hand and notarial seal, this the 30th day of *May*, 1991.

Cheryl T. Keller
Notary Public

My Commission expires:

SHUMONT ESTATES PHASE II A
FAIRFIELD MOUNTAINS
Town of Lake Lure
Chimney Rock Township
Rutherford County, N. C.
January 29, 1991

Lying in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina and being a portion of the property standing in the name of Fairfield Communities, Inc., reference Deed Book 490, Page 57, Tract Two of the Rutherford County Registry and being more particularly described as follows:

BEGINNING on a concrete monument, said concrete monument being the southwest corner of Lot 95, Shumont Estates, Phase I, as recorded in Plat Book 14, Page 102 of the Rutherford County Registry;

Thence from said beginning point with the south line of Lot 95 of said Shumont Estates, Phase I N 85° 57' 50" E. 91.75 feet to an iron pipe;

Thence with the west line of Lot 94, Shumont Estates, Phase I, S 4° 02' 10" E, 222.50 feet to the centerline of the right-of-way of Flynn Court;

Thence with the centerline of the right-of-way of Flynn Court with a curve to the right having a radius of 290.48 feet, an arc length of 83.79 feet, said curve having a chord bearing and distance of S 72° 50' 29" W, 83.50 feet;

Thence with a curve to the right having a radius of 206.91 feet, an arc length of 2.54 feet, said curve having a chord bearing and distance of S 81° 27' 24" W, 2.54 feet;

Thence leaving the centerline of the right-of-way of Flynn Court, and with the west line of Lots 93 and 90, Shumont Estates, Phase I, S 14° 41' 28" E, 245.67 feet to an iron pipe, the southwest corner of Lot 90, Shumont Estates, Phase I;

Thence leaving Shumont Estates, Phase I and with the south lines of the proposed Shumont Estates, Phase II A, Lots 54, 53, 52, 51, 50, 49 and 48 as follows: N 88° 35' 30" W, 390.00 feet to an iron pipe;

Thence N 68° 46' 43" W, 270.00 feet to an iron pipe;

Thence S 85° 34' 14" W, 248.91 feet to a concrete monument in the east line of the proposed Lot 47 of Shumont Estates, Phase II A;

Thence with the east line of said Lot 47, S 15° 30' 01" W, 89.32 feet to an iron pipe;

Thence with the south lines of the proposed Shumont Estates, Phase IIA Lots 47, 46 and 45 as follows: with a curve to the left having a radius of 547.62 feet, an arc length of 93.20 feet, said curve having a chord bearing and distance of N 82° 55' 40" W, 93.09 feet;

Thence N 87° 48' 12" W, 53.12 feet;

Thence with a curve to the left having a radius of 215.00 feet, an arc length of 60.65 feet, said curve having a chord bearing and distance of S 84° 06' 54" W, 60.45 feet;

Thence continuing with said curve to the left having a radius of 215.00 feet, an arc length of 118.83 feet, said curve having a chord bearing and distance of S 60° 11' 58" W, 117.33 feet to an iron pipe;

Thence with the west line of proposed Lots 45 and 44 of Shumont Estates, Phase IIA, N 0° 10' 40" E, 509.39 feet to a concrete monument;

Thence with the north lines of proposed lots 44, 43, 42, 41, 40 and 39 of Shumont Estates, Phase II A as follows: N 86° 12' 16" E, 320.00 feet to an iron pipe;

Thence N 68° 36' 54" E, 300.00 feet to a concrete monument;

Thence N 45° 23' 10" E, 25.00 feet to an iron pipe, the northeast corner of proposed lot 39, Shumont Estates, Phase II A;

Thence with the east line of proposed Lot 39 of Shumont Estates, Phase II A S 45° 27' 03" E, 306.47 feet to the centerline of the right-of-way of proposed Shaner Court;

Thence with the centerline of proposed Shaner Court with a curve to the right having a radius of 325.00 feet, an arc length of 72.97 feet, said curve having a chord bearing and distance of N 22° 54' 05" E, 72.82 feet;

Thence leaving proposed Shaner Court and with the north lines of proposed Lots 32, 31 and 30 of Shumont Estates, Phase II A, N 85° 57' 50" E, 365.05 feet to the Point of Beginning.

Containing 12.71 acres.

This Instrument prepared by: Fairfield Communities, Inc., Legal Department

SECOND SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

TO

DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

BL. 593 : 34

THIS SECOND SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS TO DECLARATION OF COVENANTS AND RESTRICTIONS FAIRFIELD MOUNTAINS ("Second Supplemental") is made this 6th day of April, 1992, by Fairfield Communities, Inc., a Delaware corporation, its successors and assigns ("Developer").

WHEREAS, on the 1st day of September, 1977, Developer filed of record a document entitled "Declaration of Covenants and Restrictions" ("Declaration") with Protective Covenants in Book 386, Page 404 et seq. in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which subjected the property described therein to certain covenants, conditions and restrictions; and

WHEREAS, on the 28th day of June, 1978, Developer filed of record a document entitled "First Amendment to Declaration of Covenants and Restrictions" ("First Amendment to Declaration") in Book 395, Page 08 et seq. in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 24th day of June, 1987, Developer filed of record a document entitled "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" ("Supplemental Declaration") in Book 503, Page 769 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 29th day of July, 1987, Developer filed of record a document entitled "Amendment to Protective Covenants" in Book 505, Page 651 et seq., in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Protective Covenants as provided therein; and

WHEREAS, on the 25th day of September, 1989, Developer filed of record a document entitled "Second Amendment to Declaration of Covenants and Restrictions Fairfield Mountains Rutherford County, North Carolina" ("Second Amendment") in Book 546, Page 585 et seq. in the Office of the Register of Deeds,

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7

Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 29th day of January, 1992, Developer filed of record a document entitled "Third Amendment to Declaration of Covenants and Restrictions Fairfield Mountains Rutherford County, North Carolina" ("Third Amendment") in Book 588, Page 275 et seq. in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants and restrictions set forth in the Master Declaration the real property described, respectively, in Exhibit A, attached hereto and incorporated herein by reference. Upon recordation of this Second Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 12 of the Master Declaration.

BOOK 593 PAGE 36

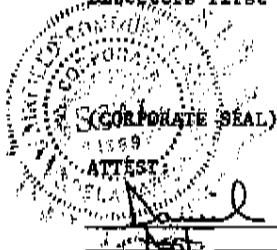
WHEREAS, the Master Association has agreed that the property described in Exhibit A hereto is acceptable as an addition to Fairfield Mountains and executes this Second Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE II, Section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Second Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer, its successors or assigns for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Assistant Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 6th day of April, 1992.

FAIRFIELD COMMUNITIES, INC.

BY: [Signature]
Title: Senior Vice President



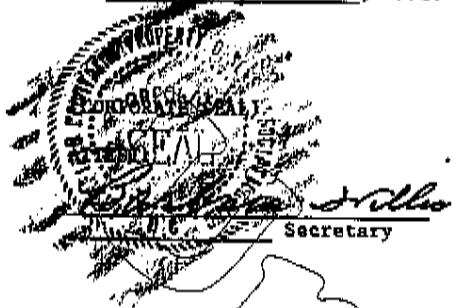
[Signature]
Secretary

BOOK 593 PAGE 37

For the purpose of indicating its approval of the foregoing Second Supplemental Declaration of Covenants and Restrictions To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its Vice President and attested by its _____ Secretary on this 21 day of April, 1992.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

BY R. B. King Vice President



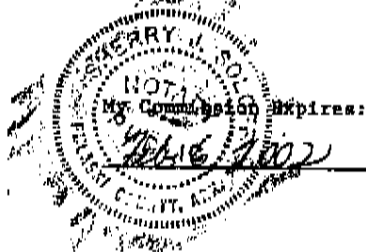
STATE OF ARKANSAS
COUNTY OF PULASKI

ss.

I, Sherry J. Soloff, a Notary Public in and for said County and State, do hereby certify that on the 21 day of April, 1992, before me personally came one person, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Vice President and that Daniel King is the past Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Vice President; that the said Vice President and past 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.

Witness my hand and notarial seal this the 21 day of April, 1992.

Sherry J. Soloff
Notary Public



STATE OF NORTH CAROLINA)
COUNTY OF RUTHERFORD) SS.

30. 593 . 38

I, KIMBERLY R. DALTON, a Notary Public in and for said County and State, do hereby certify that on the 21 day of APRIL, 1992, before me personally came RAUKE NYOKI, with whom I am personally acquainted, who, being by me duly sworn, says that he is the VICE President and that BARBARA WILLIS is the VICE Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said VICE President; that the said VICE President and VICE 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.

Witness my hand and notarial seal, this the 21 day of APRIL, 1992.

Kim Dalton
Notary Public



and Sherry J. Soboff
and Kimberly R. Dalton

593 34
7 May
Dayle H. Huskey
Sherry J. Dalton
County Clerk of Deeds

EXHIBIT A

BOUNDARY DESCRIPTION
 FAIRFIELD MOUNTAINS
 Parcels Numbers 3, 4, 6, 7, and 8
 of the Overall Development Plan
 Fairfield Mountains

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Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina and being a portion of the property standing in the name of Fairfield Communities, Inc., formerly Fairfield Mountains, as described in Deed Book 399, Page 66 and being the property lying east of the Quail Ridge Reservoir #1, Reference Plat Book 15, Page 17; and east of the addition to Quail Ridge, Reference Plat Book 12, Page 19 and Plat Book 12, Page 74; and south of the addition and revisions of Golf Estates I, Reference Plat Book 13, Page 51; and west and south of Quail Cove Phases I, II and III, Reference Plat Book 13, Page 33, Plat Book 14, Page 122 and Plat Book 14, Page 66; and west of the west shoreline of Lake Lure and north of the property standing in the name of Fairfield Communities, Inc., reference Deed Book 491, Page 736 and being more particularly described as follows:

BEGINNING on a point in the western shore line of Lake Lure at an elevation of 992 feet, said point being the terminus of the next to last call of the aforementioned Deed Book 399, Page 66 and the Beginning Point of the property standing in the name of Fairfield Communities, Inc., and described in Deed Book 491, Page 736; said Beginning Point stands South 32 degrees 34 minutes 12 seconds West 4,102.71 feet from a brass pin now or formerly in the east end of the spillway of the dam of Bald Mountain Lake;

Thence from said beginning point, with the north line of Fairfield Communities, Inc., Deed Book 491, Page 736, as follows: North 76 degrees 36 minutes 20 seconds West, 10.00 feet to an iron pipe;

Thence North 76 degrees 36 minutes 20 seconds West, 407.20 feet to an aluminum monument;

Thence South 87 degrees 03 minutes 56 seconds West, 953.67 feet to an iron rod, the southeast corner of Quail Ridge Reservoir #1 as shown on Plat Book 15, Page 17;

Thence leaving the north line of Fairfield Communities, Inc, Deed Book 491, Page 736, and with the east line of Quail Ridge Reservoir #1, North 2 degrees 56 minutes 04 seconds West, 109.11 feet to an iron rod in the south line of Lot 48 of the Addition to Quail Ridge as shown on Plat Book 12, Page 19;

Thence leaving Quail Ridge Reservoir #1 and with the south and east lines of Lots 48, 47, 46, 45, 44, 41, 38, 37, 34, 19 and 18 of the aforementioned Plat Book 12, Page 19 as follows: South 85 degrees 18 minutes 04 seconds East, 83.05 feet to an iron pipe;

Thence North 57 degrees 40 minutes 34 seconds East, 124.08 feet to an iron pipe;

Thence North 58 degrees 21 minutes 13 seconds East, 85.27 feet to a concrete monument;

Thence South 71 degrees 12 minutes 38 seconds East, 141.65 feet to a concrete monument;

Thence South 65 degrees 33 minutes 22 seconds East, 152.59 feet to an iron pipe;

Thence North 63 degrees 05 minutes 28 seconds East, 201.31 feet to an iron pipe;

Thence North 21 degrees 39 minutes 40 seconds East, 41.72 feet to an iron pipe;

Thence North 20 degrees 45 minutes 14 seconds East, 40.67 feet to an iron pipe;

Thence North 20 degrees 45 minutes 14 seconds East 81.22 feet to a point in the center of the right-of-way of O'Brien Road;

Thence leaving O'Brien Road, North 74 degrees 03 minutes 21 seconds East, 68.16 feet to an iron pipe;

Thence North 80 degrees 05 minutes 51 seconds East, 106.85 feet to an iron pipe;

Thence North 51 degrees 46 minutes 57 seconds East, 206.74 feet to an iron pipe;

Thence North 45 degrees 34 minutes 15 seconds East, 85.27 feet to

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an iron pipe;
 Thence North 7 degrees 30 minutes 28 seconds West, 168.77 feet to
 an iron pipe;
 Thence North 6 degrees 48 minutes 59 seconds West, 65.69 feet to an
 iron pipe;
 Thence North 48 degrees 39 minutes 48 seconds East, 255.46 feet to
 an iron pipe;
 Thence North 18 degrees 39 minutes 14 seconds East 168.25 feet to
 an iron pipe, the northeast corner of Lot 18 as shown on the
 aforementioned Plat Book 12, Page 19, said iron pipe also being the
 southwest corner of Lot 3 of the Addition to Quail Ridge as shown
 on Plat Book 12, Page 74;
 Thence leaving Lot 18 of Plat Book 12, Page 19 and with the east
 line of Lot 3 of Plat Book 12, Page 74 as follows: North 53
 degrees 27 minutes 37 seconds East, 214.00 feet to an iron pipe;
 Thence North 53 degrees 27 minutes 37 seconds East 195.92 feet to
 an iron pipe;
 Thence North 53 degrees 27 minutes 37 seconds East, 25.92 feet to
 a point in the centerline of the right-of-way of Jimmy Lott Lane,
 said point being in the south boundary of Lot 96 of the Additions
 and Revisions to Golf Estates I as recorded in Plat Book 13, Page
 51;
 Thence leaving Lot 3 of Plat Book 12, Page 74 and with the
 centerline of the right-of-way of Jimmy Lott Lane as shown on the
 aforementioned Plat Book 13, Page 51 as follows: South 55 degrees
 14 minutes 19 seconds East, 115.07 feet;
 Thence South 55 degrees 14 minutes 19 seconds East, 69.22 feet to
 the southernmost corner of Lot 97 of the aforementioned Plat Book
 13, Page 51;
 Thence leaving Lot 97 of Plat Book 13, Page 51 and continuing South
 55 degrees 14 minutes 19 seconds East, 75.86 feet, crossing Quail
 Ridge Boulevard to a point in the southern right-of-way of Quail
 Ridge Boulevard;
 Thence with the southern right-of-way of Quail Ridge Boulevard, as
 follows: with a curve to the left having a radius of 170.00 feet,
 an arc length of 11.65 feet, said curve having a chord bearing and
 distance of South 46 degrees, 38 minutes, 35 seconds West, 11.64
 feet;
 Thence South 44 degrees, 40 minutes, 56 seconds West, 19.04 feet;
 Thence with a curve to the right having a radius of 390.00 feet, an
 arc length of 93.50 feet, said curve having a chord bearing and
 distance of South 51 degrees, 32 minutes, 59 seconds West, 93.28
 feet to an iron pipe in the north line of Quail Cove Phase I as
 shown on Plat Book 13, Page 33;
 Thence continuing with the southern right-of-way of Quail Ridge
 Boulevard and with the northern boundary of Quail Cove Phase I as
 shown on Plat Book 13, Page 33, with a curve to the right having a
 radius of 390.00 feet, an arc length of 138.92 feet to a concrete
 monument, said curve having a chord bearing and distance of South
 68 degrees 37 minutes 21 seconds West, 138.19 feet; said concrete
 monument being the northeast corner of Quail Cove Phase II as shown
 on Plat Book 14, Page 122;
 Thence leaving Quail Cove Phase I and continuing with the southern
 right-of-way of Quail Ridge Boulevard and with the north boundary
 of Quail Cove Phase II as shown on Plat Book 14, Page 122 as
 follows: with a curve to the right having a radius of 390.00 feet,
 an arc length of 82.34 feet, said curve having a chord bearing and
 distance of South 84 degrees 52 minutes 24 seconds West, 82.19
 feet;
 Thence North 89 degrees 04 minutes 42 seconds West, 72.05 feet;
 Thence with a curve to the left having a radius of 120.00 feet, an
 arc length of 150.69 feet, said curve having a chord bearing and
 distance of South 54 degrees 56 minutes 58 seconds West, 140.98
 feet;
 Thence South 18 degrees 58 minutes 24 seconds West, 93.35 feet to
 a point in the centerline of the right-of-way of Quail Cove Road;
 Thence leaving the southern right-of-way of Quail Ridge Boulevard
 and with the centerline of the right-of-way of Quail Cove Road
 South 42 degrees 33 minutes 10 seconds East, 60.54 feet;
 Thence South 48 degrees 52 minutes 52 seconds East, 61.23 feet;
 Thence South 66 degrees 17 minutes 18 seconds East, 112.57 feet;
 Thence with a curve to the left having a radius of 224.33 feet, an

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arc length of 166.21 feet, said curve having a chord bearing and distance of South 87 degrees 30 minutes 49 seconds East, 162.43 feet;

Thence North 71 degrees 15 minutes 40 seconds East, 99.85 feet to a point in the western boundary of the aforementioned Quail Cove Phase I as shown on Plat Book 13, Page 33;

Thence leaving the right-of-way of Quail Cove Road and Quail Ridge Phase II as shown on Plat Book 14, Page 122, and with the west boundary of said Quail Cove Phase I as follows: South 27 degrees 42 minutes 19 seconds East, 8.01 feet;

Thence South 17 degrees 49 minutes 34 seconds East, 133.93 feet to an iron pipe;

Thence South 6 degrees 03 minutes 15 seconds East, 99.56 feet to an iron pipe;

Thence South 65 degrees 57 minutes 57 seconds East 40.51 feet to an iron pipe;

Thence North 82 degrees 55 minutes 25 seconds East, 73.06 feet to an iron pipe, the westernmost corner of Quail Cove Phase III as shown on Plat Book 14, Page 66;

Thence leaving Quail Cove Phase I and with the line of Quail Cove Phase III as shown on Plat Book 14, Page 66 as follows: South 34 degrees 55 minutes 00 seconds East 28.78 feet to a point in the centerline of the right-of-way of Quail Cove Road;

Thence leaving the centerline of the right-of-way of Quail Cove Road, South 34 degrees 55 minutes 00 seconds East, 96.71 feet to an iron pipe;

Thence South 34 degrees 55 minutes 00 seconds East, 30.00 feet to a point in the western shore of Lake Lure at an elevation of 992 feet above sea level;

Thence leaving the boundary of said Quail Cove Phase III as shown on Plat Book 14, Page 66 and with the western shore of Lake Lure along the 992 foot elevation contour westerly, southerly and westerly as follows:

Thence South 39 degrees, 48 minutes, 24 seconds West, 28.00 feet;

Thence South 48 degrees, 42 minutes, 28 seconds West, 35.79 feet;

Thence South 67 degrees, 39 minutes, 11 seconds West, 26.75 feet;

Thence North 77 degrees, 49 minutes, 51 seconds West, 30.63 feet;

Thence South 80 degrees, 46 minutes, 43 seconds West, 20.51 feet;

Thence North 81 degrees, 13 minutes, 44 seconds West, 27.79 feet;

Thence North 88 degrees, 49 minutes, 06 seconds West, 40.64 feet;

Thence North 79 degrees, 18 minutes, 27 seconds West, 38.45 feet;

Thence North 72 degrees, 58 minutes, 23 seconds West, 55.28 feet;

Thence South 86 degrees, 21 minutes, 48 seconds West, 50.64 feet;

Thence North 60 degrees, 43 minutes, 15 seconds West, 27.86 feet;

Thence South 68 degrees, 28 minutes, 15 seconds West, 17.02 feet;

Thence South 39 degrees, 51 minutes, 57 seconds East, 26.58 feet;

Thence South 16 degrees, 23 minutes, 36 seconds East, 49.39 feet;

Thence South 31 degrees, 10 minutes, 38 seconds East, 52.62 feet;

Thence South 11 degrees, 22 minutes, 23 seconds East, 32.96 feet;

Thence South 10 degrees, 47 minutes, 21 seconds East, 38.91 feet;

Thence South 2 degrees, 53 minutes, 54 seconds West, 50.63 feet;

Thence South 3 degrees, 23 minutes, 33 seconds West, 83.08 feet;

Thence South 10 degrees, 29 minutes, 57 seconds East, 116.51 feet;

Thence South 10 degrees, 42 minutes, 00 seconds East, 93.90 feet;

Thence South 31 degrees, 45 minutes, 45 seconds East, 86.61 feet;

Thence South 16 degrees, 19 minutes, 11 seconds East, 82.55 feet;

Thence South 20 degrees, 07 minutes, 53 seconds East, 47.30 feet;

Thence South 8 degrees, 33 minutes, 37 seconds West, 41.88 feet;

Thence North 84 degrees, 03 minutes, 25 seconds West, 68.79 feet;

Thence North 60 degrees, 35 minutes, 17 seconds West, 128.31 feet;

Thence North 62 degrees, 51 minutes, 06 seconds West, 121.45 feet;

Thence North 14 degrees, 16 minutes, 14 seconds West, 113.86 feet;

Thence North 10 degrees, 34 minutes, 38 seconds West, 30.06 feet;

Thence South 69 degrees, 51 minutes, 59 seconds West, 20.72 feet;

Thence North 80 degrees, 35 minutes, 47 seconds West, 36.05 feet;

Thence North 61 degrees, 42 minutes, 50 seconds West, 43.21 feet;

Thence North 55 degrees, 22 minutes, 57 seconds, West, 26.73 feet;

Thence North 67 degrees, 57 minutes, 51 seconds West, 63.76 feet;

Thence North 59 degrees, 08 minutes, 23 seconds West, 32.18 feet;

Thence South 55 degrees, 40 minutes, 30 seconds West, 20.00 feet;

Thence South 45 degrees, 31 minutes, 46 seconds East, 38.12 feet;

to the Point of Beginning and containing approximately 25.11 acres

more or less.

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There is excepted from the foregoing description, the 50 foot right-of-way of O'Brien Road, the 50 foot right-of-way of Jimmy Lott Lane, the 30 foot right-of-way of Quail Ridge Road and the 60 foot right-of-way of Quail Ridge Boulevard.

Unofficial

SECOND SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO
DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

Book **606** Page **332**

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration,") on September 1, 1977 in Deed Book 386, Page 404 et. seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08, and the "Second Amended to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585 and as supplemented by the Supplemental Declaration Of Covenants and Restrictions to Declaration of Covenants and Restrictions ("Supplemental Declaration") recorded on June 24, 1987 in Book 503, Page 769 all in the Office of the Register of Deeds in and for Rutherford County, North Carolina subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration: and,

WHEREAS, pursuant to ARTICLE II, section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and

brought within the development plan created by the provisions the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, section 2 of the Mast Declaration, Developer wishes to bring within the plan of covenants and restrictions set forth in the Master Declaration the real property described in Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this Second Supplement Declaration the real property described in Exhibit A shall "Property" as defined in ARTICLE I, section 1 (A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. The real property described, in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living unit" becomes subject to such assessments, charges, liens in accordance with ARTICLE XI, section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the proper described in Exhibit A hereto is acceptable as an addition to Fairfield Mountains and executed this Second Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE III, section 2, of the Master Declaration, Developer hereby declares that upon, recordation of this Second Supplemental Declaration the re property described in Exhibit A shall be "Property" as defined ARTICLE I, section 1 (A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real

property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its *Senior Vice President*, attested by its *Assistant Secretary* and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 6th day of *January*, 1993

FAIRFIELD COMMUNITIES, INC.

For the purpose of indicating its approval of the foregoing Second Supplemental Declaration of Covenants and Restrictions To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its *President* and attested by its *Secretary* on this 19th day of *January*, 1993.

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION, INC.

STATE OF ARKANSAS)
) SS.
COUNTY OF PULASKI)

I, Sherry J. Soloff, a Notary Public in and for said County and State, do hereby certify that on the 6th day of *January*, 1993, before me personally came *Joe T. Gunter*, with whom I am personally acquainted, who, being by me duly sworn, says that he is the *Sr. Vice* President and that *Zeta B. Britton* is the Assistant Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said *Sr. Vice* President; that the said *Sr. Vice* President and *Assistant* Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and notarial seal this the 6th day of *January*, 1993.

Sherry J. Soloff

Notary Public

STATE OF NORTH CAROLINA)
) SS.
COUNTY OF *RUTHERFORD*)

I, *Susan Wood*, a Notary Public in and for said County and State, do hereby certify that on the 20 day of *January*, 1993, before me personally came *R. B. Kenyon*, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that *Barbara Willis* is the Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and notarial seal this the 20 day of *January*, 1993.

Susan Wood

Notary Public

STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

The foregoing Certificate of *Susan Wood* and *Sherry J. Soloff* is/are certified to be correct. This instrument was presented for registration the 29 day of *January* 1993 at 10:30 A.M. and duly recorded in the office of the Register of Deeds of Rutherford County, North Carolina in Book 606, Page 332.

This the 29 day of *January*, A.D., 1993

Faye H. Huskey
Faye H. Husket, Reg of Deeds

BY **Leo D. Hinty**
Deputy Register of Deeds

SCHEDULE "A"

DESCRIPTION OF PROPERTY

Book **606** Page **336**

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being all that area of 13.30 acres as shown on plat of survey made by Hampton Hintz & Associates, dated June 19, 1992, and of record in Plat Book 16, Page 5, Rutherford County Registry, said plat being designated "Asset Disposition Tract II-A-11 Survey for Fairfield Communities, Inc., Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina".

Subject to the Declaration of Covenants and Restrictions for Fairfield Communities, Inc., of record in Deed Book 386, Pages 404-440, Register of Deeds, Rutherford County, North Carolina, and any subsequent amendments or Supplemental Declarations pertaining thereto.

THERE IS RESERVED HOWEVER, for the benefit of Fairfield Communities, Inc., its successors and assigns, all that 50 foot wide right of way as shown on the plat of survey hereinabove referred to, which right of way is reserved for the purposes of access and the installation and maintenance of utilities.

THERE IS ALSO RESERVED, for the benefit of Fairfield Communities, Inc., its successors and assigns, all that 40 foot wide right of way as shown on the plat of survey hereinabove referred to, which right of way is reserved for access for golf course maintenance.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR APPLE VALLEY GOLF COURSE AND COUNTRY CLUB AND
BALD MOUNTAIN GOLF COURSE AND COUNTRY CLUB

BOOK 606 PAGE 770

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF RUTHERFORD)

WHEREAS, Fairfield Communities: Inc., a Delaware corporation (hereinafter referred to as the "Company") is the owner of those certain tracts of land located in Rutherford County, North Carolina, which are known as the Apple Valley Golf Course and Country Club and the Bald Mountain Golf Course and Country Club and which are more particularly described on attached Exhibit "A" (the "Property"); and

WHEREAS, for the benefit of the Company, the Association (as hereinafter defined) and the property owners that are members of the Association and for the purpose of enhancing and protecting the value, attractiveness and desirability of the Property, the Company hereby declares that all of the Property, and each part thereof shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions which shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns and shall inure to the benefit of each owner thereof.

NOW THEREFORE, for and in consideration of the premises, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company declares that the Property is and shall be held, transferred, sold, conveyed and occupied, subject at all times to the easements, covenants, conditions and restrictions, hereinafter set forth.

SECTION ONE

Definitions

As used herein, the following terms shall have the following meanings:

1. Association shall mean and refer to Fairfield Mountains Property Owners Association.

2. Company shall mean and refer to Fairfield Communities, Inc., a Delaware corporation, and its successors and assigns.

3. Declaration shall mean and refer to all covenants, conditions, restrictions, easements and obligations as set forth herein.

1. Owner shall mean and refer to the record owner, either one or more persons or entities, of fee simple title to the Property or any portion thereof, but shall not include those holding title merely as security for performance of an obligation. Owner or Owners shall include any and all persons, firms, partnerships, associations, corporations or other legal entities which possess any type of equity interest in and to the Property.

5. Property shall mean and refer to the following:

(a) The real property and improvements thereon comprising the Bald Mountain Golf Course, including, but not limited to the building or buildings which house the Bald Mountain pro shop and maintenance facilities and the driving range, all as more fully described on Exhibit "A" attached hereto as the Bald Mountain Golf Course; and

(b) The real property and improvements thereon comprising the Apple Valley Golf Course and Country Club, including but not limited to the building or buildings which house the Apple Valley Clubhouse and maintenance facilities and the driving range, all as more fully described on Exhibit "A" attached hereto as the Apple Valley Golf Course.

6. Project shall mean and refer to the Fairfield Mountains Development located in Rutherford County, North Carolina.

SECTION TWO

Easements

The Company reserves the easements described below, which easements shall be placed, located or utilized so as not to unreasonably diminish the operation of the Property as a golf course in its current configuration.

1. Utility Easements. Owner recognizes that Company is in the process of developing other property adjacent to and in the vicinity of the Property and may need various utility easements. Owner agrees to cooperate with Company to grant such easements as

are reasonably required provided that such easements do not interfere with Owner's operation or use of the Property and do not adversely impact on any improvements located on the Property. Any utilization of the easements granted or to be granted hereunder must be installed in such a manner so as to restore the appearance of the Property to its former condition prior to the installation of such easements. Company agrees to consult with Owner prior to beginning any construction necessary in connection with the grant of this easement to schedule such construction so as to minimize the disruption of the Owner's use of the Property.

2. Lagoon Maintenance Easement.

(a) Company shall have a perpetual easement for so long as the Property is required to be "used as a golf course, on, over, across and under the Property in order to maintain the lakes, drainage lagoons, holding ponds or waterways within the Property (collectively, the "Lakes") in a manner necessary to preserve the value of the property of Company being developed adjacent to the Property upon the failure of Owner to so maintain. The Company is entitled, but not obligated, to undertake any and all activities described in paragraph 2 of Section Three within the easement reserved herein.

(b) Before exercising the rights granted hereunder, Company shall notify Owner and identify the conditions that need to be corrected and Owner shall have thirty (30) days to commence such corrections and sixty (60) days to complete them. In the case of an emergency situation, Company may proceed without notice.

3. Drainage Ditch Easement.

(a) The Company reserves unto itself a perpetual, non-exclusive easement and right-of-way for ingress and egress on, over, across and under the Property in order to maintain, repair, reconstruct or connect any and all dams, drainage ditches, culverts, or spillways currently existing or which may be constructed within the Property. . The easement reserved herein shall measure twenty feet (20') in width from the top of the embankment or slope associated with such dams, drainage ditches, culverts or spillways provided that where any building or other structure is located within twenty feet (20') of the edge of such embankment or slope, the easement reserved herein shall extend only from the edge of such embankment or slope to within one (1) foot from the exterior surface of such building or structure. The easement reserved herein is to be utilized by the Company when it is necessary to maintain, repair, connect or reconstruct any and all dams, drainage ditches, culverts or spillways which are situated or constructed within the Property. The Company is entitled, but not obligated to undertake any and all activities

within the easement reserved herein necessary to maintain or preserve, safe, efficient and aesthetically acceptable drainage characteristics, flow patterns, water levels and water quality within any and all such dams, drainage ditches, culverts or spillways situated or constructed within the Property. The activities which the Company is permitted to undertake under the easement reserved herein shall include, without limitation, dredging, erosion control, debris removal, underbrush clearing, mowing, excavation, drainage pipeline installation and maintenance, bulkheading and water treatment of said dams, drainage ditches, culverts and spillways and the embankments associated therewith.

(b) Prior to the exercise and utilization of the easement rights reserved herein, the Company will give the Owner not less than thirty (30) days notice of the work intended to be done unless an emergency situation requires immediate action.

4. Golf Course Maintenance Easement. The Company reserves unto itself a perpetual non-exclusive easement and right-of-way for ingress and egress on, over, across and under the Property in order to maintain, operate, repair and reconstruct all or any part of the Property. The easement reserved herein may only be utilized by the Company where Owner has failed to maintain the golf course, and is to be utilized when it is reasonably necessary to maintain, operate, repair or reconstruct all or any part of the Property. The Company is entitled, but not obligated to, undertake any and all activities described in Paragraph 2 of Section Three within the easement reserved herein necessary to maintain, operate, repair and reconstruct the golf course on the Property. The activities which the Company is permitted to undertake under the easement reserved herein shall include, without limitation, mowing, fertilizing, sprigging, water removal, thatching, weed and pest removal and control, soil replacement, sand trap maintenance and any and all other maintenance, repair and reconstruction activities which must be undertaken in order to maintain the golf course located within the Property in a safe, efficient and aesthetically acceptable state. Before Company can exercise its rights hereunder, it must give notice to Owner of the specific failure by Owner and Owner shall have thirty (30) days to commence such corrective actions as are called for and a reasonable time to complete the same. Company acknowledges that certain events may occur which are beyond the control of Owner. If such an event occurs, Company agrees to cooperate with Owner and allow Owner as much time as is reasonably necessary to repair any damage caused by such event prior to exercising any rights granted hereunder.

5. Pedestrian Easement. The Company reserves unto itself a perpetual, non-exclusive easement and right-of-way for ingress and egress on, over and across the Property for the benefit of individuals and entities owning lots, condominium units, timeshare

intervals, homes and other interests in real property within the Project as more particularly described below. The easement reserved hereunder for the benefit of the above-described property owners within the Project shall allow and permit such individuals to walk, jog or run along the cart paths, fairways and rough areas within the Property during early morning and evening daylight hours prior to and after all golf play and maintenance activities within the Property have terminated provided such persons do not interfere with the maintenance, repair or operation of the Property. The easement reserved hereunder shall not extend to the greens, tees, lagoons, areas under repair, clubhouse facilities and maintenance areas within the Property. The easement reserved herein shall not be utilized to operate any type of bicycle, moped or motorcycle within the Property. In utilizing the easement reserved hereunder, such individuals and entities shall not interfere, hinder or cause any inconvenience to the maintenance, repair and reconstruction activities conducted within the Property, and the utilization of the easement hereunder shall not in any way obstruct, hinder or distract from the play of golf within the Property. The easement reserved hereunder shall not extend to any clubhouse, restaurant, restroom, rest area or other improved structures located and situated within the Property;

SECTION THREE

Use Restrictions and Affirmative Obligations

The following use restrictions shall apply to the Property:

1. Use of Property as Golf Course. The Property and any and all portions thereof shall be used solely and exclusively for the purpose of operating and maintaining a golf course and related facilities thereon. For the purposes of this Declaration, "golf course and other related facilities" shall mean and refer to the playing of golf within the Property, the provision of golf instruction, the sale of golf clubs, equipment, accessories, shoes and clothing, the sale of food and beverages, the rental of golf carts, clubs, and equipment, the regular and normal maintenance and repair of the golf course, clubhouse, maintenance structures and any and all equipment associated therewith and the holding of golf tournaments and golf exhibitions. No Owner or its invitees, licensees, guests, agents or employees shall be permitted to play or hit golf balls from the parcels or lots surrounding the Property. The undertaking of any recreational activities within the Property other than those directly and reasonably related to the playing of golf is prohibited without the written consent of the Company.

2. Maintenance of Golf Course and Lagoons.

(a) Owner shall take all steps necessary and incur all appropriate expenses so as to maintain, operate and repair the Property, including the greens, tees, fairways, and traps, golf cart paths, irrigation systems, drainage systems and any and all other improved facilities within the Property, at a level or standard of equal or better quality as presently exists.

(b) Owner agrees to undertake, at a minimum, each of the following activities to properly maintain the Golf Course: mowing, fertilizing, sprigging, water removal, thatching, weed and pest removal and control, soil replacement, sand trap maintenance and any and all other maintenance, repair and reconstruction activities which must be undertaken in order to maintain the golf course located within the Property in a safe, efficient and aesthetically acceptable state in accordance with the quality standards set forth herein.

(c) Owner shall additionally maintain, repair and reconstruct any and all existing or future lakes, drainage lagoons, holding ponds or waterways located within the Property. Owner shall maintain such lakes, drainage lagoons, holding ponds and waterways in a safe, efficient and aesthetically acceptable manner, and Owner shall maintain such bodies of water so that they cause no type of nuisance, inconvenience, attractive nuisance or wildlife and health hazards. Owner shall maintain and preserve safe, efficient and aesthetically acceptable water levels and water quality within any and all existing or future lakes, drainage lagoons, holding ponds or waterways situated within the Property. Owner shall be obligated to undertake any and all activities in order to preserve and maintain any and all existing and future waterways, drainage lagoons, holding ponds or waterways situated within the Property in the manner described above, including, without limitation, dredging, erosion control, debris removal, underbrush clearing, mowing, and water treatment of said drainage lagoons, holding ponds and all of the embankments associated therewith. Owner shall have a non-exclusive easement across the Fairfield Mountains common areas to the extent necessary to allow access by Owner to lakes, drainage lagoons, holding ponds or waterways located outside the Property to perform any maintenance or repair necessary to remedy conditions existing within the Property caused by the failure to perform such maintenance or repair.

(d) Where Owner fails to maintain the golf course and the facilities within the Property in the manner described above, Company shall be entitled, but shall not have the obligation, to utilize the easement described in Paragraph 4 of Section Two above, and where Owner fails to maintain the above described lagoons,

lakes, holding ponds and waterways in the manner described above, Company shall be entitled, but shall not have the obligation, to utilize the easement reserved in Paragraph 2 of Section Two above.

