

STATE OF NORTH CAROLINA

RESTRICTIVE AND PROTECTIVE COVENANTS

COUNTY OF HENDERSON

THESE RESTRICTIVE AND PROTECTIVE COVENANTS, made and entered into this 26th day of November, 1986 by CAMPEN-CAROLINA CORPORATION, hereinafter referred to as "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain tract or parcel of land located in Henderson County, North Carolina, and more particularly described in Article I below, under the definition of "properties";

NOW, THEREFORE, Declarant hereby declares that all of the properties described below shall be held, sold and conveyed subject to the following restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with all real estate and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

1.01

"Association" shall mean and refer to Clear View Valley Property Owners Association, a non-profit association, its successors and assigns. Declarant expressly reserves hereby the right to incorporate said association at a future date should Declarant deem it necessary.

1.02

"Owner" shall mean or refer to the record owner, whether one or more persons or entities, having fee simple title to any lot which is part of the properties, but excluding those having such interest merely as security for the performance of an obligation. "Owner" shall also include all persons or entities who have signed a contract with declarant for the purchase of any lot which is part of the properties. "Original Owner" shall mean the purchaser of a tract or parcel from declarant, or any person entering into a contract for the purchase of a tract or parcel from declarant.

1.03

"Properties" shall mean and refer to all that tract or parcel of land lying in Crab Creek Township, Henderson County, North Carolina, shown and delineated on that certain plat of survey of Clear View Valley Subdivision, said plat prepared by Clarence Jenkins, Registered Land Surveyor, as the same is recorded in Plat Cabinet A, Slide 279 in the Office of the Henderson County Register of Deeds, and reference is made to said plat for the purpose of incorporating the same herein. "Properties" shall also mean and refer to all tracts or parcels of land lying and being in Henderson County, North Carolina of which Declarant shall elect to make a part of Clear View Valley Subdivision, and the Declarant hereby specifically and expressly reserves the right to add additional properties from time to time.

1.04

"Community easements" shall mean all real property designated as "community easements" on the plat of the described properties referred to above. The width of all common easements shall be defined as shown on the plat of the described properties referred to above.

1.05

"Lot" shall mean and refer to any plot of contiguous land/s or parcel/s of the "properties" described in any deed or any purchase contract/s or any combination

thereof to any owner. A "new" lot shall be created whenever any owner causes the lot to be divided into two or more separate tracts. Any such future division will result in the transferee becoming a member of the association and entitled to the rights and subject to the obligations of members. The association shall be notified in writing promptly of any such future subdivision.

1.06

"Member" shall mean and refer to every owner of a lot as "lot" is defined hereinabove.

ARTICLE II

PROPERTY RIGHTS

2.01

Every owner shall have the right and easement of ingress and egress over and across the community easements shown on the recorded plat of the properties, for the purpose of providing vehicular, pedestrian and equine ingress and egress between each of the owner's property and existing state and county maintained public roads adjoining the subdivision, and such easement and right of way shall be appurtenant to and shall pass with title to every lot subject to the following provisions:

(a) The right of the association to charge reasonable fees for placing, constructing, operating, repairing, maintaining, rebuilding, or replacing the right of way and community easement;

(b) The right of the association to dedicate or transfer all or any part of the community easement property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of the members agreeing to such dedication or transfer has been recorded, along with written consent of declarant.

2.02

Any owner may delegate his right of enjoyment of the community easement to the members of his family, his tenants, or contract purchasers who reside upon the property.

2.03

Every lot sold, transferred or conveyed shall be subject to the road easements as designated on the above-referenced Plat, and said easements shall not be obstructed in any manner whatsoever. In addition, every such lot shall be subject to an additional ten foot utility and/or drainage easement adjacent to and in addition to the aforementioned easement, and on all property lines. However, said easement shall extend to twenty feet on all exterior lines of the plat which do not abut road easements.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.01

Every owner of a lot is subject to an assessment and shall be a member of the Association. Membership shall be appurtenant to and may be separated from the ownership of any lot which is subject to assessment. As used herein "Ownership" shall include the holder of contract rights with declarant for the purchase of a lot, as well as all owners of record title to the properties. Owner is not defined to include declarant and therefore declarant shall not be liable for any assessments and shall never be a member of the Association.