3. Casualty. Upon a total or partial casualty or destruction of any improvement within the Property, including greens, tees, fairways, bunkers and sand traps, the reconstruction or repair of such improvements must be undertaken in accordance with plans, specifications and schedules approved by the Company, provided, however, that no approval of any plans shall be required so long as reconstruction and repair is carried out in a manner designed to restore the Property to its prior as-built condition or designed to incorporate changes permitted by Paragraph 8 of this Section Three.

4. Service Yards and Maintenance Area. All trucks, trailers, tractors, mowers, and other golf course maintenance equipment and vehicles and all materials and supplies utilized in the normal operation and maintenance of the Property as a golf course shall be stored or placed in maintenance areas or service area which are concealed or screened from the view of adjacent roadways and surrounding parcels within the Project. The location and orientation of all maintenance areas and service yards and all landscaping and visual screening thereof shall be approved by the Company. The maintenance and repair of all golf course operation and maintenance vehicles and equipment shall be undertaken within such service yards and maintenance areas. The materials, fencing or vegetation utilized in order to screen maintenance areas and service yards from the view of adjacent roadways and surrounding parcels within the Project shall be approved by the Company or Association. Fencing, etc., existing as of the date hereof is deemed approved and acceptable.

5. Parking Lot and Golf Cart Path Maintenance. Any and all parking lots and golf cart paths constructed, maintained and operated within the Property shall be kept and maintained in a safe, clean, neat, and efficient manner. All such parking lots and golf cart paths shall be kept reasonably free and clean of leaves, limbs, excess sand and soil and any and all types of debris.

6. Golf Cart Operation. No golf carts of any kind shall be allowed or permitted to operate or travel within lots and parcels adjoining the Property. All golf carts must be operated within the boundaries of the Property and within those designated areas and easements crossing roadways located within the Project.

7. Changes to Golf Course Layout. Owner may add to, enlarge or remodel the clubhouse, restaurant, cart storage maintenance facilities and restrooms; relocate the pro shop on the Property; lengthen and/or widen tees and greens; add, delete or modify sand

traps and other hazards to improve playability, beauty of the course and ball control; add additional restroom facilities and plant trees, shrubs or flowers. Such improvements shall be made by Owner in a manner that will not adversely affect or change the Company's or the Association's members position in relation to the Golf Course. Further, Owner shall not subdivide the Golf Course and related facilities into any sub-parcels so that same may either be sold to third parties as lots, condominiums, townhouses, timeshare residential facilities or otherwise. No material change shall be made to the Clubhouse and pro shop without the consent of the Association, which consent shall not be unreasonably withheld.

8. Company Access and Nondiscrimination. Owner shall allow the Company, its lot, timeshare, townhouse and condominium property owners at the Fairfield Mountains Development and at the Company's other land and resort developments and the Company's sales guests, exchange guests, invitees, agents and employees continued use and access to the Golf Course and all related golf pro shop facilities, putting greens, driving ranges, clubhouses and restaurant facilities on a non-discriminatory basis. Owner shall not discriminate with regard to any operation of the Property or its other property as to race, sex, age, national origin, or color.

9. Reserved Membership. Owner shall reserve at no cost to the Company ten (10) annual memberships for use by the Fairfield Mountains general manager, sales manager and certain corporate officers of the Company. The Company shall provide Owner with a list of the persons entitled to use such reserved memberships at the beginning of each year. If a designated officer leaves the Company, then his or her replacement shall be entitled to use such membership.

SECTION FOUR

General provisions

1. Enforcement. Company and Association shall have the right to enforce, by any proceedings at law or in equity, all of the restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The failure of Company or Association to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of the right to do so thereafter. Company and/or Association shall have no affirmative duty to enforce the provisions of this Declaration in any way, and the failure of Company or Association to enforce the provisions of this Declaration shall not subject it to any liability arising from any type of action, claim

or proceeding by any party. In furtherance of the right reserved herein and all of the rights and reservations held by Company and Association, Company and Association hereby reserve unto themselves, their employees, agents and their successors and assigns, the right to enter upon the Property, or any portion thereof, for the purpose of inspecting the same in order to ascertain compliance with the terms and provisions of this Declaration.

2. Severability. In the event anyone or more of the covenants, restrictions, terms, phrases or clauses of this Declaration shall be declared invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

3. Duration. These Covenants shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Company for a period of twenty (20) years from the date hereof. At the expiration of the above-referenced twenty (20) year period, the provisions of this Declaration shall be automatically renewed for an additional twenty (20) years unless a majority of the Owners of the Property notify the Company in writing via certified mail thirty (30) days prior to the expiration of the twenty (20) year term then in effect.

4. Assignment. The Company shall have the right to assign to anyone or more persons, firms, corporations, partnerships or associations having a substantial interest in continuing the existing high quality environment of the Project, any and all rights, powers, titles, easements and estates reserved or given to the Company in this Declaration.

5. Amendment. The covenants, conditions, and restrictions contained in this Declaration may from time to time be amended by the recording of instruments signed by the Owner of the Property and consented to by the Company..

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WITNESS its hand and seal this 8th day of February, 1993.

FAIRFIELD COMMUNITIES, INC.,
a Delaware corporation

By: _____

Executive Vice President

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF PULASKI)

On this day before me, a Notary Public, duly commissioned, qualified and acting within and for the State and County aforesaid, appeared in person, M.E. Meachan and Kim Thompson, as Executives Vice President and Assistant Secretary of Fairfield Communities, Inc., a Delaware corporation, to me well known, and stated that they had executed the foregoing instrument for the consideration and purposes therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public on this 8th day of February, 1993.

EXHIBIT "A"

DESCRIPTION OF
BALD MOUNTAIN GOLF COURSE
AND COUNTRY CLUB PROPERTIES
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 780

The description of the Bald Mountain Golf Course and County Club Properties follow this sheet consist of the boundary description of Tract #1 (123.58 acres) designated as "Sheet A-1", (less and except from Tract #1, Exception #1 -3.30 acres, designated as "Sheet A-2"), Hole #12 designated as "Sheet A-3", Cart Path Easement #1 designated as "Sheet A-4", Cart Path Easement #2 designated as "Sheet A-5" and certain road rights of way designated as "Sheet A-6", the particular descriptions of "Sheets A-1 through A-6" being specifically set forth on the sheets hereinabove referred to.

The properties described on the above referenced "Sheets A-1 through A-6" are also depicted on a plat of survey entitled "Bald Mountain Country Club and Golf Course, Fairfield Mountains, Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina prepare by Hampton, Hintz & Associates dated January 26, 1993 and of record in Plat Book 16, at Pages 8, and 9 and 10, Rutherford County Registry.

DESCRIPTION OF
BALD MOUNTAIN GOLF COURSE
AND COUNTRY CLUB PROPERTIES
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 781

TRACT #1

Lying in the Town of Lake Lure, Rutherford County, North Carolina within the Fairfield Mountains Development and being more particular described as follows:

Beginning at an iron pipe which stands S 04 deg. 31 min. 07 sec. 1382.73 feet from a brass pin in the East end of the spillway of the dam of Bald Mountain Lake, said beginning point being the northeast corner of the Club House Site, Plat Book 8, Page 2;

Thence with the Club House Site Boundary as follows: S 02 deg. 0 min. 08 sec. E 172.58 feet to a point in the boundary of an unrecorded plat entitled 1983 Additions to the Sales Office Site, Fairfield Mountains, as described in Deed of Trust Book 301, Page 271;

Thence leaving the Club House Site Boundary with said Deed of Trust Book 301, Page 271, two calls as follows: S 50 deg. 54 min. 58 sec. 14.76 feet;

Thence S 39 deg. 05 min. 02 sec. E 19.61 feet to a point in the aforementioned Club House Site Boundary;

Thence with the Club House Site Boundary as follows: S 02 deg. 07 min 08 sec. E 136.48 feet to a railroad spike set in the pavement of The Boulevard of the Mountains;

Thence S 28 deg. 52 min. 15 sec. W 174.46 feet to a concrete monument in the shoreline of Lake Lure;

Thence with the shoreline of Lake Lure, S 88 deg. 50 min. 47 sec. 70.50 feet;

Thence N 80 deg. 07 min. 02 sec. W 112.28 feet;

Thence N 70 deg. 15 min. 09 sec. W 96.75 feet to an iron rod;

Thence leaving the Club House Site Boundary N 20 deg. 00 min. 10 sec. 15.70 feet to an iron rod; I

Thence N-20 deg. 00 min. 10 sec. E 184.73 feet to an iron rod at the back of curb of the south edge of the Bald Mountain Country Club parking lot;

Thence with the back of curb of the south edge of the Bald Mountain Country club parking lot as follow: with a curve to the right having radius of 137.50 feet, an arc length of 139.58 feet to an iron rod said Curve having a chord bearing and distance of N 70 deg. 52 min. ?? sec. W 133.67 feet;

-1-

BOOK 606 PAGE 782

Thence N 37 deg. 57 min, 58 sec. E 17.21 feet to an iron rod;

Thence N 52 deg 56 min. 17 sec. W 82.51 feet to an iron rod

Thence N 47 deg. 19 min. 11 sec. W 30.12 feet to an iron rod;

Thence N 37 deg. 51 min. 43 sec. W 68.12 feet to an iron rod;

Thence leaving the back of curb of the south edge of the Bald Mountain

Country club parking lot, N 6 deg. 46 min. 19 sec. W 25.01 feet to a railroad spike set in tile pavement of Quail Ridge Boulevard;

Thence N 35 deg. 30 min. 16 sec. W 35.90 feet to an iron rod, corner of a cemetery tract;

Thence with the boundary of the cemetery tract N 00 deg. 55 min, 5 sec. E 74.95 feet to an iron pipe;

Thence leaving the cemetery tract N 08 deg. 41 min 03 sec. E 47.42 feet to an iron pipe, the northwest corner of the Club House Site, reference Plat Book 8, Page 2;

Thence leaving the Club House Site four new lines as follows: N 51 deg 18 min. 30 sec. W 130.89 feet to an iron rod set;

Thence S 82 deg, 29 min. 00 sec. W 153.62 feet to an iron rod set;

Thence N 44 deg, 42 min. 01 sec. W 278.84 feet to an iron rod set;

Thence S 67 deg. 12 min. 17 sec. W 178.79 feet to an iron rod set;

Thence S 44 deg. 50 min. 38 sec. W 270.7 feet to an iron pipe, the Northern most corner of Lot 8, Golf Estates, Section One, Sheet One reference Plat Book 8, Page 18;

Thence with Lots 8, 9, 7, 6, 5, 4, 3, 2, 1, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 48, and 49 of said Plat as follows: S 5 deg. 23 min. 43 sec W 70.57 feet to an iron pipe;

Thence S 11 deg. 48 min. 33 sec. W 196.06 feet to an iron pipe;

Thence N 80 deg. 45 min. 18 sec. W 73.72 feet to a point, common corner of Lots 7 and 9;

Thence N 61 deg. 02 min. 50 sec. W 59.31 feet to an iron pipe;

Thence N 19 deg. 08 min. 11 sec. W 99.64 feet to an iron pipe;

Thence N 22 deg. 30 min. 58 sec. E 97.42 feet to an iron pipe found;

Thence N 30 deg. 12 min. 54 sec. E 130.33 feet to a concrete monument;

Thence N 32 deg. 32 min. 58 sec. E 141.60 feet to a concrete monument;

Thence N 08 deg. 07 min. 57 sec. E 160.78 feet to an iron pipe;

Thence N 18 deg. 43 min. 50 sec. E 155.65 feet to an iron pipe;

Thence N 73 deg. 40 min. 26 sec. W 99.17 feet to a nail;

Thence N 73 deg. 40 min. 26 sec. W 21.90 feet to a point in the center
of Gateway Drive;

Thence with the center of Gateway Drive as follows: N 37 deg. 51 min.
21 sec. E 123.35 feet;

Thence with a curve to the left having a radius of 249.55 feet, an arc
length of 112.77 feet said curve having a chord bearing and distance of
N 24 deg. 54 min. 33 sec. E 111.82 feet:

Thence leaving Gateway Drive S 83 deg. 28 min. 26 sec. W 18.90 feet to
an iron rod set;

Thence N 08 deg. 43 min. 02 sec. W 152.21 feet to an iron pipe;

Thence 11 62 deg. 28 min. 09 sec. W 179.24 feet to an iron pipe;

Thence N 82 deg. 10 min. 07 sec. W 348.25 feet to an iron pipe;

Thence S 24 deg. 53 min. 02 sec. W 307.69 feet to an iron pipe;

Thence S 40 deg. 43 min. 09 sec. W 170.88 feet to an iron pipe;

Thence N 41 deg. 43 min. 17 sec. W 92.95 feet to an iron rod set;

Thence N 33 deg. 11 min. 34 sec. W 179.58 feet to a concrete monument;

Thence N 46 deg. 22 min. 25 sec. W 166.17 feet to an iron pipe;

Thence S 54 deg. 36 min. 29 sec. W 135.91 feet to an iron pipe;

Thence S 25 deg. 59 min. 29 sec. W 129.18 feet to an iron rod set;

Thence S 16 deg. 34 min. 35 sec. E 50.69 feet to an iron rod set;

Thence S 32 deg. 23 min. 54 sec. E 263.56 feet to an iron pipe;

Thence S 22 deg. 49 min. 20 sec. E 309.42 feet to an iron pipe;

Thence S 31 deg. 54 min. 59 sec. E 150.23 feet to an iron pipe;

Thence S 31 deg. 54 min. 59 sec. E 34.78 feet to a point in Huntington
Road;

Thence with Huntington Road with a curve to the right having a radius of 1165.00 feet, an arc length of 52.22 feet to the point, common corner of Lots 21 and 22 in the center of a 30-foot Golf Trail Easement described hereinafter, leading from Tract Two of this description, said curve having a chord bearing and distance of N 78 deg. 40 min. 16 sec. W 52.21 feet;

Thence with a curve to the left having a radius of 103.08 feet, an arc length of 23.54 feet to a point, said curve having a chord bearing and distance of N 83 deg. 55 min. 50 sec. W 23.49 feet;

Thence leaving Huntington Road N 45 deg. 54 min. 17 sec. W 19.79 feet to an iron rod set;

Thence N 45 deg. 54 min. 17 sec. W 152.24 feet to an iron pipe;

Thence N 29 deg. 17 min. 00 sec. W 132.33 feet to an iron pipe;

Thence N 44 deg. 35 min. 19 sec. W 161.19 feet to an iron rod set;

Thence N 39 deg. 51 min. 52 sec. W 189.77 feet to an iron rod set;

Thence N 09 deg. 35 min. 31 sec. W 172.19 feet to an iron pipe, common corner of Lot 49 Golf Estates, Section I, Sheet I, reference Plat Book 8, Page 18, and Lot 80, Golf Estates, Section I, Sheet II, reference Plat Book 8, Page 16;

Thence with lines of Lots 80, 81, 82, 83, 84, 85, 86, 87, 89 and 90 of Golf Estates, Section I, Sheet II, reference Plat Book 8, Page 16 as follows N 26 deg. 15 min. 31 sec. E 184.09 feet to an iron pipe;

Thence N 19 deg. 05 min. 15 sec. E 167.79 feet to an iron pipe;

Thence N 33 deg. 04 min. 32 sec. W 132.21 feet to an iron pipe;

Thence N 35 deg. 40 min. 39 sec. W 56.58 feet to an iron pipe;

Thence N 40 deg. 07 min. 57 sec. W 103.55 feet to an iron pipe;

Thence S 63 deg. 15 min. 16 sec. W 48.26 feet to an iron pipe;

Thence N 42 deg. 21 min. 36 sec. W 225.72 feet to an iron pipe;

Thence N 49 deg. 14 min. 46 sec. W 199.80 feet to an iron pipe;

Thence N 56 deg. 37 min. 01 sec. W 159.97 feet to an iron pipe;

Thence N 55 deg. 59 min. 35 sec. W 143.73--feet--to-an-!-ron-pipe;

Thence N 35 deg. 39 min. 41 sec. W 177.11 feet to an iron pipe;

Thence N 26 deg. 04 min. 38 sec. W 229.99 feet to an iron pipe;

Thence N 42 deg. 40 min. 50 sec. W 188.34 feet to an iron pipe in the north line of Lot 90;

Thence N 42 deg. 40 min. 50 sec. W 24.95 feet to a point in the center of the right-of-way of Grandview Drive;

Thence leaving said Lot 90 with the centerline of the right-of-way of said Grand view Drive, with a curve to the left having a radius of 151.83 feet, an arc length of 95.06 feet, said curve having a chord bearing and distance of N 07 deg. 39 min. 06 sec. E 93.57 feet;

Thence leavillg the centerline of the right-of-way of Grandview Drive 45 deg. 40 min. 37 sec. E 59.97 feet to an iron rod;

Thence N 45 deg. 40 min. 37 sec. E 41.23 feet to an iron rod found in the center of a creek in the southern boundary of Well Site #1 and as shown on survey for Mountain Utilities Company, reference Plat Book 15, Page 17;

Thence with Mountain utilities Company, reference plat Book 15, Page 17, and the center of said creek S 62 deg. 32 min. 38 sec. E 31.?? feet to an iron rod set;

Thence S 57 deg. 18 min. 34 sec. E 107.36 feet to an iron rod found;

Thence S 36 deg. 27 min. 35 sec. E 81.72 feet to an iron rod found;

Thence leaving the creek S 76 deg. 07 min. 53 sec. E 64.02 feet to an iron pipe found;

Thence S 68 deg. 09 min. 24 sec. E 89.73 feet to an iron pipe, the southwest corner of Lot 88, Sheet 2, Revised 1978 Additions - Golf Estates II, reference Plat Book 10, Page 118;

Thence leaving Mountain utilities Company, reference plat Book 15, Page 17, and with the south line of Lot 88 and Lot 87 of Revised 19?? Additions, Golf Estates II, reference Plot Book 10, Page 118, S 43 deg. 55 min. 09 sec. E 187.42 feet to a concrete monument;

Thence S 65 deg. 21 min. 57 sec. E 132.07 feet to a concrete monument a common corner of Lot 87, Sheet 2, Revised 1978 Additions - Golf Estates II, reference Plat Book 10, Page 118, and Lot 85, Sheet ??. Revised 1978 Additions - Golf Estates II, reference Plat Book 10, Page 117;

Thence with the lines of Lots 85, 84, 83, 82, 81, 80, 79, 78, 77,76, 75, 74, 73, 72, 71 and 70 of Sheet 1, 1978 Additions - Golf Estates I reference Plat Book 10, Page 117 as follows: S 30 deg. 27 min. ?? sec. E 197.15 feet to a concrete monument;

Thence S 48 deg. 21 min. 32 sec. E 240.85 feet to an iron pipe;

Thence S 23 deg. 12 min. 28 sec. E 152.31 feet to an iron pipe;

Thence S 44 deg. 36 min. 11 sec E 273.60 feet to an iron pipe;

Thence S 60 deg. 51 min. 39 sec. E 175.03 feet to an iron pipe;

Thence N 81 deg. 14 min. 59 sec. E 263.05 feet to an iron pipe;

Thence N 79 deg. 58 min. 54 sec: E 172.63 feet to an iron pipe;

Thence S 84 deg. 51 min. 24 sec. E 221.18 feet to an iron pipe;

Thence N 80 deg. 44 min. 33 sec. E 187.42 feet to an iron pipe;

Thence N 05 deg. 19 min. 08 sec. E 160.69 feet to a concrete monument found;

Thence N 16 deg. 09 min. 52 sec. W 197.80 to a concrete monument found

Thence N 09 deg. 12 min. 38 sec. W 187.33 feet to an iron pipe;

Thence N 10 deg. 18 min. 27 sec. W 167.72 feet to an iron rod set;

Thence N 16 deg. 42 min. 32 sec. W 208.74 feet to an iron rod set;

Thence N 12 deg. 13 min. 16 sec. W 189.16 feet to an iron rod set;

Thence N 08 deg. 03 min. 21 sec. W 178.67 feet to an iron pipe, common corner of Lot 70, Sheet 1, Revised 1978 Additions - Golf Estates I reference Plat Book 10, Page 117, and Lot 69, Sheet 2, Revised 19?? Additions - Golf Estates II, reference Plat Book 10, page 118;

Thence leaving the boundary of Golf Estates II and with the boundary John V. DeHaven and wife Cynthia A. DeHaven, reference Deed Book 54 Page 825 as follows: N 75 deg. 09 min. 48 sec. E 30.19 feet to an iron pipe;

Thence N 35 deg. 17 min. 37 sec. W 47.11 feet;

Thence N 28 deg. 38 min. 09 sec. W 43.54 feet;

Thence N 25 deg. 35 min. 36 sec. W 133.62 feet;

Thence N 30 deg. 32 min. 00 sec. W 27.28 feet;

Thence 41 deg. 57 min. 00 sec. W 8.10 feet to an iron pipe;

Thence S 50 deg. 26 min. 54 sec. W 56.85 feet to an X on a rock, at northeast corner of the aforementioned Lot 69, Golf Estates II reference Plat Book 10, Page 118;

Thence leaving Lot 69 a new line N 28 deg. 22 min. 26 sec. E 136.2? feet to an iron rod, the easternmost corner of a 5.1 acre tract Shown on Plat of Survey of Property of Rolland L. King, Farm Entrance Tract reference Plat Book 8, Page 32;

Thence N 18 deg. 40 min. 44 sec. W 93.00 feet to the easternmost corner of the property of Rolland L. King, Small House Tract, reference Plat Book 8, Page 15;

Thence with property of Rolland L. King, Small House Tract, reference Plat Book 8, Page 15, two calls as follows: N 18 deg. 40 min. 44 sec. W, 162.09 feet to an iron pipe; i

Thence N 69 deg. 59 min. 47 sec. W, 82.80 feet to an iron pipe, the southeast corner of Lot 1, Sheet I, Deerfield Section, reference Plot Book 10, Page 128;

Thence with lines of Lots 1, 19, 20, 21, 22, 23, 24, 26 and 27 of said plat as follows: N 29 deg. 18 min. 08 sec. W, 193.80 feet to an iron pipe;

Thence N 06 deg. 38 min. 15 sec. E 196.36 feet to an iron pipe;

Thence N 07 deg. 41 min. 41 sec. W 231.84 feet to a concrete monument;

Thence N 13 deg. 17 min. 29 sec. W 158.00 feet to a concrete monument;

Thence N 11 deg. 37 min. 42 sec. W 158.15 feet to an iron pipe;

Thence N 00 deg. 21 min. 05 sec. W 49.58 feet to an iron pipe;

Thence N 05 deg. 34 min. 05 sec. E 35.67 feet to an iron rod set;

Thence N 05 deg. 34 min. 05 sec. E 44.36 feet to an iron rod set;

Thence N 10 deg. 00 min. 40 sec. E 27.60 feet to an iron pipe;

Thence N 41 deg. 36 min. 31 sec. E 53.14 feet to an iron pipe;

Thence N 20 deg. 13 min. 14 sec. W 186.82 feet to an iron pipe;

Thence N 09 deg. 59 min. 58 sec. E 127.03 feet to an iron pipe;

Thence N 25 deg. 57 min. 44 sec. E 197.17 feet to an iron pipe, common corner of Lot 27, Sheet 1, Deerfield Section, reference Plat Book 10, Page 128 and Lot 28, Sheet 2, Deerfield Section, Plat Book 10, Page 129;

Thence with Lot 28 two calls as follow: N 18 deg. 51 min. 42 sec. ? 148.39 feet to an iron pipe;

Thence N 09 deg. 53 min. 30 sec. W 39.71 feet to a point in Roundabout Road:

Thence leaving Roundabout Road a new line N 62 deg, 31 min. 45 sec. E 258.17 feet to an iron rod set, the northwest corner of Revised Phase VII, Section A, Fox Run Townhouses, reference Plat Book 13, Page 17;

Thence with Revised Phase VII, Section A, Fox Run Townhouses, reference Plat Book 13, Page 17, S 40 deg. 37 min. 14 sec. E 181.92 feet to an iron pipe, the northwest corner of Revised Phase VI, Fox Run Townhouses, reference Plat Book 12, Page 97;

Thence with Revised Phase VI, Fox Run Townhouses, reference Plat Book 12, Page 97, S 40 deg. 37 min, 14 sec. E 135.23 feet to an iron pipe;

Thence S 10 deg. 49 min. 45 sec. W 166.37 feet to an iron pipe;

Thence continuing S 10 deg, 49 min. 45 sec. W 170.00 feet to an iron pipe, the northwest corner of Revised Phase V, section B, Fox Run Townhouses, reference Plat Book 12, Page 59;

Thence with Revised Phase V, section B, Fox Run Townhouses, reference Plat Book 12, Page 59, S 10 deg. 49 min. 45 sec. W 243.14 feet to an iron rod set, the northwest corner of Revised Phase V, Section A, Fox Run Townhouses, reference Plat Book 12, Page 47;

Thence with Revised Phase V, Section A, Fox Run Townhouses, reference Plat Book 12, Page 47, S 10 deg. 49 min. 45 sec. W 127.83 feet to an iron pipe;

Thence S 04 deg. 07 min. 45 sec. W 230.55 feet to an iron rod set;

Thence S 07 deg. 02 min. 57 sec. E 188.08 feet to an iron rod set, the northwest corner of Revised Phase IV, Tract C, Fox Run Townhouses, reference Plat Book 12, Page 44;

Thence with Fox Run, Phase IV C. reference Plat Book 12, Page 44, as follows S 07 deg. 02 min. 57 sec. E 207.12 feet to an iron pipe;

Thence S 34 deg. 03 min. 28 sec. E 292.88 feet to the northwest corner of Fox Run, Phase IV B, reference Plat Book 12, Page 43;

Thence with Fox Run, Phase IV B, reference Plat Book 12, Page 43, as follows S 07 deg. 18 min. 33 sec. W 36.95 feet to a manhole;

Thence S 03 deg. 10 min. 34 sec. E 68.09 feet to a manhole;

Thence S 18 deg. 13 min. 05 sec. E 141.01 feet to a manhole;

Thence S 28 deg. 17 min. 29 sec. E, 95.29 feet to an iron rod;

Thence S 38 deg. 28 min. 47 sec. E 37.70 feet to the northwest corner of Tract A, Phase III, Fox Run Townhouses, reference Plat Book 11, Page 114;

Thence with Tract A, Phase III, Fox Run Townhouses, reference Plat Book 11, Page 114, as follows S 38 deg. 28 min. 47 sec. E 160.00 feet to an iron pipe;

Thence S 43 deg. 34 min. 47 sec. E 27.88 feet to an iron pipe;

Thence N 24 deg. 50 min. 47 sec. E 7.34 feet to an iron rod, the southwest corner of Exhibit A-5, Condominium "C", reference Plat Book 8, Page 76;

Thence leaving said Fox Run, Phase III A, and with said Exhibit A-5 S 46 deg. 55 min. 53 sec. E 164.43 feet to an iron pipe, the southwest corner of Exhibit A-4, Condominium "C", reference Plat Book 8, Page 75;

Thence leaving said Exhibit A-5 and with said Exhibit A-4 and Exhibit A-3, Condominium "C", reference Plat Book 8, Page 74 S 53 deg. 28 min. 15 sec. E 258.92 feet to an iron pipe, the southeast corner of said Exhibit A-3;

Thence with said Exhibit A-3 N 47 deg. 28 min. 18 sec. E 16.97 feet to an iron pipe, the southwest corner of Exhibit A-2, Condominium "c", reference Plat Book 8, Page 73;

Thence leaving said Exhibit A-3 and with the south line of said Exhibit A-2 S 40 deg. 54 min. 14 sec. E 186.00 feet to an iron pipe;

Thence leaving Exhibit A-2 N 69 deg. 31 min. 49 sec. E 51.72 feet crossing Westlake Drive to a point in the east right-of-way of Westlake Drive, said point being a corner of the Revised Mountain Loft Subdivision, reference Plat Book 11, Page 12;

Thence with Revised Mountain Loft Subdivision, reference Plat Book 11, Page 12, and eastern right-of-way of Westlake Drive, as follows: S 01 deg. 39 min. 59 sec. W 58.03 feet;

Thence with a curve to the right having a radius of 3010.26 feet an arc length of 149.21 feet, said curve having a chord bearing and distance of S 03 deg. 05 min. 10 sec. W 149.20 feet;

Thence S 04 deg. 30 min. 23 sec. W 69.05 feet to an iron pipe, the northwest corner of Condominium "B" Property, reference Plat Book 8, Page 53;

Thence with Condominium "B" Property, reference Plat Book 8; Page 53, and continuing with the eastern right-of-way of Westlake Drive as follows: S 04 deg. 30 min. 23 sec. W 140.16 feet;

Thence with a curve to the left having a radius of 120.22 feet, an arc length of 53.90 feet, said curve having a chord bearing and distance of S 08 deg. 20 min. 18 sec. E 53.45 feet to an iron pipe, the northwest corner of Condominium "A" Property, reference Plat Book 8, Page 28;

Thence with Condominium "A" Property, reference Plat Book 8, Page 28, and continuing with the eastern right-of-way of Westlake Drive S 19 deg. 43 min. 41 sec. E 274.00 feet;

Thence with a curve to the left having a radius of 75.00 feet, an arc length of 61.71 feet, said curve having a chord bearing and distance of S 43 deg. 17 min. 56 sec. E 59.98 feet to an iron pipe, the northwest corner of Condominium "B" Property, reference Plat Book 8, Page 54;

Thence with Condominium "B" Property, reference Plat Book 8, Page 54, and continuing with the eastern right-of-way of Westlake Drive S 74 deg. 31 min. 22 sec. E 59.29 feet;

Thence with a curve to the right having a radius of 290.92 feet, an arc length of 157.54 feet, said curve having a chord bearing and distance of S 59 deg. 00 min. 33 sec. E 155.62 feet to an iron pipe;

Thence a new line crossing Westlake Drive N 87 deg. 34 min. 36 sec. W 65.20 feet to an iron pipe, the northeast corner of Exhibit A-1, Condominium "C", reference Plat Book 8, Page 72;

Thence with said Exhibit A-1 as follows: S 35 deg. 59 min. 35 sec. W 51.02 feet to an iron rod set;

Thence S 41 deg. 46 min. 39 sec. E 85.00 feet to an iron pipe;

Thence S 49 deg. 24 min. 43 sec. E 200.32 feet to an iron pipe, at corner of Fairway Villas II, reference Plat Book 11, Page 86;

Thence with Fairway Villas II, reference Plat Book 11, Page 86, S 5* deg. 51 min. 41 sec. W, 70.00 feet to an iron pipe;

Thence S 30 deg. 18 min. 25 sec. E 92.00 feet to an iron pipe;

Thence S 20 deg. 59 min. 25 sec. E 610.47 feet to an iron pipe;

Thence N 64 deg. 26 min. 40 sec. E 200.75 feet to an iron pipe;

Thence with a curve to the left having a radius of 59.00 feet, an arc length of 113.78 feet, said curve having a chord bearing and distance of N 09 deg. 11 min. 45 sec. E 96.95 feet to an iron pipe;

Thence leaving Fairway Villas II, reference Plat Book 11, Page 86, N 4 deg. 56 min. 38 sec. E 44.00 feet. to all iron rod;

Thence S 23 deg. 25 min. 45 sec. E 147.43 feet to an iron rod;

Thence S 16 deg. 23 min. 41 sec. E 95.82 feet to an iron rod;

Thence S 11 deg. 29 min. 32 sec. E 89.60 feet to an iron rod;

Thence S 29 deg. 05 min. 26 sec. W 139.83 feet to an iron rod being the northeast corner of Fairfield Volunteer Fire Department, reference Plat Book 12, Page 125;

Thence with the Fairfield Volunteer Fire Department plat as follows: 48 deg. 39 min. 39 sec. W 16.01 feet to an iron rod;

Thence S 86 deg. 22 min. 40 sec. W 90.00 feet to an iron rod;

Thence S 06 deg. 12 min. 09 sec. E 102.73 feet to an iron pipe;

Thence N 88 deg. 47 min. 55 sec. E 51.09 feet to an iron pipe;

Thence a new line S 08 deg. 13 min. 44 sec. W 450.19 feet to an iron pipe, the northeast corner of the 1983 Additions to the Sales Office Site Property, reference Deed of Trust Book 301, Page 271;

Thence with Deed of Trust Book 301, Page 271, N 83 deg. 11 min. 55 sec. W 185.05 feet to an iron pipe;

Thence a new line N 84 deg. 28 min. 41 sec. W 32.62 feet to the Point of Beginning. Containing 123.58 Acres.

"Sheet A-2"

EXCEPTIONS FROM TRACT # 1
BALD MOUNTAIN
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

EXCEPTION #1

BOOK 606 PAGE 792

That property of Trout Stream Villas shown on EXHIBIT A-1 TROUT STREAM VILLAS, reference Plat Book 9, Page 7, and EXHIBIT A-2 TROUT STREAM VILLAS, reference Plat Book 9, Page 8, being more particularly described as follows:

Beginning at an iron pipe, the southeast corner of Plat Book 9, Page 7 near the west edge of pavement of the Boulevard of THE MOUNTAINS, said iron pipe stands N 70 deg. 14 min. 45 sec. W 873.26 feet from a brass pin in the East end of the spillway of the Dam of Bald Mountain Lake:

Thence from said beginning point S 74 deg. 37 min. 00 sec. W 49.99 feet to an iron pipe;

Thence S 77 deg. 56 min. 00 sec. W 26.39 feet to an iron rod set;

Thence N 31 deg. 12 min. 00 sec. W 209.20 feet to an iron rod set;

Thence N 38 deg. 28 min. 00 sec. W 104.77 feet to an iron rod set;

Thence N 47 deg. 59 min. 00 sec. W 257.44 feet to an iron rod found;

Thence N 58 deg. 38 min. 00 sec. W 111.77 feet to an iron rod set;

Thence N 04 deg. 02 min. 00 sec. W 346.93 feet to an iron rod near the west edge of pavement of the Boulevard of The Mountains, the northeast corner of Plat Book 9, Page 8;

Thence with said right-of-way S 44 deg. 19 min. 00 sec. E 514.01 feet to an iron rod;

Thence S 36 deg. 58 min. 00 sec. E 75.21 feet to an iron rod;

Thence S 30 deg. 45 min. 00 sec. E 99.97 feet to an iron rod found;

Thence S 26 deg. 36 min. 00 sec. E 100.12 feet to an iron rod found;

Thence S 22 deg. 11 min. 00 sec. E 100.32 feet to an iron rod found;

Thence S 15 deg. 47 min. 00 sec. E 49.66 feet to an iron rod found;

Thence S 05 deg. 20 min. 00 sec. E 75.16 feet to the Point of Beginning.

Containing 3.30 Acres.

"Sheet A-3"

BOUNDARY SURVEY
BALD MOUNTAIN
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

HOLE # 12

BOOK 606 PAGE 793

Being Hole Number 12 of the Fairfield Mountains Golf Course and being more particularly described as follows:

Beginning at a point in the center of Laurel Loop, the common corner of Lots 10 and 11 of Golf Estates Section I, Sheet I, reference Plat Book 8, Page 18, said point being the south end of Cart Path Easement #1;

Thence with lines of Lots 11, 13, 14, 15, 17, 22, 23, 6 and 7 as follows:

With the center of Laurel Loop with a curve to the right having a radius of 86.76 feet, an arc length of 72.54 feet, said curve having a chord bearing and distance of 20 deg. 23 min. 15 sec. W 70.44 feet;

Thence with a curve to the right having a radius of 75.05 feet, an arc length of 74.72 feet, said curve having a chord bearing and distance of S 72 deg. 51 min. 49 sec. W 71.67 feet.

Thence with a curve to the right having a radius of 247.20 feet, an arc length of 17.81 feet to the intersection of Watergate Road, said curve having a chord bearing and distance of N 76 deg. 33 min. 00 sec. W 17.80 feet;

Thence continuing with the centerline of Laurel Loop, with a curve to the right having a radius of 247.20 feet, an arc length of 89.88 feet, said curve having a chord bearing and distance of N 64 deg. 04 min. 14 sec. W 89.38 feet;

Thence with a curve to the right having a radius of 247.20 feet, an arc length of 92.78 feet, said curve having a chord bearing and distance of N 42 deg. 54 min. 12 sec. W 92.23 feet;

Thence with a curve to the left having a radius of 33.68 feet, an arc length of 55.19 feet, said curve having a chord bearing and distance of N 79 deg. 05 min. 20 sec. W 49.22 feet;

Thence with a curve to the left having a radius of 81.24 feet, an arc length of 52.96 feet, said curve having a chord bearing and distance of S 35 deg. 17 min. 31 sec. W 52.02 feet;

Thence with a curve to the left having a radius of 52.00 feet, an arc length of 7.58 feet, said curve having a chord bearing and distance of N 14 deg. 28 min. 00 sec. E 7.57 feet;

Thence N 08 deg. 10 min. 23 sec. E 95.40 feet;

Thence with a curve to the right having a radius of 20.21 feet, an arc length of 23.11 feet, said curve having a chord bearing and distance of N 10 deg. 55 min. 57 sec. E 21.87 feet;

Thence leaving Laurel Loop N 16 deg. 18 min. 21 sec. W 19.16 feet to an iron rod set;

Thence N 55 deg. 54 min. 11 sec. W 121.30 feet to an iron rod set;

Thence N 55 deg. 28 min. 14 sec. W 146.86 feet to an iron pipe, common corner of Lots 17 and 22, said iron pipe being the south end of Cart Path Easement #2;

Thence N 20 deg. 09 min. 30 sec. E 78.41 feet to an iron rod set;

Thence N 65 deg. 29 min. 41 sec. E 85.45 feet to an iron rod set;

Thence N 81 deg. 28 min. 30 sec. E 73.58 feet to an iron pipe;

Thence N 79 deg. 44 min. 00 sec. E 70.81 feet to an iron pipe;

Thence N 82 deg. 01 min. 42 sec. E 41.22 feet to a point in Laurel Loop;

Thence with Laurel Loop S 20 deg. 24 min, 52 sec. E 149.10 feet;

Thence with a curve to the left having a radius of 392.58 feet, an arc length of 70.15 feet, said curve having a chord bearing and distance of S 25 deg. 32 min. 10 sec. E 70.06 feet;

Thence with a curve to the left having a radius of 392.58 feet, an arc length of 81.92 feet, said curve having a chord bearing and distance of S 36 deg. 37 min. 48 sec. E 81.77 feet;

Thence S 42 deg. 36 min. 30 sec. E 128.78 feet;

Thence with a curve to the right having a radius of 86.76 feet, an arc length of 59.13 feet, said curve having a chord bearing and distance of S 23 deg. 05 min. 03 sec. E 57.99 feet to the Point of Beginning.

Containing 2.84 Acres.

"Sheet A-4"

BOUNDARY DESCRIPTION
BALD MOUNTAIN
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 795

CART PATH EASEMENT #1

Being a 30-foot wide Golf Trail easement leading from tract #1 to Hole #12 the centerline of which is described as follows:

Beginning at a point in tract #1, a common corner of Lots 7 and 9 of Golf Estates - Section 1, Sheet ? , reference Plat Book 8, Page 18, which marks the beginning of a 30-foot Golf Trail easement leading to Hole #12

Thence from said beginning point with a curve to the right having a radius of 151.08 feet, an arc length of 179.87 feet, said curve having a chord bearing and distance of S 19 deg. 55 min. 00 sec. E 169.43 feet;

Thence with a curve to the right having a radius of 250.00 feet, an arc length of 90.41 feet, said curve having a chord bearing and distance of S 24 deg. 33 min. 03 sec. W 89.92 feet;

Thence with a curve to the right having a radius of 250.00 feet, an arc length of 51.37 feet, said curve having a chord bearing and distance of S 40 deg. 47 min. 55 sec. W 51.28 feet to the common corner of Lots 10 and 11 of Golf Estates, Section I, Sheet I, reference Plat Book 8, Page 18 and being the end of the 30-foot Golf Trail easement.

"Sheet A-5"

BOUNDARY DESCRIPTION
BALD MOUNTAIN
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 796

CART PATH EASEMENT #2

Being a 30-foot wide Golf Trail easement leading from Hole #12 to Tract #1, the center of which is described as follows:

Beginning at an iron pipe found in, Hole #12, a common corner of Lots 17 and 22, Golf Estates, Section I, Sheet I, reference Plat Book 8 Page 18, which marks the beginning of a 30 foot Golf Trail easement leading to Tract #1;

Thence from said beginning point N 52 deg. 41 min. 32 sec. W 122.69 feet;

Thence N 22 deg. 21 min. 41 sec. W 201.91 feet;

Thence N 35 deg. 01 min. 21 sec. W 38.05 feet to the common corner of Lots 21 and 22 of Golf Estates, Section I, Sheet I, reference Plat Book 8, Page 18 and being the end of the 30-foot Golf Trail easement.

"Sheet A-6"

BOUNDARY DESCRIPTION
BALD MOUNTAINS
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 797

ROAD RIGHTS OF WAY

All right title and interest of Fairfield Communities, Inc. in and to all those public and private road rights of way crossing or forming the boundaries of Tract #1, Hole #12, Cart Path Easement #1 and Cart Path Easement #2, all of which are shown and depicted on the plat of Bald Mountain Country Club and Golf Course of record in Plat Book 16, at Pages 8, 9 and 10, Rutherford County Registry. There is also conveyed the non-exclusive right to use all road rights of way outside the boundaries of Tract #1, Hole #12, Cart Path Easement #1 and Cart Path Easement #2.

FAIRFIELD COMMUNITIES, INC. RESERVES HOWEVER, unto itself, its successors and assigns for the benefit of remaining properties of Fairfield Communities, Inc. and for the benefit of other property owners in the Fairfield Communities (Fairfield Mountains) regime, the use of all road rights of way for the purpose of ingress, egress and regress.

"Exhibit A"

DESCRIPTION OF
APPLE VALLEY GOLF COURSE
AND COUNTRY CLUB PROPERTIES
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 798

PARCEL ONE

The description of the Apple Valley Golf Course and Country Club Properties following this sheet consists of the boundary description of Tract #1 (191.33 acres) designated as "Sheet A-1", (less and except from Tract #1, Exception #1 -16.50 acres designated as "Sheet A-2"), Cart Path Easement #1 designated as "Sheet A-3" and Cart Path Easement #2 designated as "Sheet A-4", and certain road rights of way designated as "Sheet A-5", the particular descriptions of "Sheets A-1 through A-5" being specifically set forth on the sheets hereinabove referred to.

The properties described on the above referenced "Sheets A-1 through A-5" are also depicted on a plat of survey entitled "Survey of Apple Valley Country Club and Golf Course, Fairfield Mountains, Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina prepared by Hampton, Hintz and Associates dated January 26, 1993 and of record in Plat Book 16 , at Pages 13, 14 and 15, Rutherford County Registry.

PARCEL TWO

All that 1.80 acre Maintenance area and rights of way as described on "Sheet A-6" attached hereto.

"Sheet A-1"

BOUNDARY DESCRIPTION
APPLE VALLEY COUNTRY CLUB AND GOLF COURSE
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 799

TRACT #1

Lying in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, within the Fairfield Mountains Development and being more particularly described as follows:

BEGINNING on an iron pipe, in the western boundary of Fairfield Communities, Inc., formerly Fairfield Mountains, reference Deed Book 446, Page 638, said iron pipe being the westernmost corner of Lot #62 of Apple Valley, Phase III, Section B, reference Plat Book 13, Page 87:

Thence with the southern lines of Lot 62, Apple Valley, Phase III, Section B, reference Plat Book 13, Page 87 as follows: S 22 deg. 00 min. 28 sec. E 133.71 feet;

Thence N 78 deg. 02 min. 20 sec. E 172.40 feet to an iron pipe;

Thence N 75 deg. 26 min. 46 sec. E 71.44 feet to the centerline of the right-of-way of Elliot Court;

Thence leaving the centerline of the right-of-way of Elliot Court and with the west lines of Lots 60, 59, 58, 57 and 56, Apple Valley, Phase III Section B, reference Plat Book 13, Page 87 as follows: S 46 deg. 27 min. 40 sec. E 44.63 feet to an iron pipe;

Thence S 32 deg. 47 min. 26 sec. E 61.26 feet to a concrete monument;

Thence S 31 deg. 24 min. 54 sec. E 206.64 feet to an iron pipe;

Thence S 45 deg. 14 min. 58 sec. E 59.14 feet to an iron pipe;

Thence S 07 deg. 36 min. 33 sec. W 38.27 feet to an iron pipe;

Thence S 26 deg. 10 min. 41 sec. W 95.18 feet to an iron pipe, the northwest corner of Lot 56;

Thence S 11 deg. 54 min. 21 sec. W 227.31 feet to a concrete monument, the southwest corner of Lot 56;

Thence with the west lines of Lots 55, 54, 53, 43, 42, 41 and 40, Apple Valley, Phase III, Section B, reference Plat Book 13, Page 86 as follows: S 13 deg. 44 min. 11 sec. W 59.59 feet to an iron pipe;

Thence S 20 deg. 33 min. 50 sec. E 129.19 feet to an iron pipe;

Thence S 04 deg. 48 min. 54 sec. E 132.55 feet to a concrete monument;

Thence S 31 deg. 08 min. 47 sec. W 132.62 feet to an iron pipe;

Thence S 32 deg. 17 min. 40 sec. W 205.12 feet to an iron pipe;

Thence S 32 deg. 10 min. 36 sec. W. 150.21 feet to an iron pipe;

Thence S 32 deg. 06 min. 32 sec. W 85.93 feet to an iron pipe;

Thence S 21 deg. 34 min. 08 sec. E 95.60 feet to a concrete monument, the southwest corner of Lot 40;

Thence with the west lines of lots 39, 38, 37 36, 35, 34 and 33 and the south lines of Lots 32, 31 and 30 as follows: S 21 deg. 23 min. 14 sec. E 170.81 feet to an iron pipe, the northwest corner of Lot 38;

Thence S 21 deg. 27 min. 09 sec. E 63.51 feet to an iron pipe;

Thence S 04 deg. 51 min. 56 sec. W 119.70 feet to an iron pipe;

Thence S 16 deg. 16 min. 06 sec. W 192.87 feet to a concrete monument;

Thence S 12 deg. 24 min. 51 sec. W 161.02 feet to an iron rod;

Thence S 17 deg. 50 min. 49 sec. W 102.72 feet to an iron rod;

Thence S 21 deg. 59 min. 51 sec. W 78.50 feet to an iron pipe;

Thence S 13 deg. 34 min. 13 sec. W 177.91 feet to an iron pipe;

Thence S 13 deg. 07 min. 53 sec. W 159.73 feet to a concrete monument;

Thence S 40 deg. 02 min. 05 sec. E 61.88 feet to an iron pipe;

Thence S 44 deg. 11 min. 46 sec. E 171.58 feet to a concrete monument;

Thence N 71 deg. 11 min. 46 sec. E 84.53 feet to an iron pipe;

Thence N 83 deg. 15 min. 42 sec. E 214.62 feet to an iron pipe;

Thence S 81 deg. 49 min. 44 sec. E 58.25 feet to an iron pipe;

Thence N 74 deg. 48 min. 22 sec. E 206.40 feet to a concrete monument;

Thence N 69 deg. 05 min. 45 sec. E 38.38 feet to a point in the centerline of the right-of-way of Winesap Boulevard.

Thence with the centerline of the right-of-way of Winesap Boulevard S 71 deg. 08 min. 19 sec. E 205.01 feet to a point at the intersection of State Road 1308 a/k/a Winesap Boulevard, said point being in the eastern boundary of Fairfield Communities, Inc., formerly Fairfield Mountains, Inc., reference Deed Book 426, Page 538, Tract 2

Thence with Winesap Boulevard, State Road, 1308 S 51 deg. 06 min. 19 sec. E 65.54 feet;

Thence leaving said road and the eastern boundary of Fairfield Communities, Inc., S 51 deg. 54 min. 40 sec. W 34.79 feet to an iron rod, the northeast corner of Lot 29, Apple Valley, Phase III, Section A, reference Plat Book 13, Page 83.;

Thence with the north lines of Lots 29, 28, 27, 26 and 25, and the west lines of Lots 25, 24, 22, 21, 20 and 19, Apple Valley, Phase III, Section A, reference Plat Book 13, Page 83, as follows: S 51 deg. 54 min. 40 sec. W 107.27 feet to an iron pipe;

Thence S 81 deg. 36 min. 40 sec. W 21.24 feet to an iron pipe;

Thence S 81 deg. 36 min. 40 sec. W 168.63 feet to a concrete monument;

Thence S 83 deg. 19 min. 15 sec. W 124.12 feet to an iron pipe;

Thence S 81 deg. 32 min. 33 sec. W 204.35 feet to an iron pipe;

Thence S 68 deg. 54 min. 01 sec. W. 78.08 feet to a concrete monument;

Thence S 15 deg. 18 min. 36 sec. W 204.40 feet to an iron pipe;

Thence S 74 deg. 28 min. 35 sec. E 190.11 feet to an iron pipe;

Thence S 08 deg. 56 min. 11 sec. W 209.22 feet to an iron pipe;

Thence S 40 deg. 02 min. 42 sec. E 152.88 feet to an iron pipe;

Thence S 40 deg. 11 min. 39 sec. E 135.71 feet to an iron pipe;

Thence S 31 deg. 49 min. 04 sec. E 108.45 feet to an iron pipe;

Thence S 37 deg. 30 min. 55 sec. E 143.33 feet to a concrete monument, the southwest corner of Lot 19;

Thence with the west lines of Lots 18, 17, 16, 15, 14 and 13, and the south lines of Lots 13 and 12, and the east lines of Lots 12, 11, 10, 9, 8 and 7, Apple Valley, Phase III, Section A, reference Plat Book 13, Page 84, as follows: S 37 deg. 30 min. 35 sec. E 135.97 feet to an iron pipe;

Thence S 07 deg. 37 min. 33 sec. E 131.15 feet to an iron rod;

Thence S 05 deg. 26 min. 27 sec. E 40.04 feet to an iron rod;

Thence S 30 deg. 16 min. 22 sec. E 119.01 feet to an iron pipe;

Thence S 47 deg. 45 min. 52 sec. E 320.42 feet to an iron pipe;

Thence S 42 deg. 58 min. 21 sec. E 294.48 feet to a concrete monument;

Thence N 49 deg. 36 min. 39 sec. E 334.71 feet to a concrete monument;

Thence N 29 deg. 30 min. 20 sec. W 160.52 feet to an iron pipe;

Thence N 18 deg. 58 min. 58 sec. W 148.96 feet to an iron pipe;

Thence N 32 deg. 26 min. 21 sec. W 131.30 feet to an iron pipe;

Thence N 45 deg. 57 min. 48 sec. W 169.61 feet to an iron pipe;

Thence N 23 deg. 12 min. 28 sec. W 162.35 feet to an iron pipe;

Thence N 18 deg. 02 min. 38 sec. W 187.74 feet to a concrete monument, the northeast corner of Lot 7;

Thence with the east lines of Lots 6, 5, 4, 3 and 2, and the south line of Lot 1, Apple Valley, Phase III, Section A, reference Plat Book 13, Page 83 as follows: N 21 deg. 43 min. 39 sec. W 155.93 feet to an iron pipe;

Thence N 21 deg. 32 min. 49 sec. W 93.26 feet to an iron pipe;

Thence N 13 deg. 41 min. 01 sec. W 76.56 feet to an iron pipe;

Thence N 07 deg. 16 min. 01 sec. W 82.91 feet to an iron pipe;

Thence N 09 deg. 41 min. 16 sec. W 85.87 feet to a concrete monument;

Thence S 80 deg. 20 min. 58 sec. E 25.29 feet to a concrete monument;

Thence H 68 deg. 39 min. 34 sec. E 135.79 feet to an iron pipe in the south line of Lot 1;

Thence leaving Lot 1 and with the west line of The Fairways, Phases I, II, III and IV, reference Plat Book 15, Page 3 as follows: S 21 deg. 49 min. 55 sec. E 563.09 feet to an iron pipe the northwest corner of The Fairways, Phase V;

Thence leaving The Fairways, Phase IV and with The Fairways, Phase V, reference Plat Book 15, Page 54, S 34 deg. 48 min. 55 sec. E 161.48 feet to an iron rod, the southwest corner of The Fairways, Phase V:

Thence leaving The Fairways, Phase V, S 34 deg. 48 min. 55 sec. E 128.46 feet to an iron pipe;

Thence S 13 deg. 56 min. 06 sec. E 216.91 feet to an iron pipe;

Thence S 34 deg. 52 min. 19 sec. E 190.48 feet to an iron pipe;

Thence S 20 deg. 41 min. 48 sec. E 100.00 feet to an iron rod;

Thence N 69 deg. 18 min. 12 sec. E 80.00 feet to an iron rod;

Thence S 20 deg. 41 min. 48 sec. E 67.90 feet to an iron rod in the north line of the Apple Valley Country Club, reference Plat Book 14, Page 81;

Thence with said Apple Valley Country Club as follows: N 69 deg. 18 min. 12 sec. E 92.04 feet to an iron rod;

Thence with a curve to the right having a radius of 310.00 feet, an arc length of 263.23 feet, said curve having a chord bearing and distance of N 40 deg. 40 min. 42 sec. E 255.39 feet to an iron rod;

Thence N 65 deg. 00 min. 12 sec. E 55.63 feet to an iron rod in the west margin of Winesap Boulevard, SR 1308;

Thence with the west margin of Winesap Boulevard, SR 1308, as follows: S 15 deg. 58 min. 06 sec. E 335.00 feet to an iron rod;

Thence leaving the west margin of Winesap Boulevard, SR 1308, and Apple Valley Country Club, reference Plat Book 14, Page 81, N 74 deg. 01 min. 54 sec. E 150.00 feet to an iron rod;

Thence N 16 deg. 39 min. 05 sec. E 107[?].11 feet to the centerline (iron on line) of a branch, a corner of the aforementioned Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2;

Thence with the branch and the east boundary of the aforementioned Tract 2, S 26 deg. 39 min. 00 sec. E 244.17 feet;

Thence S 01 deg. 08 min. 52 sec. E 232.25 feet;

Thence S 10 deg. 05 min. 21 sec. E 139.03 feet to a 24-inch persimmon tree on the north bank of said branch, a common corner of the aforementioned Tract 2 and Tract 1 of said Fairfield communities, Inc., reference Deed Book 426, Page 538;

Thence continuing with said branch S 04 deg. 33 min. 47 sec. E 177.40 feet;

Thence S 23 deg. 07 min. 09 sec. E 6.7.21 feet;

Thence leaving said branch N 58 deg. 56 min. 50 sec. W 80.23 feet to a concrete monument, the northeast corner of Lot 27, Apple Valley, Block A, Phase I, reference Plat Book 13, Page 29;

Thence with the west lines of Lots 27 and 25 S 40 deg. 45 min. 49 sec. W 412.88 feet to a concrete monument;

Thence S 11 deg. 43 min. 25 sec. E 149.85 feet to a point in the centerline of the right-of-way of Jonathon Lane;

Thence with the centerline of the right-of-way of Jonathon Lane S 78 deg. 00 min. 15 sec. W 200.00 feet to the northwest corner of Lot 1 of the aforementioned Apple Valley, Block A, Phase I;

Thence with the east margin of Winesap Boulevard, SR 1308, and the west lines of Lots 1, 2, 3, 4 and 5 as follows: with a curve to the right having a radius of 1627.41 feet, an arc length of 198.41 feet, said curve having a chord bearing and distance of S 08 deg. 30 min. 11 sec. E 198.29 feet to an iron rod;

Thence S 05 deg. 00 min. 37 sec. E 352.62 feet to an iron-rod;

Thence with a curve to the left having a radius of 774.58 feet, an arc length of 142.21 feet, said curve having a chord bearing and distance of S 10 deg. 16 min. 16 sec. E 142.04 feet to an iron pipe, the southwest corner of Lot 5;

Thence leaving the east margin of Winesap Boulevard, SR 1308, and with the south lines of Lot 6 and 7, S 45 deg. 55 min. 21 sec. E 228.24 feet to an iron rod, a corner of well site number one;

Thence with well site number one as follows: S 44 deg. 04 min. 39 sec. W 142.34 feet to an iron rod on the east margin of Winesap Boulevard, SR 1308;

Thence with the east margin of Winesap Boulevard, SR 1308, with a curve to the right having a radius of 280.00 feet, an arc length of 77.38 feet, said curve having a chord bearing and distance of S 02 deg. 27 min. 29 sec. W 77.13 feet to an iron rod;

Thence leaving the west margin of Winesap Boulevard, SR 1308, S 45 deg. 55 min. 21 sec. E 148.77 feet to all iron rod;

Thence N 44 deg. 01 min. 39 sec. E 200.00 feet to an iron pipe, the southwest corner of Lot 8;

Thence leaving well site number one and with the east lines of Lots 8, 9, 10, 11 and 12, and the south line of Lot 13, as follows: N 67 deg. 39 min. 53 sec. E 112.29 feet to an iron pipe;

Thence N 42 deg. 48 min. 16 sec. E 251.86 feet to a concrete monument;

Thence N 26 deg. 06 min. 22 sec. E 479.02 feet to a concrete monument;

Thence S 84 deg. 27 min. 59 sec. E 95.78 feet to an iron pipe;

Thence N 39 deg. 20 min. 26 sec. E 158.63 feet to the centerline of the right-of-way of Jonathon Lane;

Thence with the centerline of the right-of-way of Jonathon Lane S 82 deg. 09 min. 52 sec. E 225.85 feet to a point in the center of the right-of-way of Stayman Court;

Thence continuing with the center line of Jonathon Lane as follows : S 82 deg. 09 min. 52 sec. E 20.24 feet;

Thence with a curve to the right having a radius of 185.81 feet, an arc length of 157.78 feet, said curve having a chord bearing and distance of S 57 deg. 50 min. 16 sec. E 153.09 feet;

Thence S 33 deg. 30 min. 40 sec. E 71.50 feet;

Thence with a curve to the left having a radius of 183.25 feet, an arc length of 43.79, said curve having a chord bearing and distance of S 40 deg. 21 min. 25 sec. E 43.69 feet;

Thence S 47 deg. 12 min. 09 sec. E 106.18 feet;

Thence with a curve to the left having a radius of 55.20, an arc length of 87.51 feet said curve having a chord bearing and distance of N 87 deg. 23 min. 00 sec. E 78.63 feet;

Thence N 41 deg. 58 min. 10 sec. E 46.72 feet to the northwest corner of Lot 1, Apple Valley, Block C, Phase I, reference Plat Book 13, Page 30;

Thence leaving Jonathon Lane and with the west lines of Lots 1, 3 and 4 of the aforementioned Apple Valley Block C, Phase I, S 49 deg. 21 min. 45 sec. E 158.51 feet to an iron pipe;

Thence S 25 deg. 45 min. 39 sec. E 164.89 feet to an iron pipe;

Thence S 41 deg. 54 min. 46 sec. E 306.85 feet to a concrete monument, the southernmost corner of Lot 4;

Thence leaving Apple Valley, Block C Phase I, S 00 deg. 00 min. 00 sec. W 319.48 feet to a railroad spike set in the center of Buffalo Road (SR 1306) said spike being in the southern boundary of Fairfield Communities, Inc., successors to Fairfield Mountains, Inc., reference Deed Book 426, Page 538, Tract 1;

Thence with the center of Buffalo Road {SR 1306} and the southern boundary of reference Deed Book 426, Page 538, Tract 1 as follows: S 61 deg. 09 min. 02 sec. W 260.07 feet;

Thence with a curve to the right having a radius of 1302.33 feet, an arc length of 312.49 feet, said curve having a chord bearing and distance of S 68 deg. 01 min. 29 sec W 311.74 feet;

Thence S 74 deg. 53 min. 55 sec. W 197.41 feet;

Thence S 80 deg. 35 min. 50 sec. W 367.96 feet;

Thence with a curve to the left having a radius of 415.41 feet, an arc length of 136.75 feet, said curve having a chord bearing and distance of S 71 deg. 09 min. 50 sec. W 136.12 feet;

Thence S 61 deg. 44 min. 10 sec. W 144.16 feet;

Thence with a curve to the right having a radius of 317.67 feet, an arc length of 255.31 feet, said curve having a chord bearing and distance of S 84 deg. 45 min. 35 sec. W 248.49 feet;

Thence N 72 deg. 12 min. 50 sec. W 222.67 feet;

Thence with a curve to the right having a radius of 399.23 feet, an arc length of 63.86 feet, said curve having a chord bearing and distance of 67 deg. 38 min. 01 sec. W 63.79 feet;

Thence N 63 deg. 03 min. 03 sec. W 233.17 feet;

Thence 74 deg. 15 min. 32 sec. W 212.59 feet;

Thence N 62 deg. 37 min. 09 sec. W 78.49 feet;

Thence N 62 deg. 37 min, 09 sec. W 22.64 feet to a nail found in the center of intersection of Buffalo Road, SR 1306 and SR 1307, a common corner of Tracts 1, 2 and 3 of the aforementioned reference Deed Book 426, Page 538;

Thence with the center of State Road 1307 and the southern boundary of Tract 3, reference Deed Book 426, Page 538 as follows: S 55 deg. 02 min. 43 sec. W 207.47 feet;

Thence S 63 deg. 02 min. 44 sec. W 100 feet;

Thence S 64 deg. 47 min. 44 sec. W 95.00 feet;

Thence S 54 deg. 02 min. 44 sec. W 132.00 feet;

Thence S 19 deg. 32 min. 44 sec. W 63.37 feet to an iron rod;

Thence leaving SR 1307 and the southern boundary of reference Deed Book 426, Page 538, Tract 3, N 90 deg. 00 min. 00 sec. W 110.81 feet to an iron rod;

Thence S 31 deg. 16 min. 04 sec. W 466.84 feet to an iron pipe;

Thence N 69 deg. 14 min. 14 sec. W 142.79 feet to an iron pipe;

Thence S 83 deg. 02 min. 08 sec. W 287.60 feet to an iron pipe;

Thence N 62 deg. 11 min. 46 sec. W 186.26 feet to an iron pipe, a corner of Bent Creek, Phase III, reference Plat Book 14, Page 70;

Thence with the line of Bent Creek, Phase III, as follows: N 48 deg. 55 min. 49 sec. W 46.42 feet to an iron pipe;

Thence N 76 deg. 09 min. 33 sec. W 71.06 feet to an iron pipe;

Thence S 78 deg. 12 min. 43 sec. W 58.74 feet to an iron pipe;

Thence S 41 deg. 27 min. 31 sec. W 108.75 feet to an iron pipe;

Thence S 52 deg. 57 min. 50 sec. W 68.90 feet to an iron pipe;

Thence S 73 deg. 06 min. 05 sec. W 41.28 feet to an iron pipe;

Thence S 52 deg. 09 min. 31 sec. W 245.38 feet to an iron pipe in the east line of Bent Creek Townhouses, Phase I, reference Plat Book 14, Page 58;

Thence with east lines of Bent Creek Townhouses, Phase I, N 08 deg. 02 min. 57 sec. W 98.00 feet to an iron pipe;

Thence N 34 deg. 10 min. 01 sec. W 116.63 feet to an iron pipe;

Thence N 35 deg. 42 min. 38 sec. E 192.74 feet to an iron pipe;

Thence N 26 deg. 56 min. 52 sec. E 100.40 feet to an iron pipe, common corner of Bent Creek Townhouses, Phase II, reference Plat Book 14, Page 64;

Thence N 46 deg. 14 min. 58 sec. E 211.48 feet to an iron pipe, the southeast corner of said Bent Creek Townhouses, Phase II;

Thence leaving Bent Creek Townhouses, Phase II, N 11 deg. 20 min. 57 sec. E 36.75 feet to an iron pipe;

Thence N 69 deg. 06 min. 37 sec. E 301.63 feet to an iron pipe;

Thence S 31 deg. 16 min. 44 sec. E 163.41 feet from an iron rod;

Thence S 25 deg. 45 min. 54 sec. W 166.15 feet to an iron rod;

Thence S 89 deg. 05 min. 14 sec. E 422.63 feet to an iron rod;

Thence N 56 deg. 29 min. 34 sec. E 251.57 feet to an iron rod;

Thence N 29 deg. 25 min. 28 sec. E 309.82 feet to an iron rod;

Thence N 18 deg. 04 min. 47 sec. W 155.82 feet to an iron rod;

Thence N 55 deg. 59 min. 27 sec. W 352.40 feet to an iron rod;

Thence N 50 deg. 44 min. 56 sec. W 156.73 feet to an iron pipe, the easternmost corner of Maple Ridge, Phase I, reference Plat Book 14, Page 85;

Thence with said Maple Ridge Phase I as follows: N 30 deg. 53 min. 16 sec. W 402.19 feet to an iron pipe;

Thence S 82 deg. 14 min. 49 sec. W 289.82 feet to an iron pipe;

Thence S 45 deg. 49 min. 28 sec. W 258.33 feet to a point on a manhole;

Thence S 04 deg. 43 min. 43 sec. W 92.54 feet to a point on a manhole;

Thence S 16 deg. 12 min. 56 sec. W 118.41 feet to a point on a manhole;

Thence S 20 deg. 55 min. 15 sec. W 131.70 feet to a point on a manhole;

Thence S 18 deg. 50 min. 13 sec. W 161.33 feet to a point on a manhole;

Thence S 52 deg. 13 min. 12 sec. E 100.68 feet to a railroad spike in the centerline of the right-of-way of Red Maple Lane;

Thence with the centerline of Red Maple Lane as follows: with a curve to the right having a radius of 186.33 feet, an arc length of 19.73 feet, said curve having a chord bearing and distance of S 61 deg. 52 min. 03 sec. W 19.72 feet;

Thence S 64 deg. 54 min. 03 sec. W 42.31 feet to the northeast corner of Cart Path right-of-way No. 2;

Thence continuing with the centerline of the right-of-way of Red Maple Lane S 64 deg. 54 min. 03 sec. W 35.69 feet to the northwest corner of Cart Path right-of-way No. 2;

Thence continuing with the centerline of the right-of-way of Red Maple Lane S 64 deg. 54 min. 03 sec. W 62.17 feet;

Thence with a curve to the left having a radius of 179.55 feet, an arc length of 21.97 feet, said curve having a chord bearing and distance of S 61 deg. 23 min. 41 sec. W 21.96 feet;

Thence S 57 deg. 53 min. 19 sec. W 91.18 feet to a railroad spike in the center line of the right-of-way of Whitney Boulevard;

Thence leaving Red Maple Lane and with the centerline of the right-of-way of Whitney Boulevard N 36 deg. 12 min. 30 sec. W 149.20 feet to a railroad spike;

Thence leaving Whitney Boulevard N 53 deg. 47 min. 30 sec. E 144.92 feet to an iron pipe;

Thence N 07 deg. 19 min. 35 sec. W 146.66 feet to an iron pipe;

Thence N 23 deg. 33 min. 28 sec. E 188.91 feet to an iron pipe;

Thence N 00 deg. 57 min. 23 sec. E 383.58 feet to an iron pipe, a corner of a plat entitled Rutherford Hospital, Inc., reference Plat Book 15, Page 8;

Thence with said Rutherford Hospital, Inc., plat as follows: N 30 deg. 26 min. 49 sec. E 159.89 feet to an iron rod, the southwest corner of the 0.35 acre reserve tract shown on the aforementioned plat entitled Rutherford Hospital, Inc.;

Thence with the northern line of said 0.35 acre reserve as follows N 09 deg: 33 min. 50 sec. E 36.78 feet to an iron pipe;

Thence N 46 deg. 49 min. 03 sec. E 59.14 feet to an iron pipe;

Thence N 80 deg. 22 min. 24 sec. E 65.29 feet to an iron pipe;

Thence S 82 deg. 45 min. 01 sec. E 69.40 feet to an iron pipe;

Thence S 63 deg. 48 min. 45 sec. E 84.25 feet to an iron pipe;

Thence N 85 deg. 16 min. 08 sec. E 22.22 feet to an iron pipe;

Thence N 68 deg. 39 min. 42 sec. E 117.75 feet to an iron pipe;

Thence S 82 deg. 14 min. 51 sec. E 82.07 feet to an iron pipe in the boundary of Tract One described hereinbefore;

Thence leaving said 0.35 acre reserve and with the southern lines of Tract 1 as shown on plat entitled Rutherford Hospital, Inc. as follows: N 66 deg. 10 min. 07 sec. E 16.66 feet to an iron rod;

Thence N 43 deg. 09 min. 33 sec. E 194.07 feet, to a nail in the center of Buffalo Road, SR 1306, said nail being in the north boundary of the aforementioned Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 3;

Thence leaving Tract 1 as shown on plot entitled Rutherford Hospital, Inc., with said Buffalo Road and the north boundary of reference Deed Book 426, Page 538, Tract 3 as follows: S 41 deg. 32 min. 07 sec. E 356.36 feet;

Thence with a curve to the left having a radius of 1593.22 feet, an arc length of 285.24 feet, said curve having a chord bearing and distance of S 46 deg. 39 min. 51 sec. E 284.85 feet;

Thence S 51 deg. 47 min. 35 sec. E 573.55 feet to a nail

Thence S 53 deg. 33 min. 24 sec. E 40.01 feet to a nail;

Thence S 57 deg. 06 min, 26 sec. E 160.10 feet to the westernmost corner of Fairfield Communities, Inc., reference Deed Book 451, Page 305;

Thence leaving the centerline of Buffalo Road and the north boundary of reference Deed Book 426, Page 538, Tract 3, and with the west boundary of said reference Deed Book 451. Page 305 as follows: N 39 deg. 41 min. 28 sec. E 29.48 feet to an iron pipe;

Thence N 39 deg. 41 min. 28 sec. E 201.98 feet to an iron pipe;

Thence N 05 deg. 25 min. 10 sec. E 37.51 feet to an iron rod, the southwest corner of Fairfield Communities, Inc., reference Deed Book 495, Page 62;

Thence leaving Fairfield Communities, Inc., reference Deed Book 451, Page 305 and with Fairfield Communities, Inc., reference Deed Book 495, Page 62, as follows: N 61 deg. 21 min. 39 sec. W 47.64 feet to an iron pipe;

Thence N 50 deg. 33 min. 01 sec. W 46.06 feet to an iron pipe;

Thence N 47 deg. 43 min. 56 sec. W 60.29 feet to an iron pipe;

Thence N 38 deg. 42 min. 15 sec. W 111.65 feet to an iron pipe;

Thence N 40 deg. 51 min. 06 sec. W 67.04 -feet to an iron pipe;

Thence N 45 deg. 51 min. 25 sec. W 57.29 feet to an iron pipe;

Thence N 40 deg. 46 min. 06 sec. W 56.25 feet to an iron pipe;

Thence N 44 deg. 57 min. 08 sec. W 65.62 feet to an iron pipe;

Thence N 31 deg. 22 min. 39 sec. W 42.01 feet to an iron pipe;

Thence N 33 deg. 41 min. 14 sec. W 60.29 feet to an iron pipe;

Thence N 42 deg. 14 min. 23 sec. W 49.14 feet to an iron pipe;

Thence N 44 deg. 46 min. 08 sec. W 69.56 feet to an iron pipe;

Thence N 56 deg. 36 min. 30 sec. W 49.71 feet to an iron pipe;

Thence N 13 deg. 16 min. 41 sec. E 26.29 feet to an iron pipe;

Thence leaving said Fairfield Communities, Inc., reference Deed Book 495, Page 62 and with Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2, as follows: N 61 deg. 43 min. 19 sec. W 900.39 feet to a planted stone in the northwest corner of a cemetery;

Thence N 22 deg. 11 min. 01 sec. W 329.54 feet to an iron pipe, the terminus of the eleventh call of Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2;

Thence leaving Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2, and with the southern and eastern lines of Asset Disposition Tract 11-A-12, reference Plat Book 15, Page 112, as follows: S 82 deg. 08 min. 57 sec. E 100.99 feet to an iron rod;

Thence S 82 deg. 08 min. 57 sec. E 20.00 feet to the edge of a lake;

Thence with the edge of said lake N 08 deg. 09 min. 02 sec. E 53.63 feet;

Thence N 17 deg. 44 min. 12 sec. W 86.59 feet;

Thence N 14 deg. 53 min. 45 sec. W 62.07 feet;

Thence N 12 deg. 09 min. 10 sec. W 82.12 feet;

Thence N 21 deg. 51 min. 22 sec. W 79.81 feet;

Thence N 24 deg. 54 min. 55 sec. W 121.44 feet to a point in the center of a creek;

Thence leaving the west edge of said lake and with a creek as follows: N 45 deg. 37 min. 24 sec. W 49.12 feet;

Thence N 14 deg. 50 min. 35 sec. E 40.81 feet;

Thence N 17 deg. 50 min. 10 sec. E 37.37 feet;

Thence N 14 deg. 26 min. 20 sec. W 25.11 feet;

Thence N 47 deg. 47 min. 17 sec. W 53.12 feet to an iron pipe, a corner of Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2 and the easternmost corner of the Frady property, reference Deed Book 411, Page 54.

Thence leaving Asset Disposition Tract II-A-12, reference Plat Book 15, Page 112, N 34 deg. 07 min. 44 sec. W 535.20 feet to an iron rod, the northeast corner of said Frady property;

Thence N 89 deg. 21 min. 54 sec. W 251.85 feet to an iron rod;

Thence leaving the boundary of Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2, N 42 deg. 16 min. 23 sec. W 40.61 feet to an iron rod;

Thence S 88 deg. 19 min. 04 sec. W 145.58 feet to an iron rod;

Thence N 00 deg. 25 min. 56 sec. W 35.40 feet to an iron pipe;

Thence N 00 deg. 25 min. 56 sec. W 325.26 feet to an iron pipe;

Thence N 58 deg. 17 min. 33 sec. W 171.08 feet to an iron pipe;

Thence N 16 deg. 14 min. 34 sec. W 145.09 feet to an iron pipe;

Thence N 12 deg. 42 min. 25 sec. E 136.95 feet to an iron pipe;

Thence N 23 deg. 30 min. 19 sec. W 251.34 feet to an iron pipe;

Thence N 05 deg. 48 min. 28 sec. E 99.43 feet to an iron pipe;

Thence N 20 deg. 12 min. 03 sec. E 186.57 feet to an iron pipe;

Thence N 57 deg. 25 min. 59 sec. W 70.43 feet to an iron rod in the west boundary of Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2;

Thence N 32 deg. 34 min. 01 sec. E 372.69 feet to an iron rod in a ford of a creek, a common corner of Fairfield Communities, Inc., reference Deed Book 426, Page 538, Tract 2, and Fairfield Communities, Inc., reference Deed Book 446, Page 638;

Thence with Fairfield Communities, Inc., reference Deed Book 446, Page 638 N 45 deg. 34 min. 53 sec. E 110.32 feet to an iron rod in the creek.

Thence N 01 deg. 56 min. 51 sec. E 294.36 feet to an iron rod in the intersection of Jack's Branch and the creek;

Thence with Jack's Branch as follows: N 10 deg. 28 min. 48 sec. W 491.89 feet to an iron rod;

Thence N 15 deg. 30 min. 51 sec E 126.78 feet;

Thence N 15 deg. 48 min. 30 sec. W 45.08 feet;

Thence N 60 deg. 00 min. 47 sec. E 50.04 feet;

Thence N 08 deg. 58 min. 53 sec. W 218.76 feet;

Thence N 04 deg. 02 min. 40 sec. E 170.32 feet;

Thence N 38 deg. 17 min. 03 sec. E 107.44 feet;

Thence N 20 deg. 31 min. 07 sec. W 66.03 feet;

Thence N 06 deg. 23 min. 58 sec. E 97.26 Feet;

Thence leaving Jack's Branch and with the southern lines of Leibowitz and Caplan, reference Deed Book 294, Page 267 as follows: N 63 deg. 59 min. 20 sec. E 10.00 feet to a concrete monument;

Thence N 63 deg. 59 min. 20 sec. E 158.40 feet to a concrete monument;

Thence N 38 deg. 29 min. 20 sec. E 232.15 feet to the Point of Beginning.

Containing 191.33 Acres.

BOUNDARY DESCRIPTION
APPLE VALLEY
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 813

EXCEPTION # 1

BEGINNING at a point in the centerline or the right-of-way of Stayman Court, said point being the northeast corner of Lot 23, Apple Valley, Block B, Phase I, as shown on Plat Book 13, Page 36;

Thence from said beginning point with the west lines of Lots 1, 3, 4, 5 and 6 of the aforementioned Apple Valley, Block B, Phase I, as follows: leaving the centerline of the right-of-way of Stayman Court N 87 deg. 57 min. 59 sec. W 30.00 feet to an iron pipe;

Thence S 62 deg. 20 min. 49 sec. W 229.74 feet to a concrete monument;

Thence S 22 deg. 13 min. 20 sec. W 278.99 feet to an iron pipe;

Thence S 30 deg. 34 min. 59 sec. W 147.39 feet to an iron pipe;

Thence N 61 deg. 22 min. 32 sec. W 15.00 feet;

Thence S 23 deg. 23 min. 04 sec. W 63.67 feet;

Thence S 30 deg. 45 min. 02 sec. W 70.61 feet;

Thence S 57 deg. 58 min. 21 sec. W 20.46 feet;

Thence S 16 deg. 04 min. 09 sec. W 60.50 feet to an iron pipe;

Thence S 22 deg. 57 min. 07 sec. W 78.99 feet;

Thence S 43 deg. 15 min. 19 sec. W 30.09 feet to a concrete monument;

Thence S 15 deg. 58 min. 47 sec. E 150.50 feet to an iron pipe, corner of well site number two;

Thence with well site number two as follows: S 54 deg. 30 min. 10 sec. W 226.17 feet to an iron rod;

Thence S 35 deg. 29 min. 50 sec. E 200.00 feet to an iron rod;

Thence N 61 deg. 14 min. 38 sec. E 201.39 feet to a concrete monument, the southwest corner of Lot 7;

Thence with the south lines of Lots 7, 8, 9 and 10, and the east lines of Lots 10, 11 and 12, and the north lines of Lots 12, 13 and 23 of the aforementioned Apple Valley, Block B, Phase I, as follows: N 72 deg. 13 min. 42 sec. E 130.87 feet to an iron pipe;

Thence N 44 deg. 11 min. 20 sec. E 111.27 feet to an iron pipe;

Thence N 72 deg. 52 min. 21 sec. E 149.97 feet to an iron pipe;

Thence N 72 deg. 51 min 14 sec. E 316.30 feet to a concrete monument;

Thence N 33 deg. 48 min. 10 sec. E 376.03 feet to an iron pipe;

Thence N 00 deg. 48 min. 31 sec. E 76.36 feet to a concrete monument;

Thence N 43 deg. 47 min. 25 sec. W 344.99 feet to an iron pipe;

Thence N 34 deg. 51 min. 19 sec. W 321.53 feet to the Point of Beginning.

Containing 16.50 Acres.

"Sheet A-3"

BOUNDARY DESCRIPTION APPLE VALLEY
GOLF COURSE AND COUNTRY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 815

CART PATH EASEMENT #1

Beginning on an iron pipe the northwest corner of Lot 29, Apple Valley, Phase III, Section A, reference Plat Book 13, Page 83;

Thence from said beginning point and with the common line of Lots 29 and 28 of said plat, S 28 deg. 05 min. 56 sec. E 171.00 feet to a point in the centerline of the right-of-way of Sheepnose Drive;

Thence leaving Sheepnose Drive and crossing Lot 1 of the aforementioned plat S 28 deg. 05 min. 56 sec. E 134.95 feet to a concrete monument, a corner of said Lot 1;

Thence with said Lot 1 as follows: N 80 deg. 20 min. 58 sec. W 25.2? feet to a concrete monument, a corner of Lot 2;

Thence with the common line of Lots 1 and 2 N 28 deg. 05 min. 56 sec. W 118.78 feet to a point in the centerline of the right-of-way of Sheepnose Drive;

Thence leaving Sheepnose Drive and crossing Lot 28 of the aforementioned plat N 28 deg. 05 min. 56 sec. W 178.85 feet to an iron pipe in the north line of said Lot 28;

Thence N 81 deg. 36 min. 40 sec. E 21.24 feet to an iron pipe the Point of Beginning.

"Sheet A-4"

BOUNDARY DESCRIPTION
APPLE VALLEY
COUNTRY CLUB AND GOLF COURSE
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 816

CART PATH EASEMENT # 2

BEGINNING at an iron pipe, the southeast corner of Bent Creek Townhouses, Phase II, reference Plat Book 14, Page, 64;

Thence from said beginning point with said Bent Creek Townhouses, Phase II, N 54 deg. 38 min. 44 sec. W 82.83 feet to an iron pipe;

Thence N 34 deg. 17 min. 13 sec. W 44.80 feet to an iron rod in the centerline and end of the right-of-way of Appledore Court;

Thence leaving the centerline of right-of-way of Appledore Court and Bent Creek Townhouses, Phase II, N 37 deg. 14 min. 22 sec. W 162.03 feet to an iron pipe;

Thence N 23 deg. 51 min. 42 sec. W 29.61 feet to the centerline of the right-of-way of Red Maple Lane;

Thence with the centerline of the right-of-way of Red Maple Lane N 64 deg. 54 min. 03 sec. E 35.69 feet;

Thence leaving the centerline of the right-of-way of Red Maple Lane S 15 deg. 00 min. 52 sec. E 31.95 feet to an iron pipe;

Thence S 36 deg. 36 min. 44 sec. E 195.57 feet to an iron pipe;

Thence S 58 deg. 34 min. 03 sec. E 61.91 feet to an iron pipe;

Thence S 11 deg. 20 min. 57 sec. W 36.75 feet to the Point of Beginning.

"Sheet A-5"

BOUNDARY DESCRIPTION
APPLE VALLEY GOLF COURSE AND COUNTY CLUB
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 817

ROAD RIGHTS OF WAY

All right title and interest of Fairfield Communities, Inc. in and to all those public and private road rights of way crossing or forming the boundaries of Tract #1, Cart Path Easement #1 and Cart Path Easement #2, all of which are shown and depicted on the plat of Apple Valley Country Club and Golf Course of record in Plat Book 16 at Pages 13, 14 and 15, Rutherford County Registry. There is also conveyed the non-exclusive right to use all road rights of way outside the boundaries of Tract #1, Cart Path Easement #1 and Cart Path Easement #2.

FAIRFIELD COMMUNITIES, INC. RESERVES HOWEVER, unto itself, its successors and assigns for the benefit of remaining properties of Fairfield Communities Inc., and for the benefit of other property owners in the Fairfield Communities (Fairfield Mountains) regime, the use of all road rights of way for the purpose of ingress, egress and regress.

"Sheet A-6"

DESCRIPTION OF
APPLE VALLEY GOLF COURSE
AND COUNTRY CLUB PROPERTIES
FAIRFIELD MOUNTAINS

BOOK 606 PAGE 818

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina and being all that area of 1.80 acres designated as "Maintenance" as shown on plat of survey made by Hampton, Hintz and Associates, Inc. on June 19, 1992 and of record in Plat book 16, at Page 5, Rutherford County Registry. There is further conveyed a non-exclusive easement for right of way purposes only, all that forty (40) feet entitled "40 foot right of way for Golf Course Maintenance" on the plat of record in Plat Book 16, at Page 5, which right of way is conveyed for access for golf course maintenance. There is also conveyed a non-exclusive easement of all that fifty (50) foot right of way as shown on the plat hereinabove referred to, which easement is for the purpose of ingress and egress to the aforesaid forty (40) foot right of way.

There is further conveyed a non-exclusive easement for the right of use of and access to that certain well located adjacent to the west boundary line of such 1.80 acres as shown on the aforesaid plat, provided, however, Grantee shall be responsible for maintaining all pipes and other equipment necessary to deliver the water from the well to the 1.80 acre tract and shall also be responsible for one-half of any repairs necessary for the pump system associated with such well unless the Grantee elects to terminate this easement and use of said well in lieu of paying its share of repair costs for the pump system.

THIRD SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO
DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

BOOK **613** PAGE **426**

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration,") on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08, and the "Second Amended to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585 and as supplemented by the Supplemental Declaration Of Covenants and Restrictions to Declaration of Covenants and Restrictions ("Supplemental Declaration") recorded on June 24, 1987 in Book 503, Page 769 all in the Office of the Register of Deeds in and for Rutherford County, North Carolina subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation. (hereinafter referred to as the "Master Association", was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and,

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants

and restrictions set forth in the Master Declaration the real property described in Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this Third Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the property described in Exhibit hereto is acceptable as an addition to Fairfield Mounta1ns and executed this Third Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE III, section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Third Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion's) and such "Lot" or "Living unit" becomes subject

SCHEDULE "A"

DESCRIPTION OF PROPERTY

Situate, lying and being in the Town of Lake Lure, Chimney 'Rock Township, Rutherford County, North Carolina and being a part Of Tract 3 as described in Deed from William Merritt Quattlebaum Jr. and wife, Dorothy C. Quattlebaum to Fairfield Communities, a Delaware Corporation, dated August 26, 1981, and of record in Deed Book 426, at page 538, Rutherford County Registry, that part of said property herein conveyed being more particularly described in courses and distances according to a plat of survey entitled "Asset Disposition Tract II-1-2 Survey for Fairfield Communities, Inc.", prepared by Charles O. Hampton, Jr., Registered Land Surveyor on March 17, 1993, as follows:

BEGINNING at an iron pin found at the terminus of the 6th call of that certain 4.55 acres described as parcel 44, in that certain Deed from Fairfield Communities, Inc., a Delaware Corporation to Fairfield Mountains Property Owners Association, Inc., a North Carolina Corporation, dated February 5, 1993, and record in Deed Book 607, at Page 757, Rutherford County Registry, said iron pin being also a corner of the Apple Valley Golf Course property as shown on Plat of record in Plat Book 16, at Pages 13-17, Rutherford County Registry; thence leaving the Apple Valley Golf Course and with line of said 4.55 acre tract, North 76 deg. 28 min. 44 sec. West 100.43 feet to a point in Well Site No.8 as shown on plat of record in Plat Book 15, at Page 19, Rutherford County Registry; thence with the boundary of said well Site No.8 as follows: with a curve to the right having a radius of 100.00 feet, an arc length of 278.43 feet, said curve having a chord bearing and distance of North 86 deg. 42 min. 55 sec. West 196.82 feet, thence leaving said well Site No.8 and with another line of said 4.55 acre tract, South 83 deg. 02 min. 54 sec. West 41.03 feet; thence with another line of said 4.55 acre tract, South 46 deg. 33 min. 05 West 392.23 feet to a railroad spike in the centerline of the right of way of Whitney Boulevard; thence with the centerline of the right of way of Whitney Boulevard South 54 deg. 43 min. 15 sec. East 260.87 feet to a point in the centerline of Whitney Boulevard; thence continuing with the centerline of the right of way of Whitney Boulevard and with a curve to the right, said curve having a radius of 252.74 feet, an arc length of 168.47 feet, said curve having a chord bearing and distance of South 35 deg. 37 min. 29 sec East 165.37 feet; thence continuing with the centerline of the right of way of Whitney Boulevard South 16 deg. 31 min. 47 sec. East 82.32 feet to a point in the centerline of said Whitney Boulevard; thence continuing with the centerline of the right of way of Whitney Boulevard and with a curve to the left, said curve having a radius of 363.23 feet, an arc length of 124.76 feet and a chord bearing and distance of South 26 deg. 22 min. 08 sec. West 124.15 feet; thence continuing with the centerline of the right of way of Whitney Boulevard South 36 deg. 12 min. 30 sec. East 87.48 feet to a railroad spike found, corner of the property of the Apple Valley Golf Course as shown on plat of record in Plat Book 16, Pages 13-17 Rutherford County Registry; thence with four lines of said Apple Valley Golf Course property as follows: North 53 deg. 47 min. 30 sec. East 144.92 feet to an iron pin found, North 07 deg. 19 min. 35 sec. West 146.66 feet to an iron pin found, North 23 deg. 33 min. 28 sec. East 188.91 feet to an iron pin found, and North 00 deg. 57 min. 23 sec. East 381.58 feet to the point and place of BEGINNING, and containing 6.34 acres more or less.

THIRD SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO
DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

BOOK **613** PAGE **426**

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration,") on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08, and the "Second Amended to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585 and as supplemented by the Supplemental Declaration Of Covenants and Restrictions to Declaration of Covenants and Restrictions ("Supplemental Declaration") recorded on June 24, 1987 in Book 503, Page 769 all in the Office of the Register of Deeds in and for Rutherford County, North Carolina subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation. (hereinafter referred to as the "Master Association", was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and,

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants

and restrictions set forth in the Master Declaration the real property described in Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this Third Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the property described in Exhibit hereto is acceptable as an addition to Fairfield Mounta1ns and executed this Third Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE III, section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Third Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion's) and such "Lot" or "Living unit" becomes subject

SCHEDULE "A"

DESCRIPTION OF PROPERTY

Situate, lying and being in the Town of Lake Lure, Chimney 'Rock Township, Rutherford County, North Carolina and being a part Of Tract 3 as described in Deed from William Merritt Quattlebaum Jr. and wife, Dorothy C. Quattlebaum to Fairfield Communities, a Delaware Corporation, dated August 26, 1981, and of record in Deed Book 426, at page 538, Rutherford County Registry, that part of said property herein conveyed being more particularly described in courses and distances according to a plat of survey entitled "Asset Disposition Tract II-1-2 Survey for Fairfield Communities, Inc.", prepared by Charles O. Hampton, Jr., Registered Land Surveyor on March 17, 1993, as follows:

BEGINNING at an iron pin found at the terminus of the 6th call of that certain 4.55 acres described as parcel 44, in that certain Deed from Fairfield Communities, Inc., a Delaware Corporation to Fairfield Mountains Property Owners Association, Inc., a North Carolina Corporation, dated February 5, 1993, and record in Deed Book 607, at Page 757, Rutherford County Registry, said iron pin being also a corner of the Apple Valley Golf Course property as shown on Plat of record in Plat Book 16, at Pages 13-17, Rutherford County Registry; thence leaving the Apple Valley Golf Course and with line of said 4.55 acre tract, North 76 deg. 28 min. 44 sec. West 100.43 feet to a point in Well Site No.8 as shown on plat of record in Plat Book 15, at Page 19, Rutherford County Registry; thence with the boundary of said well Site No.8 as follows: with a curve to the right having a radius of 100.00 feet, an arc length of 278.43 feet, said curve having a chord bearing and distance of North 86 deg. 42 min. 55 sec. West 196.82 feet, thence leaving said well Site No.8 and with another line of said 4.55 acre tract, South 83 deg. 02 min. 54 sec. West 41.03 feet; thence with another line of said 4.55 acre tract, South 46 deg. 33 min. 05 West 392.23 feet to a railroad spike in the centerline of the right of way of Whitney Boulevard; thence with the centerline of the right of way of Whitney Boulevard South 54 deg. 43 min. 15 sec. East 260.87 feet to a point in the centerline of Whitney Boulevard; thence continuing with the centerline of the right of way of Whitney Boulevard and with a curve to the right, said curve having a radius of 252.74 feet, an arc length of 168.47 feet, said curve having a chord bearing and distance of South 35 deg. 37 min. 29 sec East 165.37 feet; thence continuing with the centerline of the right of way of Whitney Boulevard South 16 deg. 31 min. 47 sec. East 82.32 feet to a point in the centerline of said Whitney Boulevard; thence continuing with the centerline of the right of way of Whitney Boulevard and with a curve to the left, said curve having a radius of 363.23 feet, an arc length of 124.76 feet and a chord bearing and distance of South 26 deg. 22 min. 08 sec. West 124.15 feet; thence continuing with the centerline of the right of way of Whitney Boulevard South 36 deg. 12 min. 30 sec. East 87.48 feet to a railroad spike found, corner of the property of the Apple Valley Golf Course as shown on plat of record in Plat Book 16, Pages 13-17 Rutherford County Registry; thence with four lines of said Apple Valley Golf Course property as follows: North 53 deg. 47 min. 30 sec. East 144.92 feet to an iron pin found, North 07 deg. 19 min. 35 sec. West 146.66 feet to an iron pin found, North 23 deg. 33 min. 28 sec. East 188.91 feet to an iron pin found, and North 00 deg. 57 min. 23 sec. East 381.58 feet to the point and place of BEGINNING, and containing 6.34 acres more or less.

to such assessments, charges, or liens~ in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Asst. Secretary and its corporate seal to be hereto affixed all by order of its Board of Directors first duly given, this 3rd day of May, 1993.

FAIRFIELD COMMUNITIES, INC.
BY
TITLE: Sr. Vice President

Kim Thompson
Asst. SECRETARY

For the purpose of indicating its approval of the foregoing Third Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its President and attested by its Secretary on the 18 day of May, 1993

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION INC
BY

to such assessments, charges, or liens~ in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Asst. Secretary and its corporate seal to be hereto affixed all by order of its Board of Directors first duly given, this 3rd day of May, 1993.

FAIRFIELD COMMUNITIES, INC.
BY
TITLE: Sr. Vice President

Kim Thompson
Asst. SECRETARY

For the purpose of indicating its approval of the foregoing Third Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its President and attested by its Secretary on the 18 day of May, 1993

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION INC
BY

STATE OF ARKANSAS)
) SS,
COUNTY OF PULASKI)

BOOK **613** PAGE **430**

I, Sherry J. Soloff, a Notary Public in and for said county and state, do hereby certify that on the 3rd day of *May*, 1993, before me personally came *Joe T. Gunter* whom I am personally acquainted, who being by me duly sworn, says that he is the *Sr. Vice* President and that *Kim Thompson* is the *Asst. Secretary* of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said *Sr. Vice* President; that the said *Sr. Vice* President and *Asst. Secretary* subscribed thelr names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and notarial seal this 3rd day of *May*, 1993.

Sherry J. Soloff

Notary Public

STATE OF NORTH CAROLINA)
) SS,
COUNTY OF RUTHERFORD)

I, *Kim Dalton*, a Notary Public in and for said County and State, do hereby certify that on the 18th day of *May*, 1993, before me personally came *Ray Kenyon*, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that *Barbara Willis* is the Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Secretary subscribed thelr names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and not

FOURTH AMENDMENT TO
SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO DECLARATION OF COVENANTS AND RESTRICTIONS

BOOK 626 PAGE 663

THIS FOURTH AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS TO DECLARATION OF COVENANTS AND RESTRICTIONS

("Fourth Amendment to Supplemental Declaration") is made this 2nd day of February, 1994 by Fairfield Communities, Inc., a Delaware corporation, ("Developer"), and the Fairfield Mountains Property Owners Association, Inc., a North Carolina not for profit corporation, ("POA").

WHEREAS, Developer, joined by the POA, recorded a document entitled "Declaration of Covenants and Restrictions with Protective Covenants" ("Declaration") in Book 386, Page 404 et seq., which document was subsequently amended by the "First Amendment to Declaration of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08 et seq., the "Second Amendment to Declaration of Covenants and Restrictions" recorded on September 25, 1989 in Book 546, Page 585 et seq. and the "Third Amendment to Declaration of Covenants and Restrictions" (together "Amendments") recorded on January 29, 1992 in Book 588, Page 275 et seq., all in the Office of the Register of Deeds in and for Rutherford County, North Carolina; and

WHEREAS, the Developer additionally filed of record a "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" ("Supplemental Declaration") in Book 503, Page 769 et seq., as well as the "Second Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 606, Page 332 et seq. and the "Third Supplemental Declaration of Covenants and Restrictions to Declaration of covenants and Restrictions" in Book 613, Page 426 et seq. all in the Office of the Register of Deeds in and for Rutherford County, North Carolina (together, with the Declaration and Amendments, the "Master Declaration"); and

WHEREAS, said Supplemental Declaration was subsequently amended by the "First Amendment to Supplemental Declaration" filed of record in Book 534 at Page 535 et seq., the "Second Amendment to

Supplemental Declaration" filed of record in Book 554 at Page 125 et seq. and the "Third Amendment to Supplemental Declaration" (together "Amendments to Supplemental Declaration") filed of record in Book 577 at Page 349 et seq. all in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which Amendments to Supplemental Declaration created and later revised the Shumont Phase I and Phase IIA subdivisions as described therein; and

WHEREAS, the Fairfield Mountains Property Owners Association, Inc. ("POA") was organized for the purpose of acting as the master property owners association for Fairfield Mountains, North Carolina and has joined in the execution of the Master Declaration, as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and

WHEREAS, the Developer and the POA desire to further amend the Supplemental Declaration by this Fourth Amendment to Supplemental Declaration to add additional covenants and restrictions to the property described on Exhibit A-1 THROUGH A-6 attached hereto and incorporated herein by reference ("Property"), which Property is a part of the real property described on Exhibit A of the Supplemental Declaration.

NOW THEREFORE, pursuant to the Master Declaration and the Supplemental Declaration, the POA and the Developer hereby declare that upon recordation of this Fourth Amendment to Supplemental Declaration the Property described on Exhibits A-1 THROUGH A-6 attached hereto shall be subject to the following covenants and restrictions in addition to those set forth in the Master Declaration and the Supplemental Declaration:

1. All successors in interest to the Developer shall be deemed a Regular Member of the POA until such time as a subdivision of the Property is submitted to the Town of Lake Lure, at which time said successor in interest shall be deemed a Developer Member.
2. Upon subdivision of said Property, any and all roads, streets or right-of-ways created thereon shall be deemed

Common Property as defined in the Master declaration and, upon completion of same, and in conformance to subdivision regulation of the Town of Lake Lure and the Architectural Control Committee requirements, shall be maintained by the POA.

- 3. All Lots and Living Units will, upon subdivision of the Property, be subject to an initial one time \$500.00 impact fee at the time of sale to a third party purchaser, said fee being payable to the POA at the closing of said sale.

IN WITNESS WHEREOF, Fairfield Communities, Inc. has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Assistant Secretary and its corporate seal to be hereto affixed all by order of its Board of Directors first duly given on the day and date above written.

FAIRFIELD COMMUNITIES, INC.

By: _____
Senior Vice President

For the purpose of indicating its approval of the foregoing Fourth Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina not for profit corporation, has caused this instrument to be executed in its corporate name by its Vice President and attested by its Acting Secretary on this 2nd day of February, 1994.

FAIRFIELD MOUNTAINS PROPERTY OWNERS
ASSOCIATION, INC.

By: _____
Vice President

Acting Secretary

STATE OF ARKANSAS)
) SS.
 COUNTY OF PULASKI)

I, Susan R Young , a Notary Public in and for said County and State, do hereby certify that on the 24 day of January , 1993 before me personally came _____ whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President and that _____ is the Assistant Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Senior Vice President; that the said Senior Vice President and Assistant Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and notarial seal this the 24 day of January , 1994.

Susan R. Young

Notary Public

STATE OF NORTH CAROLINA)
) SS.
 COUNTY Of Rutherford)

I, Christine L. Davis , a Notary Public in and for said County and State, do hereby certify that on the 2nd day of February , 1993, before me personally came Louis C. McKinney , with whom I am personally acquainted, who, being by me duly sworn, says that he is the Vice president and that Jill C. Lovell is the Acting Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Vice President; that the said Vice President and Acting Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of sale corporation.

Witness my hand and notarial seal this the 2nd day of February, 1994.

Christine L. Davis

Notary Public

TRACT ONE:

Lying within the Fairfield Mountains Development in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a portion of the property standing in the name of Fairfield Communities, Inc. described in Tract Two in Deed of record in Deed Book 490, at Page 57, Rutherford County Registry, and being all of the 107.52 acre tract as shown on a plat of survey made by Charles O. Hampton Jr. Registered Land Surveyor on January 25, 1994, and recorded in Plat Book 16, Pages 12 and 13, Rutherford County Registry, and being herein more particularly described by metes and bounds according to said survey as follows:

BEGINNING at an IRS in the western boundary of Lot 105 of Shumont Estates, Phase I, Reference Plat Book 14, Pages 101 and 102. Said Beginning point stands South 28 deg. 51 min. 48 sec. West 44.01 feet from a concrete monument, the Northwest corner of said Lot 105:

Thence from said beginning point, with the Western boundary of Lots 105, 104, 103, 102 and 101 of Shumont Estates, Phase I, Reference Plat Book 14, Pages 101 and 102, as follows:

Thence South 28 deg. 51 min. 48 sec. West 54.48 feet to an iron rod; thence South 30 deg. 54 min. 36 sec. West 100.01 feet to an iron rod; thence South 30 deg. 54 min. 36 sec. West 99.77 feet to an iron rod; thence South 30 deg. 54 min. 36 sec. West 78.32 feet to a concrete monument; thence South 2 deg. 59 min. 01 sec. East 24.93 feet to an iron rod; thence South 2 deg. 59 min. 01 sec. East 232.00 feet to an iron rod; thence South 2 deg. 59 min. 01 sec. East 25.86 feet to a point in the centerline of the right of way of Wilkerson Court; thence with a curve to the left having a radius of 329.92 feet, an arc length of 6.88 feet, said curve having a chord bearing and distance of North 72 deg. 10 min. 49 sec. East 6.88 feet; thence leaving the centerline of the right of way of Wilkerson Court, and with the western boundary of Lots 100, a common area, 99, 98, 97, 96 and 95 of Shumont Estates, Phase I, reference Plat Book 14, Pages 101 and 102 as follows: South 18 deg. 25 min. 03 sec. East 25.00 feet to an iron rod; thence South 18 deg. 25 min. 03 sec. East 163.32 feet to an iron rod; thence South 21 deg. 58 min. 26 sec. West 80.07 feet to a concrete monument; thence South 9 deg. 02 min. 10 sec. East 100.00 feet to an iron rod; thence South 9 deg. 02 min. 10 sec. East 90.00 feet to an iron rod; thence South 4 deg. 02 min. 10 sec. East 83.72 feet to an iron rod; thence South 4 deg. 02 min. 10 sec. East 89.32 feet to an iron rod; thence South 4 deg. 02 min. 10 sec. East 96.96 feet to a concrete monument, the Southwest corner of said Lot 95; thence with the northern boundaries of Lots 30, 31, and 32 of Shumont Estates Phase IIA, Reference Plat Book 15, Page 50 as follows: South 85 deg. 59 min. 50 sec. West 15.58 feet to an iron rod; thence South 85 deg. 57 min. 50 sec. West 113.61 feet to an iron rod; thence South 85 deg. 57 min. 50 sec. West 113.61 feet to an iron rod; thence South 85 deg. 57 min. 50 sec. West 30.50 feet to a point in the centerline of the right of way of Shaner Court; thence with the centerline of the right of way of Shaner Court with a curve to the left having a radius of 325.00 feet, an arc length of 72.97 feet, said curve having a chord bearing and distance of South 22 deg. 54 min. 05 sec. West 72.82 feet; thence leaving the centerline of the right of way of Shaner Court and with the northern boundaries of Lots 39, 40 and 41 of Shumont Estates Phase IIA, Reference Plat Book 15, Page 50 as follows: North 45 deg. 27 min. 03 sec. West 28.05 feet to an iron rod; thence North 45 deg. 27 min. 03 sec. West 278.42 feet to an iron rod; thence South 45 deg. 23 min. 10 sec. West 25.00 feet to a concrete monument; thence South 68 deg. 36 min. 54 sec. West 11.17 feet to an iron rod; thence South 68 deg. 36 min. 54 sec. West 93.79 feet to an iron rod, the Northwest corner of said Lot 41; thence with

the northern lines of Lots 42, 43 and 44 of Shumont Estates Phase IIA as revised, Reference Plat Book 16 Page 28 as follows: South 68 deg. 36 min. 54 sec. West 87.74 feet, to an iron rod; thence South 68 deg. 36 min. 54 sec. West 107.30 feet to an iron rod; thence South 86 deg. 12 min. 16 sec. West 70.59 feet to an iron rod, thence South 86 deg. 12 min. 16 sec. West 249.41 feet to a concrete monument; thence with the Western lines of Lots 44 and 46 of Shumont Estates Phase IIA as revised, Reference Plat Book 16, Page 28 as follows: South 0 deg. 10 min. 40 sec. West 156.37 feet to an iron rod; thence South 0 deg. 10 min. 40 sec. West 83.63 feet to an iron rod; thence South 0 deg. 10 min. 40 sec. West 269.39 feet to an iron rod; thence with the Southern lines of Lots 46, 47 and 48 of Shumont Estates Phase IIA as revised, Reference Plat Book 16, Page 28, as follows: thence with a curve to the right having a radius of 215.00 feet, an arc length of 118.83 feet, said curve having a chord bearing and distance of North 60 deg. 11 min. 58 sec: East 117.33 feet to an iron rod; thence with a curve to the right having a radius of 215.00 feet, an arc length of 60.65 feet, said curve having a chord bearing and distance of North 84 deg. 06 min. 54 sec. East 60.45 feet; thence South 87 deg. 48 min. 12 sec. East 44.61 feet to an iron rod; thence South 87 deg. 48 min. 12 sec. East 8.51 feet; thence with a curve to the right having a radius of 547.62 feet, an arc length of 93.20 feet, said curve having a chord bearing and distance of South 82 deg. 55 min. 40 sec. East 93.09 feet to an iron rod; thence North 15 deg. 30 min. 01 sec. East 89.32 feet to a concrete monument; thence North 85 deg. 34 min. 14 sec. East 214.62 feet to an iron rod, the Southeast corner of said Lot 48; thence with the southern lines of Lots 49, 50, 51, 52 53 and 54 of Shumont Estates Phase IIA, Reference Plat Book 15, Page 50, as follows: North 85 deg. 34 min. 14 sec. East 34.29 feet, to an iron rod; thence South 68 deg. 46 min. 43 sec. East 122.29 feet to an iron rod; thence South 68 deg. 46 min. 43 sec. East 115.44 feet to an iron rod; thence South 68 deg. 46 min. 43 sec. East 32.27 feet to an iron rod; thence South 88 deg. 35 min. 30 sec. East 61.45 feet to an iron rod; thence South 88 deg. 35 min. 30 sec. East 90.57 feet to an iron rod; thence South 88 deg. 35 min. 30 sec. East 103.89 feet to a concrete monument; thence South 88 deg. 35 min. 30 sec. East 134.09 feet to an iron rod, the southeast corner of said Lot 54; thence with the western lines of Lots 89 and 88 of Shumont Estates Phase I as shown on plat of record in Plat Book 14, Pages 101 and 102 hereinabove referred to, South 14 deg. 50 min. 11 sec. East 266.69 feet to an iron rod; thence South 68 deg. 54 min. 52 sec. East 14.59 feet to a point in the western line of Lot Number 88; thence with the waterline of Shumont Lake "as-built" as follows: South 12 deg. 33 min. 20 sec. West 22.23 feet; South 0 deg. 02 min. 44 sec. West 57.15 feet; South 14 deg. 42 min. 05 sec. West 65.09 feet; South 15 deg. 45 min. 58 sec. West 99.75 feet; South 11 deg. 50 min. 19 sec. West 60.14 feet; South 8 deg. 12 min. 27 sec. West 55.34 feet; South 40 deg. 50 min. 52 sec. West 41.42 feet; South 56 deg. 24 min. 44 sec. West 79.97 feet; South 67 deg. 04 min. 32 sec. West 45.01 feet; South 70 deg. 29 min. 02 sec. West 65.52 feet; South 73 deg. 46 min. 15 sec. West 48.28 feet; South 81 deg. 05 min. 12 sec. West 89.54 feet; North 67 deg. 56 min. 47 sec. West 25.75 feet; North 89 deg. 26 min. 42 sec. West 15.97 feet; North 72 deg. 51 min. 51 sec. West 58.92 feet; North 68 deg. 30 min. 14 sec. West 85.13 feet; North 52 deg. 00 min. 23 sec. West 29.78 feet; North 57 deg. 57 min. 14 sec. West 40.28 feet; North 79 deg. 34 min. 10 sec. West 18.07 feet; South 49 deg. 16 min. 54 sec. West 19.26 feet; South 84 deg. 37 min. 59 sec. West 16.51 feet; North 83 deg. 25 min. 16 sec. West 18.43 feet; North 84 deg. 00 min. 50 sec. West 17.09 feet; South 15 deg. 54 min. 40 sec. East 20.44 feet; South 56 deg. 33 min. 28 sec. West 30.39 feet; South 40 deg. 25 min. 13 sec. West 34.78 feet; South 52 deg. 13 min. 41 sec. West 24.00 feet; South 86 deg. 38 min. 44 sec. East 27.44 feet; North 68 deg. 25 min. 04 sec. East 30.75 feet; South 84 deg. 43 min. 09 sec. East 34.20 feet; South 88 deg. 58 min.

36 sec. East 16.52 feet; South 68 deg. 00 min. 28 sec. East 13.25 feet;
South 7 deg. 35 min. 34

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BOOK 626 PAGE 669

sec. East 26.42 feet; South 38 deg. 44 min. 35 sec. East 35.78 feet, South 48 deg. 22 min. 59 sec. East 43.04 feet; South 20 deg. 48 min. 03 sec. East 34.74 feet; South 14 deg. 56 min. 08 sec. West 34.19 feet; South 29 deg. 46 min. 04 sec. West 46.65 feet; South 38 deg. 52 min. 54 sec. West 17.80 feet; South 58 deg. 27 min. 54 sec. West 22.09 feet; South 23 deg. 43 min. 34 sec. West 42.02 feet; South 23 deg. 56 min. 05 sec. West 37.85 feet; South 11 deg. 29 min. 56 sec. West 33.85 feet; South 20 deg. 16 min. 48 sec. West 24.38 feet; South 38 deg. 02 min. 32 sec. West 29.98 feet; South 6 deg. 58 min. 46 sec. West 28.19 feet; South 38 deg. 23 min. 56 sec. West 13.94 feet; South 40 deg. 14 min. 21 sec. West 29.30 feet; South 55 deg. 18 min. 04 sec. West 43.43 feet; South 74 deg. 11 min. 11 sec. West 54.25 feet; South 78 deg. 14 min. 02 sec. West 61.93 feet; North 85 deg. 10 min. 02 sec. West 41.85 feet; South 60 deg. 45 min. 14 sec. West 22.86 feet; South 69 deg: 33 min. 40 sec. East 27.47 feet; South 61 deg. 45 min. 05 sec. East 36.49 feet; South 72 deg. 35 min. 22 sec. East 35.19 feet; North 69 deg. 02 min. 39 sec. East 40.43 feet; South 71 deg. 26 min. 31 sec. East 27.82 feet; South 53 deg. 39 min. 42 sec. East 23.01 feet; South 41 deg. 58 min. 23 sec. East 22.64 feet; South 5 deg. 42 min. 50 sec. West 35.36 feet; South 8 deg. 01 min. 11 sec. West 32.41 feet; South 16 deg. 33 min. 30 sec. East 48.40 feet; South 38 deg. 02 min. 34 sec. East 27.36 feet; South 54 deg. 14 min. 17 sec. East 18.50 feet; South 34 deg. 21 min. 26 sec. East 39.69 feet; South 75 deg. 07 min. 30 sec. East 29.80 feet; North 64 deg. 21 min. 30 sec. East 39.15 feet; North 86 deg. 51 min. 56 sec. East 23.89 feet; South 38 deg. 05 min. 08 sec. East 32.21 feet; North 53 deg. 21 min. 16 sec. East 11.91 feet; North 19 deg. 50 min. 28 sec. West 12.47 feet; North 44 deg. 59 min. 06 sec. West 35.58 feet; North 89 deg. 01 min. 20 West 27.15 feet; South 69 deg. 42 min. 41 sec. West 24.17 feet; South 89 deg. 31 min. 33 sec. West 14.03 feet; North 53 deg. 59 min. 26 sec. West 10.01 feet; North 26 deg. 19 min. 15 sec. West 43.15 feet; North 31 deg. 09 min. 46 sec. West 40.89 feet; North 17 deg. 33 min. 56 sec. East 45.17 feet; North 32 deg. 49 min. 21 sec. East 35.19 feet; North 46 deg. 21 min. 01 sec. East 37.50 feet; North 19 deg. 36 min. 19 sec. East 57.50 feet; North 61 deg. 56 min. 23 sec. East 52.39 feet; North 42 deg. 26 min. 49 sec. East 24.24 feet; North 86 deg. 07 min. 44 sec. East 34.54 feet; South 75 deg. 16 min. 58 sec. East 45.56 feet; North 67 deg. 17 min. 18 sec. East 100.05 feet; South 84 deg. 22 min. 48 sec. East 45.98 feet; North 59 deg. 40 min. 24 sec. East 75.50 feet; North 57 deg. 59 min. 36 sec. East 56.24 feet; North 58 deg. 49 min. 18 sec. East 65.08 feet; North 74 deg. 05 min. 50 sec. East 61.16 feet; South 84 deg. 40 min. 48 sec. East 40.50 feet; South 62 deg. 45 min. 57 sec. East 13.63 feet; South 14 deg. 30 min. 04 sec. East 29.25 feet; North 33 deg. 13 min. 43 sec. East 24.57 feet; North 43 deg. 56 min. 04 sec. East 30.33 feet; North 31 deg. 15 min. 01 sec. East 16.23 feet; North 62 deg. 08 min. 19 sec. East 23.08 feet; North 78 deg. 35 min. 16 sec. East 73.57 feet; North 73 deg. 17 min. 43 sec. East 70.74 feet; North 80 deg. 42 min. 12 sec. East 48.06 feet; and North 79 deg. 22 min. 54 sec. East 57.84 feet; thence South 43 deg. 27 min. 21 sec. East 40.77 feet to a point in the centerline of a 50 foot wide right of way of Shumont Estates Drive; thence South 87 deg. 28 min. 10 sec. East 218.85 feet to an iron pin found; thence South 29 deg. 07 min. 12 sec. West 1127.10 feet to an AXEL in the northern lines of Martha Jane Powers as described in Deeds of record in Deed Book 491, at Page 313 and Deed Book 558 at Page 188 Rutherford County Registry; thence with the northern and eastern lines of said Martha Jane Powers as follows: South 84 deg. 14 min. 42 sec. West 658.12 feet to an iron pipe; thence North 59 deg. 56 min. 35 sec. West 1323.15 feet to a planted stone; thence North 0 deg. 15 min. 50 sec. East 600.97 feet to an iron pipe, the southeast corner of Marilyn

Powers Moore tract as described in Deed Book 491 at Page 307 and Deed Book 558 at Page 188, Rutherford County Registry; thence with the eastern lines of said Marilyn Powers Moore as follows: North 0 deg. 20 min. 35

sec. East 934.77 feet to an iron pipe in a pile of stones; thence North 40 deg. 15 min. 56 sec. East 343.94 feet to a planted stone, thence North 56 deg. 06 min. 15 sec. East 332.82 feet to a planted stone, thence North 25 deg. 53 min. 18 sec. East 447.67 feet to an iron pipe in a pile of stones; thence North 49 deg. 47 min. 56 sec. East 390.87 feet to a planted stone; thence North 18 deg. 35 min. 55 sec. East 578.34 feet to an iron pipe in a pile of stones, said iron pipe being in the south line of the property standing in the name of Fairfield Communities, Inc., as described in Tract I in Deed of record in Deed Book 490, at Page 57, Rutherford County Registry; thence with said South line of Fairfield Communities, Inc., South 88 deg. 21 min. 13 sec. East 314.76 feet to an iron rod in the South line of the property standing in the name of D.L. Walke Construction Co. Inc., and shown on a plat of Mountain Village as shown on plat of record in Plat Book 16, at Page 59, Rutherford County Registry; thence with the southern lines of said Plat of Mountain Village as follows: South 11 deg. 42 min. 46 sec. West 50.21 feet to an iron rod; thence North 89 deg. 44 min. 29 sec. East 30.32 feet to an iron pipe; thence South 73 deg. 00 min. 02 sec. East 124.46 feet to an iron pipe; thence North 69 deg. 06 min. 32 sec. East 104.84 feet, to an iron pipe, the Southeast corner of said Plat of Mountain Village; thence North 89 deg. 38 min. 04 sec. East 58.76 feet to the point and place of the Beginning and containing 107.52 acres more or less.

Subject to Declaration of Covenants and Restrictions of record in Deed Book 386, Pages 404-440 Rutherford County Registry, and any additional amendments or supplemental Declarations pertaining thereto, and also subject to any Plat Notes as shown on the recorded plat hereinabove referred to.

THERE IS ALSO CONVEYED HEREWITH for the purpose of ingress and egress to and from the above described 107.52 acre tract a non-exclusive 50 foot wide right of way, the centerline of said 50 foot wide right of way being more particularly described as follows:

BEGINNING at a point in the centerline of the right of way of Shumont Estates Drive which is located South 57 deg. 17 min. 31 sec. East 145.17 feet from the southwestern corner of Lot Number 80 of Shumont Estates Phase I hereinabove referred to and runs thence from said Beginning point and with the centerline of said right of way of Shumont Estates Drive as follows: South 32 deg. 42 min. 29 sec. West 49.68 feet; thence with a curve to the left, said curve having a radius of 3,188.42 feet, an arc length of 228.66 feet and a chord bearing and distance of South 30 deg. 39 min. 13 sec. West 228.61 feet to a point in the centerline of said right of way; thence a curve to the left, said curve having a radius of 276.27 feet, an arc length of 69.47 feet and a chord bearing and distance of South 21 deg. 23 min. 40 sec. West 69.29 feet to a point in the center of said right of way and being also a corner of the 107.52 acres herein described.

The above described right of way is depicted on the plat of survey hereinabove referred to, reference to which is hereby made in further aid of description.

TRACT TWO:

Situate, lying and being within the Fairfield Mountains Development, in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a portion of the property standing in the name of Fairfield Communities, Inc., described in Tract One in Deed of record in Deed Book 490, at Page 57, Rutherford County Registry, and being all of that 25.95 acres as shown on plat of survey made by Charles O. Hampton, Jr., Registered Land Surveyor on September 7, 1992, and recorded in Plat Book 16 Page 74, Rutherford County Registry, and being herein more

particularly described by metes and bounds according to said survey as follows:

BEGINNING at a railroad spike found in the center of North Carolina State Secondary Road Number 1306 (Buffalo Shoals Road), said railroad spike stands South 46 deg. 03 min. 26 sec. East 885.12 feet from North Carolina Geodetic Survey monument "The Mountains", and being the northernmost corner of the property of Horst V. Brunner as described in Deed of record in Deed Book 586, at Page 97, Rutherford County Registry and as shown on Plat of record in Plat Book 15, at Page 64, Rutherford County Registry; and runs thence from said Beginning railroad spike and with center of North Carolina State Secondary Road Number 1306 the following twenty five (25) calls and distances: (1) North 41 deg. 39 min. 27 sec. East 66.24 feet, (2) North 27 deg. 52 min. 41 sec. East 46.87 feet, (3) North 14 deg. 00 min. 53 sec. East 23.01 feet, (4) North 1 deg. 57 min. 10 sec. East 110.10 feet, (5) North 3 deg. 43 min. 26 sec. East 73.36 feet, (6) North 15 deg. 51 min. 25 sec. East 71.94 feet, (7) North 32 deg. 11 min. 01 sec. East 97.31 feet, (8) North 43 deg. 57 min. 05 sec. East 20.01 feet, (9) North 50 deg. 09 min. 29 sec. East 94.70 feet, (10) North 42 deg. 13 min. 19 sec. East 61.55 feet, (11) North 32 deg. 40 min. 56 sec. East 132.22 feet, (12) North 45 deg. 02 min. 58 sec. East 43.77 feet, (13) North 76 deg. 41 min. 55 sec. East 36.42 feet, (14) South 72 deg. 10 min. 25 sec. East 53.76 feet, (15) South 48 deg. 16 min. 39 sec. East 93.36 feet, (16) South 38 deg. 05 min. 56 sec. East 153.88 feet, (17) South 50 deg. 20 min. 29 sec. East 95.17 feet, (18) South 60 deg. 49 min. 09 sec. East 132.62 feet, (19) South 71 deg. 00 min. 18 sec. East 118.54 feet, (20) South 78 deg. 30 min. 39 sec. East 254.87 feet, (21) South 62 deg. 46 min. 45 sec. East 51.91 feet, (22) South 49 deg. 57 min. 09 sec. East 56.89 feet, (23) South 42 deg. 42 min. 45 sec. East 152.47 feet, (24) South 54 deg. 44 min. 55 sec. East 94.16 feet and (25) South 62 deg. 28 min. 44 sec. East 5.60 feet to a point in the intersection of Buffalo Road and Noblitt Drive; thence continuing within the right of way of Noblitt Drive the following five (5) calls: (1) South 15 deg. 15 min. 46 sec. West 55.26 feet, (2) South 4 deg. 20 min. 16 sec. West 26.25 feet, (3) South 6 deg. 27 min. 58 sec. East 29.36 feet, (4) South 7 deg. 45 min. 58 sec. East 51.56 feet, and (5) South 24 deg. 26 min. 03 sec. West 243.65 feet to a point in the intersection of Noblitt Drive and Mountain Village Boulevard; thence with the centerline of Mountain Village Boulevard, South 56 deg. 33 min. 37 sec. East 123.25 feet and South 80 deg. 28 min. 54 sec. East 40.74 feet to a nail in the center of Mountain Village Boulevard where it is intersected by the centerline of a 40 foot wide right of way of an unnamed street; thence with the centerline of said 40 foot wide unnamed street right of way South 11 deg. 42 min. 46 sec. West 54.93 feet to an iron rod stake in the centerline of said road right of way; thence with line of Fairfield Communities, Inc., North 88 deg. 21 min. 13 sec. West 314.76 feet to an iron pin found, common corner of the Fairfield Communities, Inc. property hereinabove referred to and the property of Marilyn Powers Moore property described at Tract One in Deed of record in Deed Book 491, at Page 307, Rutherford County Registry; thence with line of said Moore property, South 89 deg. 19 min. 17 sec. West 989.60 feet to an iron rod found in line of the above referenced Moore property and the property of Horst V. Brunner hereinabove referred to; and runs thence with line of Horst V. Brunner the following seven (7) calls: (1) North 0 deg. 40 min. 43 sec. West 77.84 feet, (2) North 32 deg. 57 min. 50 sec. East 44.93 feet, (3) North 26 deg. 42 min. 16 sec. East 91.83 feet, (4) North 17 deg. 44 min. 46 sec. West 36.84 feet, (5) North 31 deg. 33 min. 59 sec. West 75.96 feet, (6) North 76 deg. 00 min. 34 sec. West 48.85 feet and (7) North 48 deg. 43 min. 02 sec. West (passing an iron rod found at 145.90 feet) 194.20 feet to the point and place of the BEGINNING and containing 25.95 acres more or less.

EXHIBIT "A-6"

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Subject to a 40 foot wide right of way as described in Deed of record in Deed Book 586, at Page 97, Rutherford County Registry, and shown on plat of record in Plat Book 15, Page 64, Rutherford County Registry.

Subject to Declaration of Covenants and Restrictions of record in Deed Book 386, Pages 404-440 Rutherford County Registry, and any additional amendments or supplemental Declarations pertaining thereto, and also subject to any Plat Notes as shown on the recorded Plat hereinabove referred to.

2:50
This Instrument Prepared By: Fairfield Communities, Inc.

FOURTH SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO
DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

629 663

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration,") on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08, and the "Second Amendment to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585 and as supplemented by the Supplemental Declaration Of Covenants and Restrictions to Declaration of Covenants and Restrictions ("Supplemental Declaration") recorded on June 24, 1987 in Book 503, Page 769 all in the Office of the Register of Deeds in and for Rutherford County, North Carolina subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and,

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

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WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants and restrictions set forth in the Master Declaration, as amended and supplemented, the real property described on Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this Fourth Supplemental Declaration the real property described on Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. Developer, its successors and assigns shall be entitled to all the benefits and burdens of ownership subject to the Master Declaration and at such time as the Property is further subdivided, the real property described on Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration and as such no portion of the real property described on Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the property described on Exhibit A hereto is acceptable as an addition to Fairfield Mountains and executed this Fourth Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE II, Section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Fourth Supplemental Declaration the real property described on Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use at which time the owners thereof shall be deemed owners of Property and members of the Master Association as defined in the Master Declaration. Upon subdivision of said Property, any and all roads, streets or right-of-ways shall be deemed Common Property as

629 665

defined in the Master Declaration and all lots will, upon the initial sale of same to a third party purchaser, be subject to a one time \$500.00 impact fee payable to the Master Association at Closing and the real property described on Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described on Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) at which time such "Lot" or "Living Unit" shall become subject to assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Assistant Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 29 day of March, 1994.

FAIRFIELD COMMUNITIES, INC.

(CORPORATE SEAL)

ATTEST:

Sam Constant



BY [Signature]
 Title: Senior Vice President

For the purpose of indicating its approval of the foregoing Fourth Supplemental Declaration To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its _____

 President and attested by its Acting
 Secretary on this 7th day of April, 1994.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.



BY [Signature]
 _____ PRESIDENT

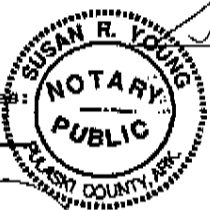
[Signature]
 _____ SECRETARY

STATE OF ARKANSAS }
COUNTY OF PULASKI } SS.

629 666

I, SUSAN R. YOUNG, a Notary Public in and for said County and State, do hereby certify that on the 29 day of March, 1994, before me personally came Joe T. Guntak whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President and that Daniel Kling is the Assistant Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Senior Vice President; that the said Senior Vice President and Assistant Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 29 day of March, 1994.



STATE OF NORTH CAROLINA }
COUNTY OF Polk } SS.

I, Gill S. Champion, a Notary Public in and for said County and State, do hereby certify that on the 7th day of April, 1994, before me personally came R. B. Kedyer with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that Cheryl R. Stott is the Acting Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Acting Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 7th day of April, 1994.

Gill S. Champion
Notary Public



STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

The foregoing Certificate of Susan R. Young, Gill S. Champion

is/are certified to be correct. This instrument was presented for registration the 8th day of April, 1994 at 2:50 P.M., and duly recorded in the office of the Registrar of Deeds of Rutherford County, North Carolina, in Book 629, Page 663.
This the 8 day of April, A.D., 1994.

Faye H. Huskey
Faye H. Huskey, Reg. of Deeds

By Gill S. Champion
Deputy Register of Deeds

EXHIBIT A

DESCRIPTION OF PROPERTY

BOOK 629 PAGE 667

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a portion of the 121.41 acres described as Tract Three in Deed from William Merritt Quattlebaum, Jr. and wife, Dorothy C. Quattlebaum, to Fairfield Communities, Inc., dated August 26, 1981, and of record in Deed Book 426, at Page 538, Rutherford County Registry, that part thereof being herein described according to a plat of survey made by Charles O. Hampton, Jr., Registered Land Surveyor, dated March 29, 1994, and of record in Plat Book 16, Page 80, Rutherford County Registry as follows:

BEGINNING at a stone which marks the easternmost corner of that certain 6.69 acre tract as shown on Plat entitled "Fourth Revision Phase III Bent Creek Depicting as-built locations of Building No. 10, Fairfield Mountains, Town of Lake Lure, Chimney Rock Twp., Rutherford County, North Carolina", of record in Plat Book 14, Page 70, Rutherford County Registry, said stone being also the northwest corner of the property of Ronald C. Flowers etux as described in Deed of record in Deed Book 593, at Page 644, Rutherford County Registry, and runs thence from said beginning stone and with line of the 6.69 acre tract North 34 deg. 32 min. 36 sec. West 170.93 feet to an iron pin found, corner of said 6.69-acre tract and corner of the Apple Valley Country Club and Golf Course property as shown on plat of record on Plat Book 16, Page 14, Rutherford County Registry; thence with five (5) lines of said Apple Valley Country Club and Golf Course property as follows: (1) South 62 deg. 11 min. 46 sec. East 186.26 feet to an iron pin found; (2) North 83 deg. 02 min. 08 sec. East 287.60 feet to an iron pin found; (3) South 69 deg. 14 min. 14 sec. East 142.79 feet to an iron pin found; (4) North 31 deg. 16 min. 04 sec. East 466.84 feet to an iron pin found; and (5) South 90 deg. 00 min. 00 sec. East 110.81 feet to an iron rod found in the center of North Carolina State Road Number 1307; thence with North Carolina State Road Number 1307 as follows: South 19 deg. 32 min. 44 sec. West 136.63 feet to a point in said road, the terminus of the 5th call of the 121.41 acre tract hereinabove referred to; thence continuing with North Carolina State Road Number 1307, (and within the right of way thereof) South 00 deg. 17 min. 44 sec. West 200 feet; South 01 deg. 27 min. 40 sec. East 216 feet; South 01 deg. 27 min. 16 sec. East 40 feet; South 04 deg. 40 min. 40 sec. West 98.50 feet; South 11 deg. 05 min. 40 sec. West 100 feet; South 36 deg. 35 min. 40 sec. West 210 feet; and South 52 deg. 50 min. 40 sec. West 100 feet to a point in the center of said road number 1307 and in line of the property of Roland Wilson as described in Deed of record in Deed Book 296, Page 13, Rutherford County Registry; thence with line of said Wilson property North 78 deg. 19 min. 17 sec. West 186.33 feet to a point in said line, being the southeastern corner of the property of Ronald C. Flowers etux as described in Deed of record in Deed Book 593, at Page 644, Rutherford County Registry; thence with line of said Flowers property and with the center of a 20 foot right of way as described in Deed Book 484, at Page 453, Rutherford County Registry as follows, North 43 deg. 51 min. 00 sec. West 87.50 feet, North 26 deg. 21 min. 00 sec. West 130 feet, North 41 deg. 21 min. 00 sec. West 100 feet to an existing iron pin; thence a new line North 09 deg. 29 min. 44 sec. West 163.69 feet to an iron rod set; a new corner in line of Flowers Tract hereinabove referred to; thence continuing with Flowers line, North 13 deg. 54 min. 00 sec. East 63.05 feet to an iron pin found, (formerly a stone) and North 72 deg. 59 min. 37 sec. West 197.45 feet to the point and place of BEGINNING and containing 9.57 acres more or less.

This Instrument Prepared By: Fairfield Communities, Inc.

FIFTH SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
TO

DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

631 581

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration") on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08 et seq., and the "Second Amendment to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585 et seq., and the Third Amendment to Declaration of Covenants and Restrictions ("Third Amendment") recorded on January 29, 1992 in Book 588, Page 275 et seq., and as supplemented by the Supplemental Declaration Of Covenants and Restrictions to Declaration of Covenants and Restrictions ("Supplemental Declaration") recorded on June 24, 1987 in Book 503, Page 769 et seq., all in the Office of the Register of Deeds in and for Rutherford County, North Carolina, subjecting the real property described therein to the terms, conditions, covenants, and restrictions set forth in the Master Declaration; and

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

631 582

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants and restrictions set forth in the Master Declaration, as amended and supplemented, the real property described on Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this Fifth Supplemental Declaration, the real property described on Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. Developer, its successors and assigns shall be entitled to all the benefits and burdens of ownership subject to the Master Declaration and at such time as the Property is further subdivided, the real property described on Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration and as such no portion of the real property described on Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration; and

WHEREAS, the Master Association has agreed that the property described on Exhibit A attached hereto is acceptable as an addition to Fairfield Mountains and has executed this Fifth Supplemental Declaration to so indicate.

NOW, THEREFORE, in accordance with ARTICLE II, Section 2, of the Master Declaration, Developer hereby declares that upon recordation of this Fifth Supplemental Declaration the real property described on Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use at which time the owners thereof shall be deemed owners of Property and members of the Master Association as defined in the Master Declaration. No portion of the real property described on

BOOK 631 PAGE 583

Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) at which time such "Lot" or "Living Unit" shall become subject to assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration. The Property described on Exhibit A shall be subject to the following covenants and restrictions in addition to those set forth in the Master Declaration, as amended and supplemented:

1. All successors in interest to the Developer shall be deemed a Regular Member of the POA until such time as a subdivision of the Property is submitted to the Town of Lake Lure, at which time said successor in interest shall be deemed a Developer Member.
2. Upon subdivision of said Property, any and all roads, streets or right-of-ways created thereon shall be deemed Common Property as defined in the Master Declaration and, upon completion of same, and in conformance to subdivision regulation of the Town of Lake Lure and the Architectural Control Committee requirements, shall be maintained by the POA.
3. All Lots and Living Units will, upon subdivision of the Property, be subject to an initial one time \$500.00 impact fee at the time of sale to a third party purchaser, said fee being payable to the POA at the closing of said sale.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Assistant Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 6 day of May, 1994.

FAIRFIELD COMMUNITIES, INC.

(CORPORATE SEAL)

ATTEST:

Kim White
ASSISTANT



BY [Signature]
Title: SENIOR VICE PRESIDENT

BOOK 631 PAGE 584

For the purpose of indicating its approval of the foregoing Fifth Supplemental Declaration To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its _____

_____ President and attested by its Acting Secretary on this 12 day of May, 1994.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

BY R. B. Kelley PRESIDENT

(CORPORATE SEAL)

ATTEST: Cheryl R. Skitt SECRETARY

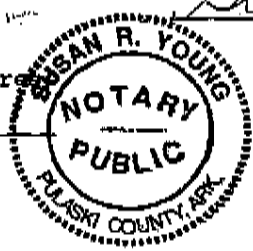
STATE OF ARKANSAS
COUNTY OF PULASKI

I, SUSAN R. YOUNG, a Notary Public in and for said County and State, do hereby certify that on the 12 day of May, 1994, before me personally came Joe T. Gunter whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President and that Kim Thompson is the Assistant Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Senior Vice President; that the said Senior Vice President and Assistant Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 12 day of May, 1994.

Susan R. Young
Notary Public

My Commission Expires June 21, 2000



STATE OF NORTH CAROLINA)
COUNTY OF Rutherford) SS.

BOOK 631 PAGE 585

I, Susan Wood, a Notary Public in and for said County and State, do hereby certify that on the 12 day of May, 1994, before me personally came R. B. Layton, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that Cheryl Stalt is the Acting Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Cheryl Stalt President; that the said Cheryl Stalt President and Cheryl Stalt Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 12 day of May, 1994.

Susan Wood
Notary Public

My Commission Expires:
3/8/98

North Carolina, Rutherford County
The foregoing certificate of Susan R. Wood
and Susan Wood

Notary Public/Notaries Public is/are certified to be correct. This instrument was presented for registration and recorded in this office at Book 631, Page 581.

This 16 day of May, 1994 at 2:45 clock P.M.
Faye H. Huskey Cheryl Stalt
Faye H. Huskey, Register of Deeds Deputy Register of Deeds
Rutherford County, N. C.

EXHIBIT "A"
DESCRIPTION OF PROPERTY
PAGE 1

631 586

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being a portion of the property described in Tract Three and Four of Deed from William Merritt Quattlebaum, Jr. and wife, Dorothy C. Quattlebaum to Fairfield Communities, Inc., a Delaware Corporation, dated August 26, 1981, and of record in Deed Book 426, at Page 538, Rutherford County Registry, and being all of the 26.43 acre tract as shown on plat entitled "Tract II-A-5 Survey for Fairfield Communities, Inc., Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina", prepared by Charles O. Hampton Jr. Registered Land Surveyor on March 31, 1994, and of record in Plat Book 16, Page 29, Rutherford County Registry and being herein more particularly described by metes and bounds according to said plat of survey as follows:

BEGINNING at a railroad spike found located in the center line of Whitney Boulevard and in line of the 6.34 acre tract as shown on survey entitled "Asset Disposition Tract II-A-2 Survey for Fairfield Communities, Inc., Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina", dated March 17, 1993, and of record in Plat Book 16, at Page 29, Rutherford County Registry; and runs thence with the centerline of Whitney Boulevard the following twenty six (26) calls: (1) South 54 deg. 43 min. 15 sec. East 260.87 feet; (2) thence a curve to the right, said curve having a radius of 252.74 feet, an arc length of 168.47 feet and a chord bearing and distance of South 35 deg. 37 min. 29 sec. East 165.37 feet; (3) South 16 deg. 31 min. 47 sec. East 82.32 feet; (4) thence a curve to the left, said curve having a radius of 363.23 feet, an arc length of 124.76 feet, and a chord bearing and distance of South 26 deg. 22 min. 08 sec. East 124.15 feet; (5) South 36 deg. 12 min. 30 sec. East 87.48 feet; (6) South 36 deg. 12 min. 30 sec. East 149.20 feet; (7) South 36 deg. 12 min. 30 sec. East 63.06 feet; (8) thence a curve to the right, said curve having a radius of 198.24 feet, an arc length of 179.26 feet and a chord bearing and distance of South 10 deg. 18 min. 09 sec. East 173.21 feet; (9) thence another curve to the right, said curve having a radius of 198.24 feet, an arc length of 23.38 and a chord bearing and distance of South 18 deg. 58 min. 44 sec. West 23.37 feet; (10) thence another curve to the right, said curve having a radius of 198.24 feet, an arc length of 62.32 feet, and a chord bearing and distance of South 31 deg. 21 min. 33 sec. West 62.06 feet; (11) South 40 deg. 22 min. 08 sec. West 83.13 feet; (12) thence a curve to the left, said curve having a radius of 116.90 feet, an arc length of 40.10 feet, and a chord bearing and distance of South 30 deg. 32 min. 28 sec. West 39.91 feet; (13) South 20 deg. 42 min. 49 sec. West 122.95 feet; (14) thence a curve to the left, said curve having a radius of 107.14 feet, an arc length of 72.59 feet, and a chord bearing and distance of South 01 deg. 18 min. 14 sec. West 71.21 feet; (15) South 18 deg. 06 min. 21 sec. East 166.02 feet; (16) thence a curve to the right, said curve having a radius of 149.85 feet, an arc length of 85.59 feet, and a chord bearing and distance of South 01 deg. 44 min. 33 sec. East 84.44 feet; (17) thence a curve to the left, said curve having a radius of 156.57 feet, an arc length of 62.94 feet and a chord bearing and distance of South 03 deg. 06 min. 19 sec. West 62.51 feet; (18) thence another curve to the left, said curve having a radius of 156.57 feet, an arc length of 62.19 feet and a chord bearing and distance of South 19 deg. 47 min. 18 sec. East 61.78 feet; (19) thence South 31 deg. 10 min. 05 sec. East 54.66 feet; (20) thence a curve to the left, said curve having a radius of 186.90 feet, an arc length of 60.47 feet and a chord bearing and distance of South 40 deg. 26 min. 11 sec. East 60.20 feet; (21) thence South 49 deg. 42 min. 14 sec. East 66.25 feet; (22) thence a curve to the right, said curve having a radius of 79.08 feet, an arc length of 45.59 feet, and a chord bearing and distance of South

EXHIBIT "A"
DESCRIPTION OF PROPERTY
PAGE 2

BOOK 631 PAGE 587

33 deg. 11 min. 42 sec. East 44.96 feet; (23) thence another curve to right, said curve having a radius of 79.08 feet, an arc length of 36.99 feet and a chord bearing and distance of South 03 deg. 15 min. 57 sec. East 36.65 feet; (24) thence South 10 deg. 07 min. 38 sec. West 103.30 feet; (25) thence a curve to the left, said curve having a radius of 191.22 feet, an arc length of 49.72 feet, and a chord bearing and distance of South 02 deg. 40 min. 47 sec. West 49.58 feet; and (26) South 04 deg. 46 min. 09 sec. East 96.94 feet to a point in the center line of Whitney Boulevard and being the northernmost corner of Lot Number 1 of Apple Valley Phase II as shown on plat of record in Plat Book 13, at Page 38, Rutherford County Registry; thence continuing with the line of Lot Number 1 South 68 deg. 23 min. 31 sec. West 62.75 feet to a concrete monument found in the line of Lot Number 1 hereinabove referred to; thence continuing with the line of Lot Number 1 South 68 deg. 23 min. 31 sec. West 108.75 feet to an iron pin found, common corner of Lot Number 1 and Lot Number 2, as shown on plat hereinabove referred to; thence with line of Lot Number 2, South 63 deg. 40 min. 02 sec. West 163.82 feet to an iron pin found, common corner of Lot Number 2 and Lot Number 3 as shown on plat hereinabove referred to; and runs thence from said iron pin and with line of Lot Number 3 South 39 deg. 15 min. 36 sec. West 132.30 feet to an iron pin found, common corner of Lot Number 3 and Lot Number 5 as shown on plat hereinabove referred to; thence with line of Lot Number 5 South 72 deg. 27 min. 14 sec. West 116.46 feet to a concrete monument found, common corner of Lot Number 5 and Lot Number 6 of Apple Valley Phase II as shown on plat of record in Plat Book 13, at Page 39, Rutherford County Registry; thence with line of Lot Number 6 South 72 deg. 16 min. 42 sec. West 144.54 feet to an iron pin found, common corner of Lot Number 6 and Lot Number 7 as shown on plat hereinabove referred to; thence with line of Lot Number 7, South 72 deg. 01 min. 15 sec. West 108.86 feet to an iron pin found, common corner of Lot Number 7 and Lot Number 8 as shown on plat hereinabove referred to; thence with line of Lot Number 8, North 70 deg. 06 min. 51 sec. West 127.52 feet to an iron pin found, common corner of Lot Number 8 and Lot Number 9 as shown on plat hereinabove referred to; thence with line of Lot Number 9, North 68 deg. 57 min. 33 sec. West 185.82 feet to an iron pin found, common corner of Lot Number 9 and Lot Number 10 as shown on plat hereinabove referred to; thence with line of Lot Number 10, North 89 deg. 49 min. 03 sec. West 218.09 feet to a concrete monument found, common corner of Lot Number 10 and Lot Number 11 as shown on plat hereinabove referred to; thence with line of Lot Number 11, North 89 deg. 37 min. 38 sec. West 60.87 feet to an iron pin found in line of the property of Dora B. Seiser atals as described in Deed of record in Deed Book 614, at Page 540, Rutherford County Registry; thence with line of Seiser the following three calls: (1) North 12 deg. 32 min. 07 sec. East 220.00 feet to a 42" Maple; (2) North 43 deg. 29 min. 08 sec. East 248.99 feet to an iron rod set in pine stump and (3) North 87 deg. 29 min. 46 sec. East 258.08 feet to an iron rod found, in line of Seiser property hereinabove referred to and the northwesternmost corner of Reservoirs 1 and 2 as shown on plat of record in Plat Book 15, Page 19, Rutherford County Registry; thence with line of Reservoirs 1 and 2 the following four calls: (1) South 12 deg. 14 min. 40 sec. East 137.36 feet to an iron rod found; (2) North 69 deg. 48 min. 21 sec. East 223.36 feet to an iron rod found; (3) North 12 deg. 14 min. 40 sec. West 46.80 feet to an iron rod found in a 20 foot right of way as shown on plat of record in Plat Book 15, at Page 19, Rutherford County Registry and (4) North 12 deg. 14 min. 40 sec. West 21.69 feet to an iron pin found at stone, common corner of Reservoirs 1 and 2 and the property of Seiser hereinabove referred to; and runs thence with line of Seiser North 01 deg. 32 min. 50 sec. West 366.82 feet to

EXHIBIT "A"
DESCRIPTION OF PROPERTY
PAGE 3

Doc. 631 588

a 36 inch Oak and North 09 deg. 51 min. 06 sec. East 357.22 feet to an iron pin found, common corner of Seiser property hereinabove referred to and the property of H. R. Gudmundson and wife, Charlotte Gudmundson as described in Deed of record in Deed Book 294, at Page 553, Rutherford County Registry; and runs thence with Gudmundson property North 06 deg. 59 min. 59 sec. East 310.00 feet to an iron pin found, common corner of the Gudmundson property hereinabove referred to and the property of John and Nancy Kincaid as described in Deed of record in Deed Book 381, at Page 270, Rutherford County Registry; and runs thence with line of Kincaid property the following four calls: (1) North 06 deg. 59 min. 59 sec. East 75.00 feet; (2) North 87 deg. 59 min. 59 sec. East 266.79 feet to an iron pin found; (3) North 08 deg. 29 min. 51 sec. East 180.22 feet to a marked 8" Oak and (4) North 56 deg. 10 min. 48 sec. West 733.45 feet to an iron pin found in line of Kincaid property and corner of the Reserve Property as shown on Plat of record in Plat Book 15, at page 8, Rutherford County Registry, and runs thence with line of Reserve property North 44 deg. 35 min. 34 sec. East 271.71 feet to the point and place of the BEGINNING and containing 26.43 acres more or less.

There is excepted and reserved from the above described 26.43 acres a non exclusive 20 foot (combination) right of way leading from Whitney Boulevard to Reservoir Sites 1 and 2 for ingress and egress and utility easements as described in Deed from Fairfield Communities, Inc., a Delaware Corporation to C W S Systems, Inc., dated April 2, 1990, and of record in Deed Book 558, at Page 603, Rutherford County Registry and as shown on Plat entitled "Mountain Utilities Company Apple Valley Reservoir Sites #1 and #2, Apple Valley Well Sites #8 and #12 Fairfield Mountains, Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina", dated March 5, 1990, and of record in Plat Book 15, at Page 19, Rutherford County Registry, and Plat entitled "Tract-II-A-5 Survey for Fairfield Communities, Inc., Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina" dated March 31, 1994, and of record in Plat Book 12, Page 82, Rutherford County Registry.

There is also conveyed herewith the right to change the location of said 20 foot right of way for ingress, egress and utility easement located on the 26.43 acre tract, provided however, CWS Systems, Inc., shall be at all times provided access to said property and such relocation shall be the Grantees sole expense.

Also conveyed subject to existing waterlines that cross the above described 26.43 acre tract to Reservoir Sites 1 and 2.

SIXTH SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

TO

642 784

DECLARATION OF COVENANTS AND RESTRICTIONS

RUTHERFORD COUNTY
STATE OF NORTH CAROLINA

WHEREAS, Fairfield Communities, Inc., ("Developer") as successor to Fairfield Mountains, Inc., recorded the Declaration of Covenants and Restrictions, (hereinafter referred to as "Master Declaration," on September 1, 1977 in Deed Book 386, Page 404 et seq., as amended by the "First Amendment To Declaration Of Covenants and Restrictions" recorded on June 28, 1978 in Book 395, Page 08, and the "Second Amendment to Declaration Of Covenants and Restrictions" ("Second Amendment") recorded on September 25, 1989 in Book 546, Page 585, and any additional amendments or supplemental declarations pertaining thereto; and,

WHEREAS, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation (hereinafter referred to as the "Master Association") was organized for the purpose of acting as the master property owners association for the Fairfield Mountains development and joined in the execution of the Master Declaration as amended and supplemented, for the purpose of indicating its agreement to perform those duties and obligations imposed upon it by the Master Declaration; and,

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property subject to and brought within the development plan created by the provisions of the Master Declaration; and

WHEREAS, pursuant to ARTICLE II, Section 2 of the Master Declaration, Developer wishes to bring within the plan of covenants

642 785

and restrictions set forth in the Master Declaration the real property described in Exhibit A attached hereto and incorporated herein by reference. Upon recordation of this ~~Fourth~~^{Sixth} Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors or assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

WHEREAS, the Master Association has agreed that the property described in Exhibit A hereto is acceptable as an addition to Fairfield Mountains and executed this ~~Fourth~~^{Sixth} Supplemental Declaration to so indicate; and

NOW, THEREFORE, in accordance with ARTICLE III, Section 2, of the Master Declaration, Developer hereby declares that upon recordation of this ~~Fourth~~^{Sixth} Supplemental Declaration the real property described in Exhibit A shall be "Property" as defined in ARTICLE I, Section 1(A) of the Master Declaration, and, in the sole discretion of the Developer, its successors and assigns, may be further subdivided and designated by the Developer for development and use. The real property described in Exhibit A shall be an additional category of "Exempt Property" as defined in ARTICLE XI, Section 12 of the Master Declaration. No portion of the real property described in Exhibit A shall be subject to assessments, charges, or liens created by the Master Declaration until a "Lot" or "Living Unit," as defined in the Master Declaration, is created on such portion(s) and such "Lot" or "Living Unit" becomes subject

STATE OF ARKANSAS)
) SS.
COUNTY OF PULASKI)

642 786

I, Sherry J. Soloff, a Notary Public in and for said County and State, do hereby certify that on the 11th day of June, 1993, before me personally came Jim T. Wharton whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President and that Kim Thompson is the Assistant Secretary of FAIRFIELD COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Senior Vice President; that the said Senior Vice President and Assistant Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 11th day of June, 1993.

Sherry J. Soloff
Notary Public

NOTARY
My Commission Expires:
Feb. 6, 2002

STATE OF NORTH CAROLINA)
) SS.
COUNTY OF Rutherford)

I, SUSAN WOOD, a Notary Public in and for said County and State, do hereby certify that on the 2nd day of DECEMBER, 1994, before me personally came PAUL D. NEALON, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that CHERYL R. STOK is the Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Secretary subscribed their names thereto and the said common seal affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 2nd day of DECEMBER, 1994.

Susan Wood
Notary Public

My Commission Expires:

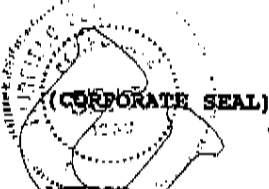
SUSAN WOOD
NOTARY
12/18/98

642 787

to such assessments, charges, or liens in accordance with ARTICLE XI, Section 2 of the Master Declaration.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Senior Vice President, attested by its Assistant Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this 11th day of June, 1993.

FAIRFIELD COMMUNITIES, INC.



BY Jan L. Hunter
Title: Senior Vice President

ATTEST:
Ann Thompson
Asst. SECRETARY

For the purpose of indicating its approval of the foregoing Fourth Supplemental Declaration of Covenants and Restrictions To Declaration of Covenants and Restrictions, the Fairfield Mountains Property Owners Association, Inc., a North Carolina nonprofit corporation, has caused this instrument to be executed in its corporate name by its _____ President and attested by its _____ Secretary on this 2nd day of December, 1997.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

(CORPORATE SEAL)

BY Paul W. Neaton
PRESIDENT

ATTEST:
Cheryl R. Stott
SECRETARY

North Carolina, Rutherford County
The foregoing certificate of Sherry J. Seloff

Susan Wood
County Clerk/Rutland Public is hereby certified to be correct. This instrument was presented for registration and recorded in this office on 6th day of July.

this 10 day of December, 1997 at 1:00 o'clock P.
Jay H. Huskey Sherry J. Seloff
Register of Deeds Deputy Register of Deeds
Rutherford County, N. C. 3

EXHIBIT "A"

DESCRIPTION OF PROPERTY

642 788

Situate, lying and being in the Town of Lake Lure, Chimney Rock Township, Rutherford County, North Carolina, and being 1.30 acres carved out of that certain 121.41 acre tract designated as Tract Three in Deed from William Merritt Quattlebaum Jr. and wife, Dorothy C. Quattlebaum, to Fairfield Communities, Inc., dated August 26, 1981, and of record in Deed Book 426, at Page 538, Rutherford County Registry, said 1.30 acres being herein more particularly described according to a plat of survey made by Charles O. Hampton, Jr., Registered Land Surveyor on April 26, 1993, and of record in Plat Book 16, Page 114, Rutherford County Registry, as follows:

BEGINNING at an iron pin found which marks the terminus of the 27th call of the tract or parcel of land described as Tract Three in Deed of record in Deed Book 426, at Page 538 hereinabove referred to, said beginning point being also the northwesternmost corner of that certain 5.77 acre tract described as Tract Two in Report of Commissioners, dated May 19, 1961, and of record in Deed Book 260, Page 734, Rutherford County Registry, and runs thence from said Beginning iron pin and with line of the original 121.41 acre tract hereinabove referred to South 56 deg. 10 min. 48 sec. East 195 feet to an iron pin found; thence North 44 deg. 35 min. 34 sec. East 271.71 feet to a Railroad spike found in the center of the right of way of Whitney Boulevard; thence with the center of the right of way of Whitney Boulevard North 54 deg. 43 min. 15 sec. West 51.42 feet to a point in the center of said right of way; thence continuing with the center of said right of way and with a curve to the right, said curve having a radius of 206.69 feet, an arc length of 98.12 feet and a chord bearing and distance of North 41 deg. 07 min. 19 sec. West 97.20 feet to a point in said right of way; thence continuing with the center of said right of way North 27 deg. 31 min. 22 sec. West 34.12 feet to a point in the center of the right of way of Whitney Boulevard; thence with the northern line of a private road right of way as shown on plat of survey hereinabove referred to, South 68 deg. 59 min. 45 sec. West 80.40 feet; thence South 50 deg. 52 min. 46 sec. West 32.16 feet to an iron pin found; thence South 32 deg. 24 min. 51 sec. West 213.45 feet to the point and place of the BEGINNING and containing 1.30 acres more or less.

Subject to the Declaration of Covenants and Restrictions of record in Deed Book 386, Pages 404-440, Rutherford County Registry, and any additional amendments or Supplemental Declarations pertaining thereto.

Subject to the right of way of Whitney Boulevard and a private road as shown on plat of survey hereinabove referred to.

Return to: Dungan & Mitchell, P.A.

Reference: Book 388, Page 404
Book 395, Page 8
Book 503, Page 769
Book 505, Page 651
Book 546, Page 585
Book 588, Page 275

STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

**AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
FAIRFIELD MOUNTAINS**

THIS AMENDMENT made this 17th day of June, 2002, by Fairfield Mountains Property Owners Association, Inc., a North Carolina non-profit corporation; and

WHEREAS, Fairfield Mountains Property Owners Association, Inc., (the "P.O.A.") is the association of property owners at Fairfield Mountains, a Planned Community in Lake Lure, Rutherford County, North Carolina (the "Planned Community"); and

WHEREAS, the P.O.A. is subject to the Declaration of Restrictive Covenants of Fairfield Mountains first recorded in the Rutherford County Registry of Deeds in Deed Book 388, Page 404, and as amended ("Declaration"); and

WHEREAS, pursuant to Article XVI of the Declaration, the provisions of the Declaration may be amended if such amendment is accepted by the affirmative vote of a majority of P.O.A.'s members in good standing, present in person or by proxy; and;

WHEREAS, at the annual meeting of the Association duly noticed and held on June 17, 2002, in excess of twenty-five percent (25%) of those property owners qualified to vote as members of the Association agree that it is in their best interest to adopt the following Amendments to the Declaration in order to address the current needs and desires of the Fairfield Mountains community.

This Amendment to the Declaration of Covenants and Restrictions is made and entered into by and among the property owners in Fairfield Mountains, Lake Lure, Rutherford County, North Carolina.

WITNESSETH:

NOW THEREFORE, the Declaration of Covenants and Restrictions is hereby amended as follows:

ARTICLE IV is amended by deleting said section in its entirety and replacing it with the following:

ARTICLE IV

MEMBERSHIP IN FAIRFIELD MOUNTAINS COUNTRY CLUB

Section 1. Background. Prior to 1993, the developer Fairfield Communities, Inc., owned certain facilities known as Fairfield Mountains Country Club (“FMCC”), which included a golf course, tennis courts, and clubhouse. All members of the Fairfield Mountains Property Owners Association, Inc. (“P.O.A.”) automatically became (“Social”) members of the FMCC. The P.O.A. paid FMCC a certain sum for each member. Also, members could pay an additional fee to receive “Golf-Tennis” membership status. In 1993, the P.O.A., through special assessments and bank financing, purchased amenities and facilities that included all facilities considered a part of FMCC. Following the 1993 acquisitions by the P.O.A., FMCC ceased operating as a separate entity. All facilities and amenities were subsumed under the operations of the P.O.A., which has continued to operate and maintain such facilities.

Section 2. Use and Enjoyment. All members of the P.O.A. now have use and enjoyment of such facilities in accordance with the rules and regulations of the P.O.A. Members pay fees or annual assessments as determined by the P.O.A. Board of Directors. These monies are used for maintenance and operation of the P.O.A.

ARTICLE IX, SECTION 3(h) is amended by deleting said section in its entirety and replacing it with the following:

(h) pursuant to the restrictions and procedures set forth herein, the right of the P.O.A. to dedicate, transfer, sell, convey, lease or mortgage all or any part of the Common Properties and to pledge revenues of the P.O.A. including the right to sell and lease back or sell and reacquire all or some parts of said properties to or from any public agency, authority, political subdivision, utility or lending institution for the purpose of improving, maintaining, constructing or acquiring Common Properties and additions thereto subject to such conditions and for such consideration as may be determined by the Board of Directors to be in the best interest of the P.O.A. in the furtherance of its purposes. Such action shall be taken at a regular or special meeting of the Board and notice of the proposed action shall be given in writing to each Board member at least seven days prior to such meeting. Such action must be authorized by a majority of the entire membership of the Board.

However, any single P.O.A. transaction occurring during any calendar year which would sell ten percent (10%) or more of the total value of the P.O.A.'s real property as determined by the most recent tax appraisal by Rutherford County, requires the affirmative vote of at least sixty-seven percent (67%) of the votes cast by members in good standing. The Board of Directors shall, in the event of multiple transactions during a given calendar year, keep a running total of value of such transactions. At any point that the cumulative total of such transactions equals or exceeds ten percent (10%) of the total appraised value of the P.O.A.'s real property, then the latest proposed transaction must also be approved by an affirmative vote of at least sixty-seven percent (67%) of the votes cast by members in good standing.

ARTICLE XVI, SECTION 5 is amended by deleting it in its entirety and replacing it with the following:

The provisions of this Declaration may be amended if such amendment is accepted by the affirmative vote of at least fifty-one percent (51%) of the votes cast by P.O.A. members in good standing. Any such amendment must be in writing, properly executed and recorded.

Exhibit A, Protective Covenants, Paragraphs 5 and 16 are amended by deleting them in their entirety and replacing them with the following:

EXHIBIT A

PROTECTIVE COVENANTS

5. Except as provided herein, lots may only be used for residential purposes. However, lots may also be used for non-profit, civic, religious, educational and community purposes such as, but not limited to, churches, schools, fire and police stations, community buildings, libraries or parks with the express written permission of the P.O.A., acting by and through the Board of Directors or its designated committee.

On Single Family Detached lots no residential building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling not to exceed two and one-half (2 ½) stories in height and private garages for the occupants' vehicles and other outbuildings incidental to the residential use of the lot.

16. Outbuildings. Outbuildings or accessory buildings, such as a garage or storage shed, shall be permitted on Lots upon which a Single Family Detached structure has been constructed or is under construction; provided the P.O.A., acting by and through the Board of Directors or its designated committee, shall approve the design, plans, specifications, et cetera, of such buildings as set forth in the Declaration and Rules and Regulations. Any and all outbuildings or accessory buildings permitted upon Lots or Parcels of Land upon which there is constructed a commercial building, Single Family structure, or Multifamily structure, shall be entirely within the sole discretion of the P.O.A.

IN WITNESS WHEREOF, the undersigned officers of Fairfield Mountains Property Owners Association, Inc. hereby certify that the above Amendments to the Declaration of Covenants and Restrictions for Fairfield Mountains along with attached exhibits were duly adopted by the P.O.A. and its membership in accordance with and pursuant to the Declaration of Covenants and Restrictions, as previously amended and Bylaws. Likewise, Fairfield Communities, Inc. executes this Amendment by and through the undersigned corporate officer who is duly authorized to execute the same.

This 17th day of June, 2002

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

(Seal)

By: _____
President

Attest: _____
Secretary

NORTH CAROLINA
RUTHERFORD COUNTY

I _____, Notary Public for said County and State, certify that personally came before me this day and acknowledged that he is Secretary of Fairfield Mountains Property Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the ___ day of _____, 2002.

Notary Public

My commission expires _____, 20__.

**AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
FAIRFIELD MOUNTAINS**

THIS AMENDMENT made this 16th day of June, 2003, by Fairfield Mountains Property Owners Association, Inc., a North Carolina non-profit corporation; and

WHEREAS, Fairfield Mountains Property Owners Association, Inc., (hereinafter referred to as the "P.O.A.") is the association of property owners at Fairfield Mountains, a Planned Community in Lake Lure, Rutherford County, North Carolina (hereinafter referred to as the "Planned Community"); and

WHEREAS, the P.O.A. is subject to the Declaration of Restrictive Covenants of Fairfield Mountains first recorded in the Rutherford County Registry of Deeds in Deed Book 388, Page 404, and as amended (hereinafter referred to as the "Declaration"); and

WHEREAS, pursuant to Article XVI of the Declaration, the provisions of the Declaration may be amended if such amendment is accepted by the affirmative vote of a majority of the members in good standing; and;

WHEREAS, more than fifty percent (50%) of those property owners qualified to vote as members of the P.O.A. agree that it is in their best interest to adopt the following Amendments to the Declaration in order to address the current needs and desires of the Fairfield Mountains community.

This Amendment to the Declaration of Covenants and Restrictions is made and entered into by and among the property owners in Fairfield Mountains, Lake Lure, Rutherford County, North Carolina.

WITNESSETH:

NOW THEREFORE, the Declaration of Covenants and Restrictions is hereby amended as follows:

The following Declaration of Covenants and Restrictions' subsections of Section 1 of Article I – Definitions are hereby amended by deleting the referenced subsections in their entirety and replacing them with the following:

ARTICLE I - DEFINITIONS

(S) **“Developer”** shall mean Fairfield Resorts, Inc., its subsidiaries, successors and assigns, as well as other persons or entities, which may be approved in writing from time to time by the Board of Directors. The “developer” designation, for persons or entities, may be removed for any reason at any time at the sole discretion of the Board of Directors.

- (T) **“Allocated Interests”** means the undivided interest in the common elements, the common expense liabilities, and votes in the Association allocated to each Lot.
- (U) **“Assessments”, “Dues”, “Dues Assessments.”** These words and each of them where used herein shall mean any and all sums levied by the P.O.A. against any Lot and its Owner as common expenses or other charges to include but not be limited to common expense liabilities, special assessments, specific assessments, fines, late charges, interest and attorney's fees as set forth in the Declaration of Covenants and Restrictions, as amended, the Bylaws, and the Rules and Regulations.
- (V) **“Common Expenses”** mean expenditures made by or financial liabilities incurred for the operation of or connected in any way with the administration of the Planned Community. These include:
- (i) Expenses of administration, improvement, maintenance, repair or replacement of the common elements;
 - (ii) Expenses defined, referred to, or declared to be common expenses by the Documents or by applicable provisions of the North Carolina Planned Community Act (N.C. Gen. Stat. §§ 47F-1-101, *et seq.*);
 - (iii) Expenses agreed upon as common expenses by the P.O.A.;
 - (iv) Such reasonable reserves as may be established or allocated by the P.O.A., whether held in trust or by the P.O.A., for repair, replacement or addition to the common elements or any other real or personal property acquired or held by the P.O.A.; and
 - (v) Expenses levied against or which may be allocated to any particular Lot, Unit and Owner for fines, late charges, interests, costs of collection, and attorney's fees.
- (W) **“Common Expense Liability”** means the liability for common expenses allocated to each lot as permitted by the Planned Community Act, the Declaration, Bylaws, or otherwise by law.
- (X) **“Documents”** mean the Declaration of Covenants and Restrictions, as amended, Plats and/or Deeds recorded and filed for real property making up the Planned Community, the Articles of Incorporation of Fairfield Mountains Property Owners Association, Inc., the Bylaws, and the Rules and Regulations as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Document is part of that Document.
- (Y) **Improved and Unimproved Lots.** An “Improved Lot” means an individual lot within the Planned Community that has been fully developed for residential use with Living Unit(s), defined in Article I, Section 1. Conversely, an “Unimproved Lot” means individual lot that has not been so developed.
- (Z) **“Notice and Opportunity to be Heard”** means the right of an Owner to receive notice of an action proposed to be taken by or on behalf of the P.O.A. and the right for an opportunity to be

heard thereon. The procedures for such notice and opportunity to be heard are set forth in Article XVI, Section 3 of the Declaration.

- (AA) **“Planned Community”** means real estate with respect to which any person, by virtue of that person’s ownership of a lot, is expressly obligated by a declaration to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or other real estate described in the declaration. For purposes of this act, neither a cooperative nor a condominium is a planned community, but real estate comprising a condominium or cooperative may be part of a Planned Community. “Ownership of a lot” does not include holding a leasehold interest of less than 20 years in a lot, including renewal options.
- (BB) **“Reasonable Attorneys’ fees”** means attorneys’ fees reasonably incurred without regard to any limitations on attorneys’ fees which otherwise may be allowed by law.
- (CC) **“Real Estate”** means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. Real estate includes parcels with or without upper or lower boundaries, and spaces that may be filled with air or water.
- (DD) **“Time share”** means the “time share” as defined in N.C. Gen. § 93A-41(9): a right to occupy a unit or any of several units during five or more separate time periods over a period of at least five years, including renewal options, whether or not coupled with a freehold estate or an estate for years in a time share project or a specified portion thereof, including, but not limited to, a vacation license, prepaid hotel reservation, club membership, limited partnership, vacation bond, or a plan or system where the right to use is awarded or apportioned on the basis of points, vouchers, split, divided or floating use.

The following Declaration of Covenants and Restrictions’ Article III, Membership and Voting Rights in the Property Owners Association is hereby amended by deleting the Article in its entirety and replacing it with the following:

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE
PROPERTY OWNERS ASSOCIATION

Section 1. Membership. The Owner membership in the P.O.A. shall be classified as either (a) Regular Membership for Improved Lots (b) Regular Membership for Unimproved Lots, (c) Time Share Membership or (d) Developer Membership. For the purposes of the Declaration, a Time Share Membership shall be defined as membership for any and all record owners of Lots or Units that are held for time share ownership as defined in Article I, as amended. A Regular Membership shall be defined as membership for any and all record owners of Lots or Units other than time shares. Improved and unimproved Lots shall be defined as set forth in Article I, as amended.

Any references to the Developer Membership in the Declaration of Covenants and restrictions shall be defined as set forth in Article I, as amended. Fairfield Communities, Inc. ceased to

operate as the amenities owner in 1993 with its transfer of ownership of the Planned Community to the P.O.A. As such, Developer properties shall be recognized as a Developer Member, a Regular Member or Time Share Member for each particular property it owns, according to the type of property owned.

Every person, co-owner or entity, who is a record owner of a fee interest in any Lot or Living Unit which is subject to assessments by P.O.A. pursuant to the Declaration, or who has entered into a contract to purchase a Lot or Living Unit, shall be a member of the P.O.A. However, any person or entity who holds such interest solely as security for the performance of an obligation shall not be a member.

Furthermore, the Board of Directors may establish additional categories of memberships, including non-property owner Members, from time to time as deemed beneficial to the POA. Non-property owner Members shall not be entitled to vote with respect to POA matters, nor any notice of any regular or special meeting of the Members. The rights, privileges, duties, and obligations (including fees and charges) of these Members shall, subject to the provisions set forth in the Documents, be as fixed from time to time by the Board of Directors.

Section 2. General Rules Pertaining to All Regular and Time share Memberships.

The following general rules shall apply to all Memberships:

- (a) **Membership.** Each purchaser of a fee interest in a Lot or Living Unit in the Planned Community where the Lot or Living Unit is subject to the Declaration, shall automatically become a Member according to the type of property owned and as defined herein, and shall be required to maintain such membership so long as such ownership exists. The same provision shall apply to each successor in title to any such Lot or Living Unit. Members who dispose of their Lot or Living Unit shall automatically surrender their membership in the P.O.A.
- (b) **Member's Use and Enjoyment.** As set forth in Sections 3 and 4 below, each Member and his household shall be entitled to the use and enjoyment of all facilities owned and operated by the P.O.A. This entitlement granted herein shall be appurtenant to and shall pass with the title to every Lot and Unit. A member's household is defined as his/her domestic partner and all dependent relatives making their permanent home with the Member.
- (c) **Voting.** All Owners by virtue of their ownership of a Lot in the Planned Community are members of the Owners' Association and shall be entitled to vote on all matters upon which members of the P.O.A. are entitled to vote pursuant to the Declaration and in accordance with the Bylaws. As set forth in the Bylaws, each Lot or Living Unit shall have one (1) vote on every matter for which a vote of the membership of the P.O.A. is required by the Documents. Furthermore, each Lot or Living Unit that is held for time share ownership shall be entitled only to one vote as the vote of a Lot or Unit is not divisible. For example, each time share owner of a unit week shall be entitled to one-fiftieth (1/50) vote for each unit week owned where the Unit has fifty (50) time share unit weeks.

- (d) Election. All members in good standing shall be eligible for election as officers and as members of the Board of Directors of the P.O.A. as set forth herein and the Bylaws.
- (e) Guest Privileges. Any person who is entitled to the use and enjoyment of the P.O.A. facilities and/or common areas may be accompanied by guests in the use of these facilities. The P.O.A. may exclude or limit the number of guests for special functions.
- (f) Developer Membership A Board of Directors designated Developer, such as Fairfield Mountains, Inc. and its successors and assigns, may hold a Developer Membership in the P.O.A. Developer Members shall have the same privileges as Regular Members, but not including the right to vote. Developer Member dues and fees shall be fixed from time to time by the Board of Directors.

Section 3. Use of Common Elements. Each Lot and Unit Owner shall have the right to use the Common Elements in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other owners. The Board shall, if any question arises, determine the purpose for which a part of the Common Areas and Elements is intended for use. The Board shall have the right to promulgate rules and regulations limiting the use of some or all of the Common Elements to owners and their guests and to promulgate rules and regulations to provide for the exclusive use of a part of the Common Elements by an Owner and his or her guests for special occasions, which exclusive use may be conditioned upon, among other things, payment of a fee. Any owner may delegate, in accordance with the provisions of this Declaration and the Bylaws and reasonable Rules and Regulations of the Board, the right to use the Common Elements to immediate family members living on the Lot, to a limited number of guests, or to tenants who reside on the Lot.

Section 4. Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in, to and over the common elements. As set forth in Section 5, the easements granted herein shall be appurtenant to and shall pass with the title to every Lot and Unit, subject to the following provisions:

- (a) the right of the P.O.A. to manage and administer the Planned Community and the P.O.A.'s powers and duties granted to it in the Documents;
- (b) the right of the P.O.A. to suspend the voting rights and rights to use of the recreational facilities by an Owner for any period during which any assessment against that Owner's Lot remains unpaid for a period of thirty (30) days or more or for any infraction of its published rules and regulations;
- (c) the right of the P.O.A. to limit the number of guests of Owners;
- (d) the right of the P.O.A. to borrow money for the purpose of maintaining, improving, or repairing the common elements and facilities; and
- (e) the right of the P.O.A. to determine the time and manner of use of the recreational facilities by the Owners.

If an Owner leases his/her resident lot, the Owner shall transfer and assign to the lessee for the term of the lease any and all rights and privileges that the Owner has to use the common elements and limited common elements in the Planned Community, to include, but not be limited to, the use of any and all recreational facilities or other amenities.

Section 5. Easements of the P.O.A. There shall exist the following easements from each Owner to the P.O.A. for the benefit of the P.O.A. and each other Owner (as the case may be):

- (a) Easements through the common elements for ingress and egress for all persons making use of such common areas and elements in accordance with the terms of the Documents;
- (b) Easements through the Lots, and common elements for maintenance, repair, and replacement of the common elements including control of pests. Use of these easements, however, for access to the Lots shall be limited to reasonable hours, except that access may be had at any time in case of emergency; and
- (c) Easements through the Lots and through the common elements for all facilities for the furnishing of utility services, which facilities shall include, but not be limited to, golf cart paths, conduits, drainage, plumbing, and wiring.

Section 6. Allocated Interests. Common expenses, as defined in Article I(V), shall be shared by the Owners on the basis of the allocated interest of each Lot as set forth herein. Accordingly, as provided in Article III, Section 2(c), each Lot shall have one (1) vote on every matter for which a vote of the membership of the Association is required by the Documents. Time share owners shall be liable for common expense assessments according to their percent interest in each Unit. For example, each Time Share owner of a unit week shall be liable for one-fiftieth (1/50) of the total common expense assessment for each Unit week owned where the Unit has fifty (50) time share unit weeks. The allocated interest in the Common Expense Liability of and votes in the Association for each Lot shall be as follows:

- (a) Regular Membership Improved Lot shall serve as the basis for calculating the annual common expense assessment, identified as "X". Regular Membership Owners of Improved Lots shall be assessed and be liable for "X" common expense assessments each annual year.
- (b) As Owners of Unimproved Lots are deemed to benefit from maintenance of the Common Properties, improvements and amenities less than the Owners of Improved Lots, Regular Memberships for Unimproved Lots shall be assessed and be liable for not more than three-fourths ($\frac{3}{4}$) the amount assessed to Regular Memberships with Improved Lots, or $\frac{3}{4}$ of X.
- (c) Finally Time Share Memberships shall be liable for not more than two times the common expense assessment for Regular Membership for Improved Lots, or 2X. As timeshare members use the Common Properties, improvements and amenities more than the Owners of Regular Memberships during any given week, each Unit is charged a higher

common expense assessment for the administration, maintenance, repair or replacement of the Common Properties, improvements and amenities.

For example, according to this Article, the common expense assessments are as follows:

Regular Membership with an Improved Lot, (X)

Regular Membership with an Unimproved Lot (not to exceed $\frac{3}{4}\%$ of X)

Time share Membership per Unit (not to exceed 2 times X)

The practice of instituting different classes of ownership assessments and dues according to the different types of membership and their use of the Common Properties is well established within the industry. The ownership assessments or dues shall be determined during the normal P.O.A. budgeting process by the Board of Directors.

Section 7. Rules Making Authority. The Planned Community shall be used only for those uses and purposes set out in the Declaration and Bylaws. The Board of Directors shall have the authority to make, modify, repeal, and to enforce reasonable Rules and Regulations governing the conduct, use, and enjoyment of all Lots or Living Units and the common elements, so long as copies of all such Rules and Regulations are furnished to all Owners; provided, however, any Rule or Regulation may be repealed by the affirmative vote or written agreement of a majority of the Association votes cast at an annual or special meeting. No rule or regulation shall be in conflict with either the Declaration or the Bylaws.

The following Declaration of Covenants and Restrictions' Article XI, Covenant for Maintenance Assessments is hereby amended by deleting the Article in its entirety and replacing it with the following:

ARTICLE XI
COVENANT FOR MAINTENANCE ASSESSMENTS
Assessment and Collection of Common Expenses

Section 1. Subjection of Property. Each Owner of any Lot or Living Unit by acceptance of a deed from the P.O.A., by acceptance of a deed previously subjected to the Declaration, or by entering into a written agreed with the P.O.A. for subjection of their Lot to the Declaration, whether or not it shall be so expressed in any such deed, conveyance, or agreement, shall be deemed to covenant and agree to pay to the P.O.A. assessments as defined herein and including but not limited to the following: common expense assessments, special assessments, specific assessments, fines, late charges, interest and attorney's fees as set forth in the Declaration of Covenants and Restrictions, as amended, the Bylaws, and the Rules and Regulations.

Section 2 Purpose of Common Expense Assessments. The assessments for common expenses as described in Section 47F-3-115 of the North Carolina Planned Community Act and as otherwise provided for in the Documents shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and use and enjoyment of the Owners and occupants of Lots in the Planned Community as may be more specifically authorized from time to time by the Board of Directors. In particular, said assessments shall be used for the

improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties as defined in Article I and the improvements situated upon The Properties, including but not limited to the payment of taxes and insurance thereon, and construction of capital improvements, repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. This limitation shall not preclude the use of assessments levied hereunder for maintenance of roads and streets within The Properties, even though they may have been dedicated to the public.

Section 3. Apportionment of Common Expenses. Common expenses shall be assessed against all Lots and Units in accordance with their allocated interests in the common expenses as set forth Article III, Section 6, of the Declaration of Covenants and Restrictions, as amended.

Section 4 Common Expenses Attributable to Fewer than All Lots.

- (a) If a common expense is caused by the misconduct of an Owner, the P.O.A. may assess that expense exclusively against that Owner's Lot or Unit.
- (b) Fees, charges, late charges, fines, all collection costs, including reasonable attorney's fees actually incurred and interest charged against an Owner pursuant to the North Carolina Planned Community Act, the Declaration, Bylaws and Rules and Regulations are enforceable as common expense assessments.

Section 5. Basis of Common Expense Assessment. The P.O.A. Board of Directors shall have the authority to “common expense assessments”, also referred to as “annual dues assessments”, against P.O.A. members property owners as described in Section 47F-3-115 of the North Carolina Planned Community Act and as otherwise provided for herein for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots in the Planned Community as may be more specifically authorized from time to time by the Board.

The common expense assessments shall be in an amount to be determined from year to year by the P.O.A. acting by and through the Board of Directors, as it may deem necessary in its sole discretion for the purposes set forth in Section 2 above. This common expense assessment may be changed by the Board, from year to year with such categories as it deems appropriate and apportioned according to the type of membership and use of The Properties by each type of membership as determined by the Board of Directors in its sole discretion, including but not limited to those memberships specified in Article III, Section 6.

Section 6. Payment of Common Expense Assessments. Common expense assessments for Members shall be payable from time to time as determined by the Board of Directors of the P.O.A. with the Board fixing the date of commencement and the amount of the assessment against each Lot or Living Unit for each assessment period at least thirty days in advance of such due date or period, each owner receiving written notice of the assessment due. Also, the Board shall have prepared a roster of the properties and assessment applicable thereto which shall be kept in the office of the P.O.A. and shall be open to inspection by an Owner.

The P.O.A. shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the P.O.A., setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Special Assessments.

- (a) If the annual assessment proves inadequate for any year or in the event of an emergency, the Board may at any time levy a special assessment against all Owners.
- (b) The Board of Directors may levy special assessments for capital improvements upon the common elements and for such other matters as the P.O.A. shall determine; provided, however, prior to becoming effective any such special assessment shall be approved by the affirmative vote of the votes cast by the lot owners at a special meeting of the Association duly called for that purpose. Written notice of which shall be sent to all Owners at least (30) thirty days in advance and shall set forth the purpose of the meeting.

Said special assessments for capital improvements shall include, but not be limited to the cost of any construction or reconstruction, unexpected repair or replacement of the roads and streets or other Common Properties within the Properties, even though same may have been dedicated to the public, and also a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, also including the purchase of real property, buildings, golf courses, restaurants, marinas, swimming pools, tennis courts and other recreational facilities or amenities, provided that any such assessment shall be for a stated period of time.

- (c) The first written vote called for the purposes of considering any proposed special assessment, as discussed in this Section, of the Members entitled vote and fifty percent (50%) of the total votes on the particular issue to be presented, shall constitute a quorum. If the required quorum is not forthcoming, an additional written vote may be taken within thirty (30) days with the same notice requirements as with the original vote. The required quorum for any subsequent votes shall be one-half (1/2) of the previously required quorum.

Similarly, in the case where a meeting is called for the purposes of considering any proposed special assessment, the vote of Members entitled to cast fifty percent (50%) of the total votes that may be cast on the particular issue to be presented, shall constitute a quorum at that particular meeting. If the required quorum is not forthcoming, the meeting may be recessed to a day and time certain not less than seven (7) days nor more than thirty (30) days thereafter, and written notice of such date shall be given. The required quorum, when the meeting reconvenes, shall be one-half (1/2) of the previously required quorum.

- (d) The due date of any special assessment shall be set forth in the resolution authorizing such assessment and it shall be enforceable by the P.O.A. in the same manner as common expense assessments.

Section 6 Lien for Assessments. Assessments as defined herein, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

- (a) Any assessment levied against a Lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Lot when filed of record in the Office of the Clerk of Court of Rutherford County in the manner provided in Section 47F-3-116. The P.O.A. may foreclose the lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes. For purposes of foreclosing a lien, the P.O.A. is the "mortgagee" and "trustee", as defined by N.C. Gen. Stat. §45-21.1, of said lien with a power of sale. As the owner of the indebtedness secured by the lien, the P.O.A., acting through the Board may, in its discretion, substitute a trustee in accordance with N.C. Gen. Stat. § 45-10, by the execution of a written instrument properly recorded pursuant to Chapter 47 of the North Carolina Statutes. Fees, charges, late charges, fines, collection costs, reasonable attorneys fees, and interest charged pursuant to Sections 47F-3-102(11) and (12), 47F-3-107.1, and 47F-3-115 of the Planned Community Act, the Declaration, Bylaws, and Rules and Regulations, are enforceable as assessments under this Section.
- (b) The lien under this Section is prior to all other liens and encumbrances on a Lot except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments or charges against the Lot. This subsection does not affect the priority of mechanics' or materialmen's liens.
- (c) A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the docketing of the claims of lien in the Office of the Clerk of Superior Court; provided, that if an Owner of a Lot subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the P.O.A.'s lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- (d) This Section does not prohibit separate collection actions to recover sums which are personal obligations of Owners and for which subsection (a) creates a lien or prohibit the P.O.A. taking a deed in lieu of foreclosure.
- (e) A judgment, decree or order in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.
- (f) Where the holder of a first mortgage or first deed of trust of record, or other purchaser of a Lot, obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust, such purchaser, and its heirs, successors and assigns, shall not be liable for the

assessments against such Lot which became due prior to acquisition of title to such Lot by such purchaser. Such unpaid assessments shall be deemed to be common expenses collectible from all Owners including such purchaser, and its heirs, successors and assigns.

Section 7 Personal Liability of Owners. The Owner(s) of a Lot or Unit at the time any common expense assessment or portion thereof is due and payable is personally liable for such assessment, for any interest, if applicable, and for all costs of collection including, but not limited to, reasonable attorney's fees actually incurred. In addition to lien rights described in Section 4 above, the P.O.A. has the right to bring a separate collection action to enforce the personal liability of Lot or Unit owners to pay assessments.

The grantee(s) of a Lot or Unit shall be jointly and severally liable with the grantor Owner for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors in its discretion. Unless otherwise provided, the annual assessment installment payments shall be late and the Lot or Unit Owner in default if not paid on or before the day such installment becomes due.

Section 8 Acceleration. If a Lot or Unit Owner is in default in payment of any assessment or charge, including, but not limited to, the regular installments of the annual assessment based on the budget, the Board of Directors may accelerate the remaining balance of the annual assessment, special assessments, and specific assessments, upon fifteen (15) days written notice to such Owner, whereupon the entire unpaid balance shall become due and payable upon the date stated in such notice.

Section 9 No Waiver of Liability for Common Expenses. No Lot or Unit Owner may exempt himself or herself from liability for payment of the common expenses by waiver of the use or enjoyment of the common elements or by abandonment of the Lot against which the assessments are made. Likewise, an Owner's covenant to pay common expense assessments is unconditional and is not excused by the failure, or alleged failure, of the P.O.A. to honor its maintenance responsibilities.

Section 10 Interest, Late Charges and Payments. In accordance with N.C. Gen. Stat. 47F-3-115(b), the P.O.A. hereby establishes that any past due common expense assessment or installment thereof, past due special assessments, fines, or other past due charges shall bear interest at eighteen (18%) per annum.

The Board of Directors shall set a late charge to be assessed against Owners for late payment of any common expense assessments or installment thereof, special assessments, fines, or any other charges.

Any payments received by the P.O.A. in the discharge of a Lot or Unit Owner's obligation may be applied to the oldest balance due.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- (a) Common Properties,
- (b) Limited Common Properties,
- (c) Utility Easements and all other Easements,
- (d) Reserved Properties,
- (e) Utilities,
- (f) Water System and Properties,
- (g) All Recreational Facilities, and
- (h) Lots and properties held by the P.O.A.

The following Declaration of Covenants and Restrictions' Article XVI, Section 3, Enforcement, is hereby amended by deleting Section 3 in its entirety and replacing it with the following:

Section 3. Enforcement and Enforcement Procedures. All Owners and other persons are subject to these restrictions and subject to the enforcement sanctions as are set forth in the applicable provisions of the North Carolina Planned Community Act, this Declaration, the P.O.A. Bylaws and Rules and Regulations. Likewise, the Lots, Units and common elements of the Planned Community are subject to the restrictions contained in this Declaration and as may be set forth in the Bylaws and Rules and Regulations of the P.O.A..

- (a) **Fining Powers.** Pursuant to applicable provisions of the North Carolina Planned Community Act and in particular, N.C. Gen. Stat. §§ 47F-3-102(a)(11) and 47F-3-107.1, and after notice and an opportunity to be heard, the Board of Directors shall have the power to: (i) impose fines in an amount not to exceed One Hundred Fifty Dollars (\$150.00) per violation, such amount to be assessed per day for a continuing violation, for any violation of any duty imposed under the Planned Community Act or the Documents duly adopted pursuant thereto against Owners or occupants, which fine(s) shall constitute an assessment against the Lot or Unit in accordance with Article XI hereof, and become a personal obligation of the Owner, and a lien upon the property; (ii) to suspend an Owner's or occupant's right to use the common elements; and (iii) to suspend an Owner's right to vote.

In the event that any occupant of a Resident Lot violates the Planned Community Act, Declaration, Bylaws, or the Rules and Regulations and a fine is imposed, the fine shall first be assessed against such occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the record Lot or Unit Owner shall pay the fine upon notice from the P.O.A.. The failure of the P.O.A. or the Board of Directors to enforce any provision of the Planned Community Act, Declaration, Bylaws, or Rules and Regulations, shall not be deemed a waiver of the right of the Board to do so thereafter. Additionally, Owners waive and release any defense that enforcement is or may be selective. Finally, charges for late payments of assessments under Article XI of the Declaration are not to be regarded as fines that warrant a hearing under this section.

- (b) **Abatement and Enjoinment of Violations.** In addition to any other remedies provided for herein, the P.O.A. through the Board shall have the power to enter upon a Lot or Unit or any portion of the common elements to abate or remove, using such force as may be

reasonably necessary, any erection, thing, or condition which violates the Declaration, Bylaws, or Rules and Regulations. Unless an emergency situation exists, the Board shall give the violating Owner fifteen (15) days written notice of its intent to exercise such abatement and an opportunity to be heard. All costs of abatement, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Additionally, the P.O.A. through the Board shall have the power to enjoin or to remedy by appropriate legal proceeding, either at law or in equity, the continuance of any violation of the Declaration, Bylaws, or Rules and Regulations, including but not limited to the enforcement of liens as set forth herein. All costs of any such legal action, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Furthermore, in accordance with Section 47F-3-107.1 of the North Carolina Planned Community Act, the Board of Directors or its designated representatives or committee shall not impose a fine or charge for damages against an Owner unless and until the following procedure is followed:

(c) Demand. Written demand to cease and desist from an alleged violation of the Declaration, Bylaws, or Rules and Regulations shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction if such violation is continuing one or a statement that any further occurrence of the same violation may result in the imposition of sanction, if the violation is not continuing. The Board or its designee may demand immediate abatement in such circumstances which, in the Board of Directors' sole determination, pose a danger or nuisance to safety or property. Charges for late payments under Article XI of the Declaration are not to be regarded as fines that warrant a hearing under this section.

(d) Notice. Within twelve (12) months of such demand as stated above, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board may impose a fine by giving the violator written notice. This notice shall state: (i) the nature of the alleged violation; (ii) the amount of the fine; (iii) that the violator will have the opportunity to be heard by requesting within ten (10) days from the date of such notice, a hearing before the Board of Directors or its designated committee to contest the fine; (iv) that any statements, evidence and witnesses may be produced by the violator at the hearing; and (v) that all rights to be heard or to have a fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(e) Hearing. If the hearing is requested, it shall be held before the Board of Directors or a committee designated by the Board and the violator shall be given a reasonable opportunity to be heard. The Board or designated committee shall render its final decision regarding imposition of the fine no later than fifteen (15) days after the hearing. The Board or its designated committee shall issue a written statement of the results of the hearing.

The following Declaration of Covenants and Restrictions' Article XII, Article XIII, Article XIV, and Paragraphs 11 and 12 of the Protective Covenants, as respectively amended, are hereby amended by deleting them in their entirety and replacing them with the following:

ARTICLES XII, XIII, XIV

And

Paragraphs 11 and 12 of the Protective Covenants

ARCHITECTURE CONTROLS

Section 1. Architectural Control Committee. All improvements constructed or placed on any Lot must first have the written approval of the Architectural Control Committee ("ACC"). Such approval shall be granted only after written application has been made to the ACC in the manner and form prescribed by the Board of Directors. The application, to be accompanied by a minimum of two sets of plans and specifications, shall show the location of all improvements, if any, existing upon said Lot, the location of the improvement proposed to be constructed, the color and composition of all exterior materials to be used, proposed landscaping, and any other information which the ACC may require, including but not limited to soil, engineering and geologic reports and recommendations.

Section 2. ACC Membership. The ACC shall be composed of members appointed by the Board. ACC members shall be subject to removal by the Board and any vacancies from time to time existing shall be filled by appointment of the Board. Actions by the ACC shall need a majority approval of the members in attendance at meetings where actions are taken. A quorum of members shall be required at all meetings.

Section 3. Grounds for Disapproval. The ACC may disapprove any application:

- (a) If such application does not comply with this Declaration or the approved Architectural Rules and Regulations;
- (b) Because of the reasonable dissatisfaction of the ACC with grading plans, location of the proposed improvements on a Lot, finished ground elevation, color scheme, finish, design proportions, architecture, height of foundation, shape, height or style of the proposed improvement, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon; or
- (c) If in the judgment of a majority of the ACC reasonably exercised, the proposed improvement will be inharmonious with the Community, or with the improvements erected on other Lots.

Section 4. Rules and Regulations. The Board of Directors shall, from time to time, adopt written rules and regulations of general application governing the ACC's procedures which shall include, among other things, provisions for the form and content of applications; required number of

copies of plans and specifications; provisions for notice of approval or disapproval, including a reasonable time period for approval by reason of failure to disapprove; etc.

Section 5. **Variances.** The ACC may grant reasonable variances or adjustments from the provisions in this Declaration where literal application thereof results in unnecessary hardship and if the granting thereof will not be materially detrimental or injurious to Owners of other Lots.

Section 6. **Certification of Compliance.** At any time prior to completion of construction of an improvement, the ACC may require a certification, upon such form as it shall furnish, from the contractor, Owner, or a licensed surveyor that such improvement does not violate any setback, ordinance or statute, nor encroach upon any easement or right-of-way of record.

Section 7. **Administrative Fees.** As a means of defraying its expenses, the ACC may institute and require a filing fee to accompany the submission of plans and specifications with the Board of Directors approval. No additional fee shall be required for re-submissions.

Section 8. **Liability.** Notwithstanding the approval by the ACC of plans and specifications or its inspection of the work in progress, neither it, the P.O.A., nor any person acting on behalf of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the ACC, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be, and shall agree to be, solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. The P.O.A. shall not be liable for damages caused by erosion, washing, or other acts of nature.

Section 9. **Appeals.** Any applicant shall have the right to appeal to the Board from any decision of the ACC within thirty (30) days after entry of such decision.

Section 10. **Restriction on Construction of Model Homes.** Model or exhibit homes shall be built only with the prior written permission of the ACC.

IN WITNESS WHEREOF, the undersigned officers of Fairfield Mountains Property Owners Association, Inc. hereby certify that the above Amendments to the Declaration of Covenants and Restrictions for Fairfield Mountains were duly adopted by the P.O.A. and its membership in accordance with and pursuant to the Declaration of Covenants and Restrictions, as previously amended and its Bylaws.

This ___ day of _____, 2003.

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

(Seal)

By: _____
President

Attest: _____
Secretary

NORTH CAROLINA
RUTHERFORD COUNTY

I _____, Notary Public for said County and State, certify that _____ personally came before me this day and acknowledged that he is Secretary of Fairfield Mountains Property Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the _____ day of _____, 2003.

Notary Public

My commission expires _____, 20__.

This instrument prepared jointly by Paul J. Osowski, Nelson Mullins Riley & Scarborough, L.L.P., and David C. Boggs, Wishart, Norris, Henninger, and Pittman, P.A.

Reference: Book 386, Page 404
 Book 395, Page 8
 Book 503, Page 769
 Book 505, Page 651
 Book 546, Page 585
 Book 588, Page 275
 Book 593, Page 34
 Book 606, Page 332
 Book 613, Page 426
 Book 626, Page 663
 Book 629, Page 663
 Book 631, Page 581
 Book 642, Page 784
 Book 659, Page 635
 Book 799, Page 827
 Book 802, Page 89
 Book 824, Page 1



Doc ID: 003531810021 Type: CRP
 Recorded: 10/22/2009 at 09:27:58 AM
 Fee Amt: \$74.00 Page 1 of 21
 Excise Tax: \$0.00
 Instr# 200900004188
 Rutherford County, NC
 Faye H. Huskey Register of Deeds

BK 991 PG 507-527

**AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
 FAIRFIELD MOUNTAINS
 RUTHERFORD COUNTY, NORTH CAROLINA**

THIS AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS for Fairfield Mountains ("2009 Amendment to Declaration") is made this 22nd day of June, 2009, by Wyndham Vacation Resorts, Inc. ~~aka~~ Fairfield Resorts, Inc. ("Developer", "Wyndham", or "Developer Wyndham"), a Delaware corporation, the successor corporation of Fairfield Mountains, Inc.; and Fairfield Mountains Property Owners Association, Inc. ("POA"), a non-profit corporation organized under the laws of the State of North Carolina.

WHEREAS, on the 1st day of September, 1977, Developer filed of record a document entitled "Declaration of Covenants and Restrictions" ("Declaration") with Protective Covenants in Book 386, Page 404 *et seq.* in the Office of the Register of Deeds in and for Rutherford

County, North Carolina, which subjected the property described therein to certain covenants, conditions and restrictions; and

WHEREAS, on the 28th day of June, 1978, Developer filed of record a document entitled "First Amendment to Declaration of Covenants and Restrictions" in Book 395, Page 8 *et seq.* in the Office of the Register of Deeds in and for Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 24th day of June, 1987, Developer filed of record a document entitled "Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 503, Page 769 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 29th day of July, 1987, Developer filed of record a document entitled "Amendment to Protective Covenants" in Book 505, Page 651 *et seq.*, in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Protective Covenants as provided therein; and

WHEREAS, on the 25th day of September, 1989, Developer filed of record a document entitled "Second Amendment to Declaration of Covenants and Restrictions Fairfield Mountains Rutherford County, North Carolina" ("Second Amendment") in Book 546, Page 585 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 29th day of January, 1992, Developer filed of record a document entitled "Third Amendment to Declaration of Covenants and Restrictions Fairfield Mountains Rutherford County, North Carolina" in Book 588, Page 275 *et seq.* in the Office of the Register

of Deeds, Rutherford County, North Carolina, which amended the Declaration as provided therein; and

WHEREAS, on the 7th day of May, 1992, Developer filed of record a document entitled "Second Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 593, Page 34 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 29th day of January, 1993, Developer filed of record a document entitled "Second [sic] Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 606, Page 332 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 16th day of June, 1993, Developer filed of record a document entitled "Third Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 613, Page 426 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 15th day of February, 1994, Developer filed of record a document entitled "Fourth Amendment to Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 626, Page 663 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 8th day of April, 1994, Developer filed of record a document entitled "Fourth [sic] Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 629, Page 663 *et seq.* in the Office of the Register of

Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 16th day of May, 1994, Developer filed of record a document entitled "Fifth Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 631, Page 581 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 16th day of December, 1994, Developer filed of record a document entitled "Sixth Supplemental Declaration of Covenants and Restrictions to Declaration of Covenants and Restrictions" in Book 642, Page 784 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 31st day of October, 1995, Developer filed of record a document entitled "Amendment to Supplemental Declaration of Covenants and Restrictions" in Book 659, Page 635 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which subjected the property described therein to the Declaration; and

WHEREAS, on the 19th day of June, 2002, the POA filed of record a document entitled "Amendment to Declaration of Covenants and Restrictions for Fairfield Mountains" ("6-19-02 Amendment") in Book 799, Page 827 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which purported to amend the Declaration as provided therein; and

WHEREAS, on the 23rd day of July, 2002, the POA filed of record a document entitled "Amendment to Declaration of Covenants and Restrictions for Fairfield Mountains" ("7-23-02 Amendment") in Book 802, Page 89 *et seq.* in the Office of the Register of Deeds, Rutherford

County, North Carolina, which purported to supersede the 6-19-02 Amendment as provided therein; and

WHEREAS, on the 3rd day of July, 2003, the POA filed of record a document entitled "Amendment to Declaration of Covenants and Restrictions for Fairfield Mountains" ("7-3-03 Amendment") in Book 824, Page 1 *et seq.* in the Office of the Register of Deeds, Rutherford County, North Carolina, which purported to amend the Declaration as provided therein; and

WHEREAS, the POA joined in the execution of said Declaration for the purpose of indicating its agreement to perform the obligations placed upon it by the Declaration, as amended; and

WHEREAS, pursuant to Article XVI, Section 5 of the Declaration, as amended by the Second Amendment, the provisions of the Declaration may be amended if such amendment is accepted by the affirmative vote of a majority of POA members in good standing, present in person or by proxy, and such amendment is also adopted by Developer, in writing, and properly executed and recorded; and

WHEREAS, the 6-19-02 Amendment and 7-23-02 Amendment sought to modify Article XVI, Section 5 of the Declaration, as amended by the Second Amendment, such that the provisions of the Declaration might be amended if such amendment is accepted by the affirmative vote of at least fifty-one percent (51%) of the votes cast by POA members in good standing, and such amendment is in writing, and properly executed and recorded; and

WHEREAS, the Developer and the POA believe that it is in the best interest of the POA to amend the Declaration as set forth below; and

WHEREAS, pursuant to that certain affirmative vote of a majority of POA members in good standing and the written adoption of Developer contained hereinbelow, the Declaration shall be and is hereby amended as follows:

ARTICLE I, SECTION 1, SUBSECTION (S) is amended by deleting same in its entirety and substituting the following therefore:

(S) The "Developer" shall mean Wyndham Vacation Resorts, Inc. f/k/a Fairfield Resorts, Inc., its subsidiaries, successors, and assigns. From time to time the POA Board of Directors may approve in writing other persons or entities as a "developer". Such "developer" designation for persons or entities other than Wyndham Vacation Resorts, Inc. f/k/a Fairfield Resorts, Inc., its subsidiaries, successors and assigns, may be removed for any reason at any time at the sole discretion of the Board of Directors. However, the "Developer" designation for Wyndham Vacation Resorts, Inc. f/k/a Fairfield Resorts, Inc., its subsidiaries, successors, and assigns, shall not be removed, nor such status thereunder altered, without amendment to the Declaration which must have been adopted by Wyndham Vacation Resorts, Inc. f/k/a Fairfield Resorts, Inc., its subsidiaries, successors, and assigns.

ARTICLE II, SECTION 2, SUBSECTIONS (a) and (b) are amended by deleting same in their entirety and substituting the following therefore:

Section 2. Additions to Property.

(a) Developer Wyndham and the POA Board of Directors shall each have the right but not the obligation to bring within the plan of this Declaration additional properties, regardless of whether or not said properties are presently owned by the

Developer Wyndham or the POA, in future stages of the development. Under no circumstances shall this Declaration or any Supplemental Declaration bind the Developer Wyndham or the POA Board of Directors to make any further additions of properties to the Declaration.

(b) The additions authorized hereunder shall be made by either: (i) the Developer Wyndham filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the plan of the covenants and restrictions of this Declaration to such property; or (ii) the POA Board of Directors entering into a written agreement with an owner of additional property which shall extend the plan of the covenants and restrictions of this Declaration to such property. Pursuant to either method, the Owners of Lots and Living Units in such additions shall be entitled to all privileges herein provided; subject to the rules and regulations governing members, including payment of dues and assessments. Developer Wyndham hereby ratifies all additional properties heretofore subjected to the covenants and restrictions of the Declaration by prior action of the POA Board of Directors.

ARTICLE II, SECTION 4 is amended by deleting same in its entirety and substituting the following therefore:

Section 4. Additions Limited to Developer and POA Board of Directors. No one other than the Developer Wyndham or the POA Board of Directors shall have the right to place additional lands under the covenants and restrictions or to cause additional lands to be entitled to the benefits arising hereunder.

ARTICLE III, SECTION 2(f) as set forth in the 7-3-03 Amendment is hereby amended by deleting same in its entirety and substituting the following therefore:

(f) Developer Membership. Developers, including Developer Wyndham, its successors and assigns, may hold a Developer Membership in the POA. Developer Members shall have the same privileges as Regular Members, but shall be entitled to vote pursuant to ARTICLE III, SECTION 2(c) only for those Lots or Living Units which are subject to regular assessments and special assessments. Developer dues and fees shall be fixed from time to time by the Board of Directors as authorized in the Declaration, as amended, and Bylaws.

ARTICLE XI, SECTION 11 as set forth in the 7-3-03 Amendment is hereby amended by deleting same in its entirety and substituting the following therefore:

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- (a) Common Properties.
- (b) Limited Common Properties.
- (c) Utility Easements and all other Easements.
- (d) Reserved Properties.
- (e) Utilities.
- (f) Water System and Properties.
- (g) All Recreational Facilities.
- (h) Lots and properties held by the P.O.A., and

(i) All Original Inventory held by Developer Wyndham, until such time as title to the Original Inventory lot is conveyed from Developer Wyndham to a third-party by Contract or Deed. A list of Developer Wyndham's current Original Inventory is attached hereto as Exhibit "A". Lots acquired hereafter by Developer Wyndham via an exchange of either "one lot for one lot" or "one lot for one timeshare week ("Unit")" shall be treated as Original Inventory and exempt from regular assessments and special assessments until such time as title to the lot is re-conveyed to a third-party. If, however, Developer Wyndham acquires a lot by virtue of some transaction other than "one lot for one lot" or "one lot for one timeshare Unit", then the acquired lot shall be immediately subject to regular assessments and special assessments. This includes Wyndham's reacquisition of a lot or Unit pursuant to a default under any Wyndham financing arrangement or Real Estate Contract and Installment Note, provided that any lien on the reacquired lot or Unit for non-payment of assessments as of the time that Wyndham reacquires such lot or Unit shall cease upon the rescission and termination of the Wyndham financing arrangement or Real Estate Contract and Installment Note and the return of the lot or Unit to Wyndham, and Wyndham shall not be liable for unpaid assessments which accrue prior to the time that Wyndham reacquires such lot or Unit. Wyndham shall notify the POA within 30 days of rescission and termination of any Wyndham financing arrangement or Real Estate Contract and Installment Note and reacquisition of the relevant lot or Unit by Wyndham. The intent of this provision is that any one lot reacquired by Wyndham solely in exchange for one

lot or one timeshare Unit shall be treated as Original Inventory and exempt from regular assessments and special assessments until such time as title to the lot is re-conveyed to a third-party; and any one lot reacquired by Wyndham without a corresponding exchange of one lot or one timeshare shall be immediately assessable (e.g., If Wyndham reacquires 3 lots in exchange for 2 timeshares, then 2 of the reacquired lots are treated as exempt Original Inventory and the third lot is subject to regular assessments and special assessments).

ARTICLE XVI, SECTION 5 is amended by deleting same in its entirety and substituting the following therefore:

Section 5. Amendments. The provisions of this Declaration may be amended if such amendment is accepted by the affirmative vote of at least an absolute majority of all eligible POA members. An affirmative vote may be cast by a proper proxy. An unreturned or non-exercised proxy may be counted as an affirmative vote in favor of the matter being requested for approval, unless otherwise designated by the POA. Such proxy vote may be counted unless a conflicting vote is registered by the member on or before the time the voting is recorded at a properly-called meeting of the POA membership. Any such amendment must be in writing, properly executed, and recorded; and if such amendment "directly" and "solely" affects Wyndham, then such amendment must also be adopted by Developer Wyndham. All other amendments will not require Developer Wyndham's approval. Amendments "directly" affect Wyndham if they materially alter Wyndham's rights, obligations, or property interests at the Resort; Amendments "solely" affect Wyndham if Wyndham's rights, obligations, or property

interests are materially altered differently than the rights, obligations, or property interests of other POA members or developers. For amendments that require Developer Wyndham's adoption, the following procedure shall be followed for obtaining such adoption:

- (1) The POA shall send a written copy of such proposed amendment(s) ("Written Copy") to Wyndham via e-mail, fax, or certified mail within 20 days after the POA Board of Directors endorses such proposed amendment(s);
- (2) Within 60 days of receipt of the Written Copy, Wyndham shall provide written approval or objection of the proposed amendment(s) to the POA via e-mail, fax, or certified mail;
- (3) If Wyndham fails to provide written approval or objection of the proposed amendment(s) to the POA within 60 days of receipt of the Written Copy, then Wyndham shall be deemed to have approved the proposed amendments;
- (4) The respective e-mail, fax, and certified mail addresses of Wyndham and the POA which shall be used for purposes of this adoption procedure are:

<i>Wyndham Vacation Resorts, Inc. f/k/a Fairfield Resorts, Inc.:</i>	
E-mail:	andy.bott@wyndhamvo.com
Fax:	(407) 370-5193
Certified Mail:	Andy Bott Senior Vice President Office of the General Counsel Wyndham Vacation Ownership, Inc. 8427 SouthPark Circle Orlando, Florida 32819

<i>Fairfield Mountains Property Owners Association, Inc.:</i>	
E-mail:	tjudson@rumblingbald.com
Fax:	(866) 593-7516
Certified Mail:	Tom Judson Chief Executive Rumbling Bald Resort 112 Mountains Boulevard Lake Lure, North Carolina 28746
Copy to:	David C. Boggs, Esq. Wishart, Norris, Henninger & Pittman, P.A. 6832 Morrison Blvd. Charlotte, NC 28211 Fax: (704) 364-0569 david.boggs@wnhplaw.com

Except as provided regarding Wyndham's approval process as set forth herein in this Amendment, the POA retains those rights as to the common areas and properties as set forth in the Declaration and amendments thereto. However, Wyndham shall retain exclusive rights as to the matters set forth in Article V, Article VII Sections 1, 2, and 3, Article VIII, Article IX Section 3, Article X, Article XI Section 9, Article XIII, and Article XV Exhibit A "Protective Covenants" to the Declaration, and amendments thereto, with regard to "Parcel 16-23411, Map Block Lot 539126B" which is that certain undeveloped tract of approximately 5 acres at the Resort owned by Wyndham.

ARTICLE III, SECTION 2(a) as set forth in the 7-3-03 Amendment is hereby amended by deleting same in its entirety and substituting the following therefore:

(a) Membership. Each purchaser of a fee interest in a Lot or Living Unit in the Planned Community where the Lot or Living Unit is subject to the Declaration, shall automatically become a Member according to the type of property owned and as defined herein, and shall be required to maintain such membership so long as such ownership exists. The same provision shall apply to each successor in title to any such Lot or Living Unit, subject to the exemptions set forth above in ARTICLE XI, SECTION 11. Members who dispose of their Lot or Living Unit shall automatically surrender their membership in the POA.

ARTICLE III, SECTION 6 as set forth in the 7-3-03 Amendment is hereby amended by deleting same in its entirety and substituting the following therefore:

Section 6. Allocated Interests. Each Lot or Timeshare Unit shall have an Allocated Interest as set forth in the Declaration as amended, and Bylaws.

ARTICLE XI, SECTION 1 as set forth in the 7-3-03 Amendment is hereby amended by deleting same in its entirety and substituting the following therefore:

Section 1.

(a) Subjection of Property. Each Owner of any Lot or Living Unit by acceptance of a deed from the POA, by acceptance of a deed previously subjected to the Declaration, or by entering into a written agreement with the POA for subjection of their Lot to the Declaration, whether or not it shall be so expressed in any such deed, conveyance, or agreement, shall be deemed to covenant and agree to pay to the POA assessments as defined herein and including but not limited to the following: common expense

assessments, special assessments, specific assessments, fines, late charges, interest and attorney's fees as set forth in the Declaration of Covenants and Restrictions, as amended, the Bylaws, and the Rules and Regulations. The provisions of this section are subject to the exemptions set forth above in ARTICLE XI, SECTION 11.

(b) Non-Waiver. Failure by the POA or any Owner to enforce any covenant or restriction contained in the Declaration, as amended, or the Bylaws, shall in no event be deemed a waiver of the right to do so thereafter.

THE FOLLOWING portions of the 7-23-02 Amendment, as set forth therein, are hereby ratified by Developer Wyndham:

- (a) ARTICLE IV, SECTION 1, Background;
- (b) ARTICLE IV, SECTION 2, Use and Enjoyment;
- (c) ARTICLE IX, SECTION 3(h);
- (d) EXHIBIT A, PROTECTIVE COVENANTS, PARAGRAPH 5; and
- (e) EXHIBIT A, PROTECTIVE COVENANTS, PARAGRAPH 16.

THE FOLLOWING portions of the 7-3-03 Amendment, as set forth therein, are hereby ratified by Developer Wyndham:

- (a) ARTICLE I, SECTION 1(T) "Allocated Interests";
- (b) ARTICLE I, SECTION 1(U) "Assessments", "Dues", "Dues Assessments";
- (c) ARTICLE I, SECTION 1(V) "Common Expenses";
- (d) ARTICLE I, SECTION 1(W) "Common Expense Liability";
- (e) ARTICLE I, SECTION 1(X) "Documents";

- (f) ARTICLE I, SECTION 1(Y) Improved and Unimproved Lots;
- (g) ARTICLE I, SECTION 1(Z) "Notice and Opportunity to be Heard";
- (h) ARTICLE I, SECTION 1(AA) "Planned Community";
- (i) ARTICLE I, SECTION 1(BB) "Reasonable Attorneys' fees";
- (j) ARTICLE I, SECTION 1(CC) "Real Estate";
- (k) ARTICLE I, SECTION 1(DD) "Time share";
- (l) ARTICLE III, SECTION 1, Membership;
- (m) ARTICLE III, SECTION 2(b), Member's Use and Enjoyment;
- (n) ARTICLE III, SECTION 2(c), Voting;
- (o) ARTICLE III, SECTION 2(d), Election;
- (p) ARTICLE III, SECTION 2(e), Guest Privileges;
- (q) ARTICLE III, SECTION 3, Use of Common Elements;
- (r) ARTICLE III, SECTION 4, Owners' Easement of Enjoyment;
- (s) ARTICLE III, SECTION 5, Easements of the P.O.A.;
- (t) ARTICLE III, SECTION 7, Rules Making Authority;
- (u) ARTICLE XI, SECTION 2, Purpose of Common Expense Assessments;
- (v) ARTICLE XI, SECTION 3, Apportionment of Common Expenses;
- (w) ARTICLE XI, SECTION 4, Common Expenses Attributable to Fewer than All Lots;
- (x) ARTICLE XI, SECTION 5, Basis of Common Expense Assessment;
- (y) ARTICLE XI, SECTION 6, Payment of Common Expense Assessments;
- (z) ARTICLE XI, SECTION 7, Special Assessments;
- (aa) ARTICLE XI, SECTION 6 [sic], Lien for Assessments;

(bb) ARTICLE XI, SECTION 7 [sic], Personal Liability of Owners:

(cc) ARTICLE XI, SECTION 8, Acceleration:

(dd) ARTICLE XI, SECTION 9, No Waiver of Liability for Common Expenses:

(ee) ARTICLE XI, SECTION 10, Interest, Late Charges and Payments:

(ff) ARTICLES XII, XIII, XIV, and PARAGRAPHS 11 and 12 of the
PROTECTIVE COVENANTS.

(gg) ARTICLE XVI, SECTION 3, Enforcement and Enforcement Procedures.

The POA joins in this 2009 Amendment to Declaration for the purpose of indicating its acceptance of the Amendment herein and its agreement to such Amendment. Developer Wyndham hereby adopts this 2009 Amendment to Declaration by its signature below.

IN WITNESS WHEREOF, this instrument is executed by the Developer Wyndham and the POA through their respective corporate officers who are duly authorized to execute same this day and date above written.



ATTEST:

Anna S. Walker
Assistant Secretary

WYNDHAM VACATION RESORTS, INC.
f/k/a FAIRFIELD RESORTS, INC.

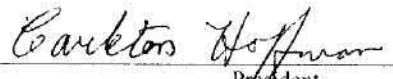
By: Charles J. Smith
Senior Vice President

(CORPORATE SEAL)

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

ATTEST:


Secretary

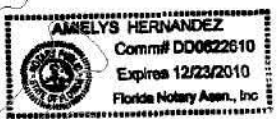
By: 
President

Unofficial

STATE OF Florida)
COUNTY OF Orange) ss.

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Charles A. Bott, and Anna L. Walton to me personally known, who stated that they are the Senior Vice President and Assistant Secretary of WYNDHAM VACATION RESORTS, INC. t/k/a FAIRFIELD RESORTS, INC., a Delaware corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 13th day of October, 2009.



[Signature]
Notary Public

My Commission Expires:
12/23/10

UNOFFICIAL

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF RUTHERFORD)

On this day before me, the undersigned Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Carleton Hoffeman and Dominick Samarotto to me personally known, who stated that they are the _____ President and _____ Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 21st day of October, 2009.


Michael E. Roper
Notary Public

My Commission Expires:

8/15/2010

Unofficial

Exhibit "A"

Original Inventory

	Property Description
1	2 Apple Valley (P2)
2	3 Apple Valley (P2)
3	7 Apple Valley (P2)
4	8 Apple Valley (P1)
5	15 Apple Valley (P2)
6	47 Apple Valley (P3)
7	91 Apple Valley (P2)
8	17 Bald Mtn Lake West
9	41 Bald Mtn Lake East
10	56 Bald Mtn Lake East
	7 Chalet Village -- convey to POA
11	20 Chalet Village North
12	34 Chalet Village North
13	41 Chalet Village North
14	59 Chalet Village North
	61 Chalet Village North -- convey to POA
15	86 Chalet Village North
16	106 Chalet Village North
17	187 Chalet Village North
18	190 Chalet Village North
19	217 Chalet Village North
20	95 Deerfield
21	108 Deerfield
22	110 Deerfield
23	137 Deerfield
24	138 Deerfield
25	155 Deerfield
26	166 Deerfield
27	43 Golf Estates II
28	72 Golf Estates II
29	92 Golf Estates I
30	94 Golf Estates I
31	158 Quail Ridge
32	202 Quail Ridge
33	279 Quail Ridge
34	32 Shumont Estates (PI)
35	60 Shumont Estates (PI)
36	2 Youngs Mountain
37	3 Youngs Mountain

38	7 Youngs Mountain
39	8 Youngs Mountain
40	10 Youngs Mountain
41	12 Youngs Mountain
42	15 Youngs Mountain
43	63 Youngs Mountain S
44	72 Youngs Mountain S
45	73 Youngs Mountain S
46	80 Youngs Mountain S
47	203 Fox Den Rd
48	Bldg A Unit 1 Apple Valley Villas
49	141/143 Summer Morning Ct.
50	TR II-A-14-AV Driving Range
51	Fairways of Mtns Future Development golf course
52	1 The Knoll
53	6 The Knoll
54	14 The Knoll
55	129 Whitney Blvd Office Bldg
56	Parcel #36 Reserve Tr Plat 14-26
57	Un-numbered lot btwn Chalet Village N & Youngs
58	Parcel 16-23411, Map Block Lot 539126B

Unofficial

page 643. This the 3 day of May, 1978

Amendment to Protective Covenants recorded in Deed Bk 505 at page 651 the 29 day of July 1977

June, 1978, necessary in Deed Bk 505 at page 643. This the 28 day of 1978, C.F. Jones, R. of D.

Amendment to Covenants no recorded 6 pg 585, 25 day Sept

at 443 by R. of D.

Amendment to Declaration of Covenants & Restrictions Deed Bk 515 at pg 501 the 29 day of July 1978

Amendment to Covenants no recorded 6 pg 585, 25 day Sept

Amendment to Supplemental Declaration of Covenants + Restrictions recorded in Deed Bk 515 at pg 501 the 29 day of July 1978

C.F. Jones R. of D.

C.F. Jones R. of D.

FAIRFIELD MOUNTAINS, INC.

RUTHERFORD COUNTY, NORTH CAROLINA

DECLARATION OF COVENANTS AND RESTRICTIONS

DATED: JULY 14, 1977

BOOK 386 PAGE 404

DECLARATION OF COVENANTS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Fairfield Mountains, Inc., a North Carolina Corporation, hereinafter referred to as "Developer", is the Developer of the lands hereinafter described in Article II of this Declaration; and,

WHEREAS, Developer is developing said lands as part of a common master plan of development and intends to add other lands to the development as herein provided under Article II and to create thereon a residential and commercial community with streets, security force, fire protection, and other common facilities for the use and benefit of the owners of the said properties described herein and the properties that may be added as provided under Article II; and,

WHEREAS, Developer desires to provide a method for the construction and maintenance of these facilities in order to provide for the preservation of property values in this community and for the maintenance of the streets, lakes, playgrounds, parks, and other common facilities, as herein defined, and to accomplish this purpose, intends and does hereby subject the real property described in Article II, together with such additions as may hereinafter be made to the property in accordance with the provisions of Article II, to the covenants, restrictions, easements, liens and charges hereinafter set forth for the benefit of said property and each owner thereof; and,

WHEREAS, the Fairfield Mountains Property Owners Association,

a non-profit corporation organized and existing under and by virtue of the laws of the State of North Carolina, with its principal office located in Lake Lure, Rutherford County, North Carolina, has joined in this Declaration, intending to bind itself to perform certain functions as hereinafter set forth, and to exercise the powers and duties as provided herein;

NOW, THEREFORE, the Developer declares that, except as otherwise provided herein, the real property described in Article II and such authorized additions thereto as may hereafter be made, is and shall be held, transferred, sold, conveyed and occupied, subject at all times to the covenants, restrictions, easements, liens and charges (collectively referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I - DEFINITIONS

Section 1. The following words, when used in this Declaration or any supplement hereto, or upon the plat of any properties described in Article II or any additional plats made subject to the provisions of this Declaration as provided in Article II, shall have the following meanings:

(A) "Property" or "Properties" shall mean and include all properties that are subject to this Declaration, including all additional land which may hereafter become subject to this Declaration in the manner provided in Article II; provided that Article II, Section 1 Properties shall not be included in such definition where such property is expressly excluded from an Article or a Section.

(B) "Article II, Section 1 Properties" shall mean all those properties described in Article II, Section 1 of this Declaration.

(C) "P.O.A." shall mean and refer to Fairfield Mountains Property Owners Association, its subsidiaries, successors and assigns.

(D) "Common Properties" shall mean and refer to those areas so designated upon any recorded subdivision plat of the

property which are intended to be devoted to the common use and enjoyment of Owners of the properties and shall also mean and refer to any improvement or area designated by the Developer as Common Property in writing on the plat or by recorded instrument delivered to the Club, and shall specifically include, but not to the exclusion of other improvements which may hereinafter be designated as Common Properties by the Developer, the following: roads and streets, lakes, medical facilities, fire stations, libraries, arts and crafts centers, and permanent parks.

(E) "Limited Common Properties" shall mean and refer to those areas of land so designated upon any recorded subdivision plat of The Properties intended to be devoted to the common use and enjoyment of the owners of specifically designated property; and also those areas so designated from time to time by the Developer for the purposes aforesaid.

(F) "Roads and Streets" shall mean and refer to every way for passage by vehicle, whether or not dedicated to the owners exclusively or to the general public, and whether or not known by the name of road, street, avenue, place, land or other name. The designation shall not mean private driveways.

(G) "Utility Easement" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Utility Easements," or as may be provided in or by this Declaration, or any Supplemental Declaration.

(H) "Reserved Properties" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Reserved Properties."

(I) "Lot" shall be the numbered lots in the numbered blocks as shown on any recorded subdivision plat of The Properties.

(J) "Commercial Lot" shall mean and refer to any lot so designated upon any recorded subdivision plat of The Properties, or as may be so designated by this Declaration, or any Supplemental Declaration.

(K) "Residential Lot" shall mean and refer to any lot so designated upon any recorded subdivision plat of The Properties, or as may be so designated by this Declaration, or any Supplemental Declaration.

(L) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(M) "Single Family Detached" shall mean and refer to any building intended for use by a single family and not attached to any other building.

(N) "Single Family Attached" shall mean and refer to any building containing one or more Living Units attached but each Living Unit located on a separate Parcel of Land.

(O) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units located on a single Parcel of Land.

(P) "A Parcel of Land" shall be less than a lot, a single lot, more than a lot, or several lots, or a plot of land described by a metes and bounds description.

(Q) "Owner" shall mean and refer to the record owner of a Parcel of Land, including the Developer, or other record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties.

(R) "Member" shall mean and refer to all those persons or entities who are members of the P.O.A. as provided in Article III, Section 1, hereof.

(S) "Developer" shall mean Fairfield Mountains, Inc., its subsidiaries, and its successors and assigns.

(T) "Assessments", "Dues", "Dues Assessments." These words and each of them where used herein shall mean and include dues charged by the P.O.A. as an annual or monthly membership charge, as well as any regular, special or capital improvement assessment or charge which the P.O.A. may impose on its membership in accordance with its Charter and By-Laws.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION:

ADDITIONS THERETO

REC. 11/11/08 418

Section 1. Properties. The real property, which shall be referred to herein as "Article II, Section 1, Properties" and which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration except where otherwise provided, is situated in the County of Rutherford, State of North Carolina, and is described as follows: (All filing references refer to the office of the Recorder, Rutherford County, North Carolina.)

Golf Estates I:	Lots 9-14, 16, 18, 19, 29, 40, 45, 46, 53-55, 57, 60, 61, 67, 68, 71-73, 76, 77, 84-86, 88, 92, 93, per Plats filed in Plat Book 8, Pages 18 and 16.
Young's Mountain South:	Lots 1-6, 9, 12-23, 25-27, 32, 33, 35-59, 61-63, 65-113, per Plats filed in Plat Book 8, Page 99 and Plat Book 9, Page 38.
Bald Mountain Lake East:	Lots 41, 49, 50, 52.
Bald Mountain Lake West:	Lot 17.
Young's Mountain:	Block 1, Lots 2, 3, 10.
Young's Mountain:	Block 2, Lots 5-8, 14.
Young's Mountain:	Block 6, Lots 7, 8, 10, 12-15, 28-34.
Young's Mountain:	Block 8.
Young's Mountain:	Block 10, Lot 8.
Young's Mountain:	Block 11, Lots 9-12, 14.
Chalet Village:	Block 1, Lots 2-4, 6.
Chalet Village:	Block 2, Lots 3, 5-8.
Chalet Village:	Block 3, Lots 5-7.
Chalet Village:	Block 4, Lot 4.

Section 2. Additions to Property.

(a) Developer shall have the right but not the obligation to bring within the plan of this Declaration additional properties, regardless of whether or not said properties are presently owned by the Developer, in future stages of the devel-

opment, provided that such proposed additions shall be acceptable to the P.O.A. Under no circumstances shall this Declaration or any Supplemental Declaration bind the Developer to make any further additions of properties to the Declaration.

(b) The additions authorized hereunder shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the plan of the covenants and restrictions of this Declaration to such property, and the Owners, of Lots and Living Units in such additions shall be entitled to all privileges herein provided.

(c) Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or change the application of this Declaration to property then subject to the Declaration.

Section 4. Additions Limited to Developer. No one other than the Developer, shall have the right to place additional lands under the covenants and restrictions or to cause additional lands to be entitled to the benefits arising hereunder unless the Developer shall agree in writing with the P.O.A. that such additional lands may be included hereunder.

Section 5. Severability as to Each Property. Notwithstanding any provision contained herein, if any Lot or Lots or Parcel of Land described in this Article II or in the future added to this Declaration as provided herein, shall for any reason fail to be validly bound by the terms of this agreement, such failure as to such Lot, Lots or Parcel shall in no way prevent or limit the effectiveness of this agreement with respect to all other properties that are properly included hereunder.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE
PROPERTY OWNERS ASSOCIATION

BOOK 386 PAGE 410

Section 1. Membership. The membership in the Property Owners Association (hereinafter referred to as P.O.A.) shall be classified as (a) Regular Membership and (b) Developer Membership.

Every person, co-owner or entity who is a record owner of a fee interest in any Lot or Living Unit which is subject by covenants of record to assessment by the P.O.A., or who has entered into a contract of purchase with the Developer covering such a Lot or Living Unit, shall be a member of the P.O.A., provided that any such person or entity (except the Developer) who holds such interest merely as security for the performance of an obligation shall not be a member.

Every person, co-owner or entity who is a record owner of a fee interest in any Lot or Living Unit which is not part of The Properties and required to be a Regular Member of the P.O.A., may become a Regular Member; provided final approval for membership in the P.O.A., for such owner, shall be conditioned upon such owner (co-owners) subjecting his lot to these recorded Declaration of Covenants and Restrictions for Fairfield Mountains by the execution and recordation of appropriate documents to accomplish same. The Board of Directors of the P.O.A. shall have the authority to assess dues at a lower or equal, but not higher, rate than for Regular Members, against such owners joining the P.O.A.

Section 2. General Rules Pertaining to All Regular Memberships. The following general rules shall apply to all Regular Memberships:

(A) The Board of Directors of the P.O.A. shall establish the dues structure with such categories as they deem appropriate. The dues may be changed from time to time as deemed necessary by the Board of Directors.

(B) The initial dues for Regular Memberships shall be (\$240 Annually) \$ 20 per month. Any member who becomes delinquent for more than thirty days in payment of dues shall automatically be suspended as a member, and can only be reinstated by paying all delinquent dues in full. During such suspension, a member shall not have voting rights or the privileges of using the P.O.A. facilities.

(C) Each member and his household shall be entitled to the use and enjoyment of all facilities owned and operated by the P.O.A. A member's household is defined as his spouse and all dependent relatives making their permanent home with the member.

(D) In the event the title or fee interest to any Lot or Living Unit is in two or more persons (other than husband and wife), then only one of the co-owners shall be entitled to membership and the co-owners shall designate this person in writing.

(E) All members shall be eligible for election as officers and as members of the Board of Directors of the P.O.A.

(F) Regular Members who dispose of their Lot or Living Unit shall automatically surrender their membership.

(G) Each purchaser of a fee interest in a Lot or Living Unit in Fairfield Mountains from the Developer where the Lot or Living Unit is subject to a recorded restrictive covenant requiring the owner to become and remain a member of this P.O.A., shall automatically become a Regular Member, and shall be required to maintain such membership so long as such ownership exists. The same provision shall apply to each successor in title to any such Lot or Living Unit. If an owner fails to pay the required dues, the delinquent dues shall become a lien on his Lot or Living Unit, and the P.O.A. may enforce this lien by court proceedings. Regular Members shall each have one vote in conducting the affairs of the P.O.A.

Section 3. Developer Membership. The Developer, Fairfield Mountains, Inc., a subsidiary of Fairfield Communities Land Company, and its successors and assigns, may hold a Developer

300 350 412

Membership in the P.O.A. Officers, directors and other designated personnel of Fairfield Mountains, Inc., and Fairfield Communities Land Company shall have the same privileges as Regular Members (but not including the right to vote) and shall be eligible for election to the Board of Directors. Dues of the Developer Member shall be \$100.00 per month.

The Developer shall have the privilege of issuing temporary guest cards to the P.O.A. to assist in the sale and development of the Fairfield Mountains properties. The Developer Membership shall terminate at such time as Fairfield Mountains is fully developed or at such earlier time as Developer, its successors and assigns finally conclude the sale and development of Fairfield Mountains and so advise the P.O.A. in writing. The Developer, during the time it is a member, shall be entitled to elect a majority of the members of the Board of Directors.

Section 4. Guest Privileges. Any person who is entitled to the use and enjoyment of the P.O.A. facilities may be accompanied by guests in the use of these facilities. The P.O.A. may also exclude or limit the number of guests for special functions.

ARTICLE IV

MEMBERSHIP IN FAIRFIELD MOUNTAINS COUNTRY CLUB

Membership. The recreational amenities presently consisting of 18-hole golf course, country club and related facilities are an integral part of the community and their maintenance as an operating facility affects the property value and community desirability for all property owners, accordingly as part of the plan of development, the P.O.A. has contracted with the Fairfield Mountains Country Club (hereinafter referred to as CLUB), as owner and operator of the above referenced recreational amenities, to provide that all members of the P.O.A. shall automatically become Social Members of the Club as part of their membership in the P.O.A. This membership for all property owners, their heirs, successors or assigns is a Social membership and the dues which are payable to the Club are paid by the P.O.A. for

each of its members. The dues which the P.O.A. will pay to the Club are presently \$ 120 per year for each of its members. Said dues are subject to change by the Club in accordance with its by-laws. Property owners who are Social Members shall be entitled to first priority of a Golf-Tennis membership to the extent that such memberships are available. Golf-Tennis memberships are optional and the property owner may resign the Golf-Tennis membership at any time. Golf-Tennis memberships are presently \$ 240/year^{mem-an additional} and are payable by the member directly to the Club. Such dues are subject to change as provided in the by-laws of the Country Club. The rights and privileges of Social Members and Golf-Tennis Members shall be established by the Country Club according to its by-laws.

ARTICLE V

UTILITY EASEMENTS

Section 1. This Article does not apply to Article II, Section 1 Properties.

Section 2. Reservations of Utility Easements. Developer hereby reserves and is given a perpetual, alienable and releasable easement, privilege and right on, over and under the grounds as hereinafter designated of The Properties to erect, maintain and use electric and telephone poles, wires, cables, conduits, water mains, drainage lines and drainage ditches, or drainage structures, sewers and other suitable equipment and structures for drainage and sewerage collection and disposal purposes or for the installation, maintenance, transmission and use of electricity, telephone, gas, lighting, heating, water, drainage, sewerage, cable TV, and other conveniences or utilities on, in, over and under all of the Common Properties upon The Properties and on, in, over and under all of the easements including, but not limited to, Roads and Streets, shown on any subdivision plat of The Properties (whether such easements are shown on said subdivision plat to be for drainage, utilities or other purposes) and in, over and under a 5-foot strip at the back of each lot of The

Properties and on, in, over and under a 5-foot strip along the interior of all side lot lines of each lot of The Properties and on, in, over and under a 5-foot strip at the front of each lot of The Properties. The Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights referred to in this Section or any such privileges, easements and rights reserved on any plat of The Properties except Article II, Section 1 Properties. The owners, other than the Developer, of the lot or lots subject to the privileges, rights and easements referred to herein shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the property which is subject to said privileges, rights and easements. All such easements, including those designated on any plat of The Properties, are and shall remain private easements and the sole and exclusive property of the Developer.

ARTICLE VI

RESERVED PROPERTIES

Section 1. Real Properties Designated as "Reserved Properties" are Reserved from Declaration and Plats. Any area upon a plat covered by this Declaration or any Supplemental Declaration designated as "Reserved Properties", shall remain the privately-owned and the sole and exclusive property of the Developer, and neither this Declaration nor any Supplemental Declarations nor the plats in connection with same shall in anywise apply to such "Reserved Properties" unless at a later time same shall be included under the provisions of the Declaration or a Supplemental Declaration as provided in Article II hereof.

Section 2. Utilities Reserved from Declaration. Utilities, unless conveyed by written instrument to the P.O.A. are specifically reserved unto the Developer. It is contemplated, utilities for The Properties shall be furnished either by Developer, its subsidiaries or related companies or by companies furnishing such

services in the vicinity of The Properties and the Developer retains and has the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such consideration, which consideration shall belong to the Developer, as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to:

- A. Water System
- B. Natural, Liquified or Manufactured Gas System,
- C. Electrical System,
- D. Telephone System
- E. Antenna Television Transmission and Distribution Facilities and System.

In the event the Developer elects to furnish any of the utility services aforesaid, it may organize a company, or companies, to furnish such utility services, and shall have the right to enter into agreements with such company, or companies, to furnish the utility services reserved, or any of them, even though such company, or companies, so organized shall be wholly or partially owned by the Developer. Nothing herein contained shall be construed or interpreted as an obligation on the part of the Developer to provide the utilities reserved, although the Developer will use its best efforts consistent with economic feasibility to so provide same.

ARTICLE VII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES

Section 1. Water System. It is contemplated the water system shall be constructed by Developer. Developer shall be the sole judge as to the time when the water system shall be constructed and extended. In the event the Developer shall decide it is not economically feasible to extend the water system to a particular area, it shall not be obligated to do so until such time as it shall become economically feasible. Developer shall determine the most feasible manner of providing for a permanent central water system and may transfer ownership to the P.O.A.; in which event, the water system shall become a Common Property and shall be operated, maintained and improved by the P.O.A. and all revenues shall belong to the P.O.A.

Section 2. Roads and Streets. It is contemplated the roads and streets shall be constructed by the Developer and that those roads and streets which are not dedicated to the general public will be a part of the Common Properties. However, the Developer shall be the sole judge as to when such roads and streets, whether dedicated to the public or as Common Properties, shall be constructed and extended from time to time. The Developer shall also be the sole judge as to the extent the roads and streets will be improved. In the event the Developer shall decide it is not economically feasible to extend improved roads or streets to a particular area, it shall not be obligated to do so. To the extent not provided by public authorities, the cost of maintenance, capital improvements, operation, taxes and other expenses incident to the roads and streets, regardless of whether dedicated to the public or as Common Properties, shall be borne by the P.O.A. which may levy assessments against each Lot and Living Unit as herein provided.

Section 3. Fire Department, medical facilities, libraries, Arts and Crafts Centers, Social Centers, and permanent parks. It is contemplated that the Developer and/or P.O.A. may construct the above referenced Common Facilities. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to these Common Properties shall be the obligation of the P.O.A., and shall be paid from dues or assessments against each Lot and Living Unit as herein provided, and also from fees for the use of the Common Properties. The P.O.A. and Developer shall be the sole judge as to the time when the Common Facilities shall be constructed, and if the P.O.A. and Developer shall decide that it is not economically feasible to construct any or a portion of such due to the failure to sell sufficient Lots or Living Units, neither shall be obligated to construct same.

ARTICLE VIII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF LIMITED COMMON PROPERTIES

Section 1. Construction and Maintenance. Developer may

designate certain facilities as Limited Common Properties for the benefit of a particular area or for the benefit of particular classes of P.O.A. membership. Developer may also, but shall not be required to, restrict the right of owners of Lots or Living Units in specific areas from using some or all of the Common Properties. Maintenance, capital improvements, operation, taxes, and other expenses incident to these Limited Common Properties, shall be the obligation of the owners of the Lots or Living Units entitled to the use and enjoyment of the particular Limited Common Properties. If owners in a certain area are restricted in their use of Common Properties of the P.O.A., then the P.O.A. shall determine an equitable allocation of the dues and assessments charged or chargeable by the P.O.A. for use and maintenance of its various Common Properties so that such owners will be chargeable only with the share allocable to the Common Properties benefiting them. In order to perform construction and maintenance on Limited Common Properties built by Developer, Developer may organize a non-profit corporation which shall have as members all those owners of Lots and Living Units entitled to the use and enjoyment of the particular Limited Common Properties and the non-profit corporation shall have, as to such Lots and Living Units, the same powers which the P.O.A. has as provided in this Declaration, including the power to levy dues and assessments against such particular Lots and Living Units in order to obtain funds for such Limited Common Properties.

Section 2. Upon the failure of the non-profit corporation belonging to the owners of the property entitled to the use and enjoyment of the particular Limited Common Properties to provide for the construction and maintenance of the particular Limited Common Properties, the P.O.A. may perform same and apportion the charge against the Lots and Living Units entitled to the benefit of the particular Limited Common Properties and same shall constitute a lien against such property subject only to the lien by reason of a first mortgage or deed of trust against such property.

PROPERTY RIGHTS OF THE COMMON PROPERTIES

Section 1. Members' Easement of Enjoyment. Subject to the provisions of Article V, Article VIII and Section 3 of this Article IX, every member, so long as such membership shall continue, shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Section 2. Title to Common Properties. The Developer shall convey the Common Properties to the P.O.A. after the construction of same is completed, or at an earlier time.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Developer and/or the P.O.A. to borrow money for the purpose of constructing, improving and maintaining the Common Properties and in aid thereof to mortgage said properties or execute a deed of trust or other trust instrument covering such properties. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such properties, to charge service or use charges, admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the P.O.A. and all rights of the Members shall be fully restored; and,

(b) the right of the P.O.A. to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and,

(c) the right of the P.O.A. to suspend the enjoyment rights of any Member for any period during which any assessment, service or use charge, remains unpaid, and for any period not to exceed thirty days for any infraction of its published rules and regulations; and,

(d) the right of the P.O.A. to charge reasonable service or use charges, admission and other fees for the use, service and enjoyment of the Common Properties; and,

(e) the right of the P.O.A. to make any recreational facilities available by lease, or otherwise, subject to subparagraph "f" hereof, to another Country Club, which shall be a non-profit corporation, with the right of the other country club to charge dues to members and permit persons who are not members to become members of the other country club for a membership payment and also for payment of dues, and with the understanding the other country club shall have the right to make rules and regulations which shall be enforceable as to members; and,

(f) the right of the Developer until all Lots and Living Units located within The Properties shall have been sold to make use of the Common Properties to encourage sales; and,

(g) the right of individual members to the exclusive use of parking spaces as provided in Section 4 hereof; and,

(h) the right of the P.O.A. to dedicate, transfer, sell, convey, lease or mortgage all or any part of the Common Properties and to pledge revenues of the P.O.A. including the right to sell and lease back or sell and reacquire all or some parts of said properties to or from any public agency, authority, political subdivision, utility or lending institution for the purpose of improving, maintaining, constructing or acquiring Common Properties and additions thereto subject to such conditions and for such consideration as may be determined by the Board of Directors to be in the best interest of the P.O.A. in furtherance of its purposes. Such action shall be taken at a regular or special meeting of the Board and notice of the proposed action shall be given in writing to each Board member at least seven days prior to such meeting. Such action must be authorized by a majority of the entire membership of the Board.

Section 4. Parking Rights. Subject to reasonable rules and conditions, the P.O.A. shall maintain and designate at least one parking space conveniently located with respect to each Living Unit for which the Developer may request same and such parking space shall be for the exclusive use of members residing therein, their families or guests. The use of such space by any other member, or person, may be enjoined by the P.O.A. or the member entitled thereto. The right of the exclusive use of such parking space and to its maintenance by the P.O.A. shall be appurtenant to and shall pass with title to each Living Unit.

ARTICLE X

PROPERTY RIGHTS OF THE LIMITED COMMON PROPERTIES

Section 1. Owners' Easement of Enjoyment. Lands designated upon plats at "Limited Common Properties", and also as may be so designated from time to time by the Developer, shall be devoted to the common use and enjoyment of the owners of specifically designated Lots and Living Units to the exclusion of the common use and enjoyment of other owners of Lots and Living Units upon The Properties. The owners of the specifically designated Lots and Living Units, subject to Article IV hereof, shall have a right and easement of enjoyment in and to the particular Limited

Common Properties and such easement shall be appurtenant to and shall pass with every such specifically designated Lot or Living Unit.

Section 2. Title to Limited Common Properties. The Developer may retain the legal title to the Limited Common Properties until construction of any improvements is completed and shall then convey the title of the particular Limited Common Properties to the non-profit corporation created to serve such Limited Common Properties as provided in Article VIII; or, if Developer deems it more desirable and the P.O.A. agrees, then Developer may convey to the P.O.A. and it shall perform as provided in Section 2, Article VIII hereof.

ARTICLE XI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Limitation with Respect to certain "Article II, Section 1" Properties. Section 2 of this Article XI shall not apply to any Property described in Article II, Section 1 if such Property was purchased from the Developer by the Owner or his transferors by contract or deed dated prior to July 14, 1977, unless such property has been subjected to these Declarations pursuant to Article III, Section 1 hereof.

Section 2. Creation of Lien. Except as provided in Section 1, each Owner of any Lot or Living Unit by acceptance of a deed from Developer, or by entering into a contract of purchase with the Developer, whether or not it shall be so expressed in any such deed, contract of purchase, or other conveyance, shall be deemed to covenant and agree to pay to the P.O.A.: (1) annual assessments of charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

Section 3. Purpose of Assessments. The assessments levied hereunder by the P.O.A. shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the improvements situated upon The Properties, including but not limited to the payment of taxes and insurance thereon, and construction of capital improvements, repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The limitation aforesaid shall not preclude the use of assessments levied hereunder for maintenance of roads and streets within The Properties, even though same have been dedicated to the public.

Section 4. Basis of Annual Dues Assessment. Effective July 14, 1977, the annual dues assessment shall be \$ 240 per Lot or Living Unit for all Regular Memberships; provided that the Board of Directors may charge an annual dues assessment for those Lot or Living Unit owners who purchased prior to July 14, 1977 in an amount equal to or less but not greater than other Regular Members. The Developer shall pay an annual dues assessment of not more than \$100.00 without regard to the number of Lot or Living Units owned. The annual assessment for Regular and Developer Members may be changed by the Board of Directors of the P.O.A.

The Board of Directors of the P.O.A. may classify areas in accordance with the level of improvements currently being furnished to such areas, and may reduce the assessments for any particular year as to the Lots in a particular area, if improvements have not yet been completed for such area.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments, the P.O.A. may levy against all Regular Members a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the roads

and streets or other Common Properties within The Properties, even though same may have been dedicated to the public, and also a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be for a stated period of time and shall be levied by affirmative vote of 51% of the Regular Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Regular Members at least thirty days in advance and shall set forth the purpose of the meeting. Developer Members shall not be subject to such assessments and need not be given notice of any meeting called to make such assessments nor shall they be entitled to vote at such a meeting.

Section 6. Quorum for Any Action Authorized Under Section 5. The Quorum of any action authorized by Section 5 hereof shall be as follows:

At the first meeting called as provided in Section 5 hereof, the presence at the meeting of Regular Members or of proxies, entitled to cast 50% of the total votes that may be cast on the particular question to be presented, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, the meeting may be recessed to a day and time certain not less than seven days nor more than thirty days thereafter, and notice of such date shall be given. The required quorum, when the meeting reconvenes, shall be one-half of the previously required quorum.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual dues assessments provided for herein shall commence on the 14th day of July, 1977, except for Lot or Living Unit owners who purchased their property in the development prior to July 14, 1977 (the date of recording of these covenants), which shall commence on the 1st day of the month following acceptance by the Club of application for membership.

Dues assessments for Regular Memberships shall be payable monthly, or as otherwise determined from time to time by the

Board of Directors of the P.O.A. The first annual assessments shall be for the balance of the calendar year in which the property becomes subject to this Declaration and shall be apportioned over the remaining months of such calendar year, and payments shall be payable on the 1st day, or such other day as may be fixed by the Board of Directors of the P.O.A., of each month for the remainder of the calendar year. The assessments for any year, after the first year, shall become due and payable on the first day, or such other day as fixed by the Board of Directors of the Club, of January of each year, and shall be apportioned over 12 months and the first payment shall be payable on such day of January as fixed aforesaid, and the remaining payments payable on the same day of each month thereafter for the remainder of the year. In the event of default as to a monthly payment and if the default is not remedied within thirty days, the P.O.A. shall have the option of declaring the assessment for the entire year due and payable.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 4 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to The Properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment, and it shall also be payable monthly with the same option on the part of the P.O.A. in the event of default.

Section 8. Duties of the Board of Directors. The Board of Directors of the P.O.A. shall fix the date of commencement and the amount of the assessment against each Lot or Living Unit of a Regular Member for each assessment period at least thirty days in

advance of such date or period and shall, at that time, prepare a roster of the properties and assessment applicable thereto which shall be kept in the office of the P.O.A. and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to every Owner subject thereto. The P.O.A. shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the P.O.A., setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Delegation of Collection of Assessment. The P.O.A. may delegate to Developer the duty of collecting the dues assessments, but all such collections shall belong to the P.O.A. Due to the common interest of the Developer and the P.O.A., the P.O.A. in the delegation of the collection of the assessments may agree that the failure on the part of an Owner to pay an assessment as herein provided shall be a reason or ground for which the Developer may rescind a contract of sale as to a Lot or Living Unit.

Section 10. Effect of Non-Payment of Assessment; The Lien; Remedies of P.O.A. If the assessments are not paid on the date when due (being the date specified in Section 7 hereof), then such assessment shall become delinquent as provided in Section 7 hereof and shall, upon the election of the P.O.A. to declare the entire assessment due and payable, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns; provided however where the Regular Member does not hold the Lot or Living Unit in fee, same being held by Developer subject to Regular Member's installment contract, such lien shall cease upon the rescission and termination of the contract and the return of the Lot or Living Unit to Developer's inventory.

If the assessment is not paid as provided in Section 7 and the P.O.A. shall declare the entire assessment due and payable, the assessment shall bear interest from date of delinquency at the rate of 6% per annum, and the P.O.A. may foreclose the lien against said property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon The Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- A. Common Properties,
- B. Limited Common Properties,
- C. Utility Easements and all other Easements,
- D. Reserved Properties,
- E. Utilities,
- F. Water System and Properties,
- G. All Recreational Facilities,
- H. All Lots or Living Units owned by Developer and not subject to contract of sale. Such exemption from assessment to cease upon sale of property by contract or deed.

ARTICLE XII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the home upon

The Properties and placed on the dividing lines between Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

ARTICLE XIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee. No building, fence, wall,

improvement, or other structure shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change or alterations therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of Developer, or by an Architectural Control Committee composed of three or more representatives appointed by said Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIV

EXTERIOR MAINTENANCE

Section 1. In the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance as to buildings or grounds the Developer or the P.O.A. may, but shall not be obligated to, provide exterior maintenance as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Section 2. Assessment of Cost. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become a part of the annual assessment or charge to which said Lot or Living Unit is subject under Article XI hereto and, as part of such assessment or charge, it shall be a lien subject, however, to lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided in Article XI hereof. Upon collection by the P.O.A., the cost shall be paid to Developer, if the Developer has performed the work.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article XIV, the Developer or the P.O.A. through its respective duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday.

ARTICLE XV

PROTECTIVE COVENANTS

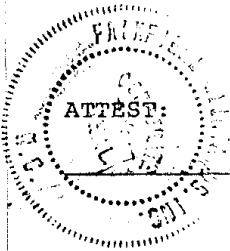
Attached hereto as "Exhibit A" and incorporated herein by reference as fully as though set forth word for word are protective covenants. Such covenants shall be considered to be part of the "Declaration" and shall apply to and bind all The Properties except Article II, Section 1 Properties. Paragraphs 11 and 12 of the Protective Covenants shall apply to and bind Article II, Section 1 Properties.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Duration. All provisions, covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the P.O.A., or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 25 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by the then Owners of two-thirds of the Lots or Living Units has been recorded, agreeing to change said covenants and restrictions in whole or in part. For purposes of meeting the two-thirds requirements, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted. Provided, however, that no such agreement to change shall be effective unless made and recorded 3 years in advance of the effective date of such change, and unless written notice of

P.O.A. herein, have executed this agreement for the purposes as set forth and have caused this Declaration to be executed by their duly authorized corporate officers this 31st day of August, 1977.



FAIRFIELD MOUNTAINS, INC.

BY George A. Hawran
President

[Signature]
Secretary

DEVELOPER

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION

BY [Signature]
President

ATTEST:

Ed B. Garrett
Secretary

P.O.A.

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF RUTHERFORD)

BOOK 386 PAGE 431

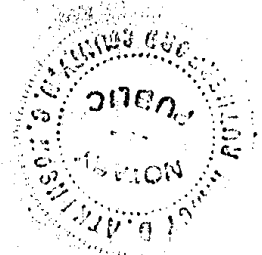
On this 31st day of August, 1977, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named George F. Donovan and Joe T. Gunter to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS, INC., a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 31st day of August, 1977.

Nancy D. Atkinson
Notary Public

My commission expires:

7/28/82



ACKNOWLEDGMENT

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF RUTHERFORD)

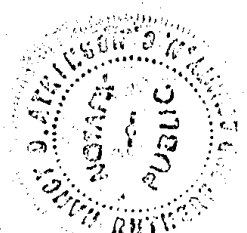
On this 31st day of August, 1977, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within-named Robert E. Bland and Ed B. Garrett to me personally well known, who stated that they were the President and Secretary of FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, a corporation, respectively, and were duly authorized in their capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 31st day of August, 1977.

Nancy D. Atkinson
Notary Public

My commission expires:

7/28/82



North Carolina, Rutherford County
The foregoing certificate of _____

NANCY D. ATKINSON

Notary Public/Notaries Public is/are certified to be correct. This instrument was presented for registration and recorded in this office

at Book 386, Page 404.
This 1st day of September, 1977 at 12.01 o'clock P.M.

C. F. Jones
C. F. Jones, Register of Deeds
Rutherford County, N. C.

EXHIBIT A

PROTECTIVE COVENANTS

800* 386 PAGE 432

C. F. Jones
S. R. D.

9 July 1987

1. Application. These Protective Covenants shall apply to all of the Properties as provided in the Declaration. They shall also apply to additions to The Properties unless the Developer shall specifically except from these Protective Covenants such additions or a portion thereof in the Supplemental Declaration by which the Developer subjects such additions to this Declaration.

2. Architectural Control Committee. When the Architectural Control Committee, hereinafter referred to as A.C.C., is referred to in these Protective Covenants, it shall mean either the Board of Directors of the Developer or the Architectural Control Committee appointed by the Board of Directors pursuant to Article XII of the Declaration.

3. Amendment, Rescission or Additions. Developer may amend, rescind or add to the Protective Covenants from time to time, but unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such Amendment, Rescission or Additions shall not make the Protective Covenants as to those Lots zoned as Residential less restrictive than as provided in the Federal Housing Administration's then current edition of "Minimum Property Standard for Single Living Units."

4. Zoning. The notes upon the recorded subdivision plats shall control as to use of the Lots reflected thereon unless changed as provided in Paragraph 3 above. Structures upon Lots designated as commercial or industrial upon a recorded subdivision plat shall be entirely controlled as to kind, shape, height, materials, and other features by the A.C.C. and may be used for residential or other purposes with consent of the A.C.C. The A.C.C. may change the use classification of Lots to permit a

residential use of a Lot restricted to commercial or industrial with the consent of the Owner of the Lot. As to Lots designated as Residential Lots upon a recorded subdivision plat, the notes upon the recorded subdivision plat shall control regarding the residential structure types (Single Family Detached, Single Family Attached and Multifamily Structure) which shall be permitted, provided that Single Family Detached is a permitted use on any such property regardless of designation. The notes upon the recorded subdivision plat shall also control as to minimum square footage of each Single Family Detached structure, Single Family Attached structure, as well as each Living Unit in a Multifamily structure. Provisions of Article XII shall control as to kind, shape, height, materials, et cetera, in regard to all structures erected upon or moved upon Residential Lots.

5. No residential lot shall be used except for residential purposes or, with permission of the A.C.C., non-profit, civic, religious, educational and community purposes such as, but not limited to, churches, schools, fire and police stations, community buildings, libraries or parks. On Single Family Detached lots no residential building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling not to exceed two and one-half (2 1/2) stories in height and private garages for the occupants' vehicles and other outbuildings incidental to the residential use of the lot.

6. Resubdivision. No lot shall be subdivided except upon written approval of the A.C.C.

7. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

8. Setbacks. No building shall be placed closer to the Roads and Streets than a setback line shown on a recorded subdivision plat and if no setback line is shown, then the

applicable setback shall be 25 feet, except where such requirement creates an undue hardship upon the Owner, such setback may be modified as necessary to prevent the hardship by the A.C.C.

9. Side Yards. Where Lots are zoned as Residential, the following shall apply, unless the recorded plat provides otherwise:

(a) A Single Family Detached structure or any building incident thereto shall not be closer to a side lot line than 5 feet, except where such restriction creates an undue hardship upon the Owner the A.C.C. may modify this restriction so as to alleviate the hardship.

(b) A Single Family Attached structure shall not be required to have a side yard, and a common or party wall may be constructed upon the dividing lines between Lots so that the wall may be partially upon one Lot and partially upon the other, or said common wall may be entirely upon one of the two lots involved.

(c) There shall be no requirements as to a side yard where Multifamily structures are involved, and subject to approval by the A.C.C., Multifamily structures may be constructed up to or upon the dividing lines between Lots.

The A.C.C. shall decide all questions relative to locations of Commercial structures upon Lots where such structures are permitted.

10. Land Near Lakes, Water Courses, Golf Courses, Permanent Parks, Permanent Recreational Plots. No building shall be placed nor shall any material or refuse be placed or stored upon any Lot or other Parcel of Land within 20 feet of the property line of any Lake or within 20 feet of the edge of any open Water Course, or within 20 feet of the property line of any Golf Course, Permanent Park or Permanent Recreational Plot. Clean fill may be placed nearer to the property line of a Lake or the edge of an open Water Course in the event the written permission

of the A.C.C. is first obtained. Likewise, by written permission of the A.C.C., a boat dock or boat house may be placed closer than 20 feet to the property line of a Lake or the edge of an open Water Course. The decision of the A.C.C. as to the permission aforesaid shall be final and conclusive.

11. Construction of Buildings. The contractor, builder, person or entity constructing a building upon The Properties shall, prior to beginning the construction of any such building, furnish to the A.C.C. proof that a suitable completion bond has been made to insure completion of the building and to indemnify the Owner against material and mechanic liens. At the same time there shall be furnished to the A.C.C. satisfactory proof that builders' risk insurance, including Workmen's Compensation insurance, if applicable, will be in effect for the construction period. If the Owner is his own builder, he shall furnish to the A.C.C. such credit information and proof of financial ability to complete the building within the time requirements of these Protective Covenants, as shall be required by the A.C.C. In such case, the Owner shall also furnish to the A.C.C. proof of builders' risk insurance, including Workmen's Compensation insurance, if applicable, to be in effect for the construction period.

12. Time for Completion of Buildings. Commercial structures, Single Family Attached structures, and Multifamily structures shall be completed according to plans and specifications both as to exterior and interior within such time as shall be fixed by the A.C.C. when the plans and specifications for the particular structure are approved by the A.C.C. The following shall apply to the construction of a Single Family Detached structure as well as garage and outbuildings permitted:

(a) The exterior of any Single Family Detached structure, garage, or outbuildings permitted which shall be erected upon or moved upon any Lot of The Properties covered by

shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the State Health Department and approved by the A.C.C.

16. Outbuildings. Outbuildings or accessory buildings, such as a garage, servants' quarters or guest house, shall be permitted on Lots upon which a Single Family Detached structure has been constructed or is under construction; provided the building and/or buildings are occupied by servants employed on the premises or temporarily by guests, and are not occupied as rental units by non-servant or non-guest occupants, and provided the A.C.C. shall approve the design, plans, specifications, et cetera, of such buildings.

Outbuildings or accessory buildings permitted upon Lots or Parcels of Land upon which there is constructed a commercial building, Single Family Attached structure, or Multifamily structure, shall be entirely within the discretion of the A.C.C.

17. Protective Screening. There shall be compliance with all protective screening areas as reflected upon any recorded subdivision plat of The Properties. Except as otherwise provided herein regarding street intersections under "Sight Distance at Intersections", shrub plantings, fences or walls shall be maintained throughout the entire length of such areas by the Owner or Owners at their own expense to form an effective screen in order to protect and beautify the area. No building or structure except a screening fence or wall or utility or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utility and drainage facilities.

18. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations

between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitations shall apply on any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

19. Signs. All signs are prohibited in areas zoned upon any recorded subdivision plat as Residential except:

(a) Signs erected by the P.O.A. for identification of streets, traffic control and directional purposes;

(b) Signs of a temporary nature advertising property for sale and construction signs, which signs shall not exceed 5 square feet in area;

(c) Signs erected by Developer in connection with its sales program.

The erection of signs in areas zoned commercial upon any recorded subdivision plat shall require a permit of the A.C.C. and no such sign, except as provided in sub-paragraph (a) above shall be erected without the permit of the A.C.C.

20. Model Houses. No provision of these Protective Covenants shall preclude the Developer in furtherance of its sales program from erecting, maintaining and utilizing Model Houses in any area zoned upon a recorded subdivision plat as Residential for such purposes as it may consider necessary during the development stages.

21. Businesses Prohibited in Residential Areas. Except for the business of the Developer in furtherance of its

sales program the practice of any profession or the carrying on of any business is prohibited within any area zoned as Residential upon any recorded subdivision plat of The Properties.

22. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved in the Declaration and will be reserved in any Supplemental Declaration and may also be reserved as indicated upon any recorded subdivision plat of The Properties. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements, or which may obstruct or retard the flow of water through drainage channels within the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which the P.O.A., a public authority or utility company is responsible.

23. Nuisances. No obnoxious or offensive activity shall be carried on upon any Lot or Parcel of Land of The Properties.

24. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Parcel of Land of The Properties, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

25. Garbage and Refuse Disposal. No Lot or Parcel of Land of The Properties shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in a clean and sanitary condition, and disposition of same shall be prompt.

26. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or Parcel

of Land of The Properties, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or Parcel of Land. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or Parcel of Land.

27. Conflict with Declaration. The provisions of the Declaration shall prevail in all respects as to these Protective Covenants, in the event of conflict between these Protective Covenants and the Declaration.

28. Enforcement. These Protective Covenants shall be enforced as provided in the Declaration of which the Protective Covenants are a part.

the proposed agreement is sent to every Owner at least 90 days in advance of any action taken.

Section 2. Notices. Any notice given or required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the United States mail with postage paid, addressed to the last known address of the person who appears as Member or Owner on the records of the P.O.A. at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the P.O.A. 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.

Section 4. Assignability. All provisions of this Declaration shall be binding upon and shall inure to the benefit of the parties, their successors and assigns. Developer or the P.O.A. may assign or convey all or any part of their rights, privileges or obligations hereunder at any time, but such assignment or conveyance shall not relieve the assignor from fulfilling its obligations hereunder or causing them to be fulfilled by such assignee.

Section 5. Amendments. The provisions of this Declaration may be amended if such amendment is adopted by affirmative vote of a majority vote of the votes cast by the voting members of the P.O.A. and such amendment is also adopted by Developer. Any such amendment must be in writing and properly executed and recorded.

Section 6. Severability. Invalidation of any provision, covenants or restriction contained herein shall not invalidate any other provisions and they shall remain in full force and effect.

IN WITNESS WHEREOF, FAIRFIELD MOUNTAINS, INC., Developer herein, and FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION,

these Protective Covenants shall be completely finished within six months of the date of the start of construction.

(b) The interior of any Single Family Detached structure, garage or outbuildings permitted, which shall be erected upon or moved upon a Lot of The Properties covered by these Protective Covenants shall be completely finished within twelve months following the start of construction.

The contractor, builder or Owner will submit all structures to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided or as may be provided by the A.C.C. In the event of non-compliance with completion dates as herein provided, the Developer and/or the P.O.A. shall have the right, but not the obligation, to hire a contractor and/or contractors (including Developer) to perform the work and furnish the materials necessary for compliance and the particular party acting shall bill the Owner for the amount expended plus 12% for administration. In the event the Owner does not pay same, the Developer and/or the P.O.A., as the case may be, shall have the legal right to file a lien against the property involved and proceed in law or equity to sell the property to obtain said charges. All money received over and above said charges and court costs shall be paid over to the Owner.

13. Electric Wiring and Plumbing. Electric wiring and plumbing installed in any structure erected upon or moved upon The Properties shall be in accordance with standards prescribed by the A.C.C.

14. Sewage Disposal. No privately-owned sewage disposal system shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the appropriate State and Federal agencies and approved by the A.C.C.

15. Water Supply. No privately-owned water system