3.02

Members of the association shall be entitled to one vote for each lot (as defined in 1.05) owned or contracted for regardless of the size of such lot and

regardless whether said lot was purchased in separate parcels. When more than one person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as such joint owners among themselves determine, but in no event shall more than one vote be cast with respect to any lot. An original owner acquiring additional parcels contiguous to his original lot shall not acquire additional voting rights and shall not be required to pay an additional maintenance assessment.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

4.01

Each owner of any lot by acceptance of the deed therefor, or by entering into a contract with declarant for the purchase of a lot, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay the association:

(1) An annual assessment or charge. There shall be only one assessment per owner of contiguous land unless the owner of said land creates more than one living establishment. For each additional living establishment created by the owner, which is defined as any building or mobile home designed for human residence independent of any other structure, shall pay one assessment for each additional establishment. However, the creation of an additional establishment shall not give the owner an additional vote or votes in the association. Nevertheless, any non-contiguous parcel owned by the same owner shall have a vote, but shall also be assessed as set forth herein;

(2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments together with all interest, cost and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien on the property against which such assessment is made. Each such assessment, together with interest, cost and reasonable attorney's fees, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment is made.

(3) Special assessments as set forth in subparagraph 2 hereinabove shall be expressly defined to include assessments for utilities. The association shall expressly have the duty to assume the operation of a utility or utilities and to levy any special assessments in conformity with said subparagraph 2 hereinabove.

4.02

The assessments levied by the association shall be used exclusively to promote the health, safety and welfare of the residents in the properties by improvement and maintenance of the community easements, and of other improvements.

4.03

Until January 1, 1988, the maximum annual assessment shall be \$100.00 per lot.

(1) From and after January 1, 1988, the maximum annual assessment may be increased each year by not more than ten percent above the maximum assessment for the previous year without a vote of the membership.

(2) The maximum assessment may be increased by more than ten percent but not more than one hundred percent of the assessment for the previous year by the vote of two-thirds of the members of the association at a meeting duly called for this purpose; however, to increase the assessment to exceed one hundred percent of the assessment of the previous year, or to assess for the installation or maintenance of a utility or a paved or substantially improved road which would require an assessment of over one hundred percent of the previous year's assessment, regardless of how the payment plan is offered to association members, then there must be a meeting called specifically for this purpose and shall require more than three-fourths vote of the members.

(3) The Board of Directors may affix the annual assessments at an amount not in excess of the maximum without specific approval as set out in subparagraph 2 immediately hereinabove.

4.04

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only

for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of capital improvements upon the community easements, provided that any such assessment shall have the assent of more than three-fourths of the members by vote in person or by proxy at a meeting duly called for this purpose.

4.05

Any action other than to increase the assessment over the set maximum as provided for in Paragraph 4.03 and 4.04 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than thirty nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the notice requirements, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. If the required quorum is still not present, meetings may be continued to be called, the required quorum at each subsequently called meeting being reduced by one-half, until such time as the required quorum shall be met. No such subsequent meeting shall be held more than sixty days following the preceding meeting. All members shall keep the association notified in writing of their correct mailing address, and the failure to do so shall result in a waiver by such member of his/her rights to notice as herein provided.

4.06

Both annual and special assessments shall be fixed at an equal rate for all lots, regardless of the size of such lots, and may be collected on a monthly, quarterly or annual basis. Written notice of annual assessments shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, on demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on any lot have been paid.

4.07

Any assessment not paid within thirty days after the due date shall bear interest from the due date at a rate of interest equal to the North Carolina judgment rate of interest. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non use of the common easement or abandonment of his lot.

4.08

The lien of the assessments provided for herein shall be subordinate to the lien of any first or second mortgage, and subordinate to the rights of declarant under any contract for the sale of the properties. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, or the termination of contract rights by declarant, shall extinguish the lien of such assessments as to payments assessed prior to such sale or transfer. Should declarant herein reacquire title to any parcel by foreclosure, transfer, deed or otherwise, including the termination of contract rights, all liens and assessments provided for hereunder shall be extinguished, and no further assessments shall be made against such lot so long as declarant is the owner thereof. Declarant shall never be liable under any circumstances for assessments provided for herein.

ARTICLE V

ELECTION OF DIRECTORS

5.01

The Association shall be governed by a Board of Directors consisting of five individuals, each of whom shall be members of the Association. The initial Board of Directors shall be appointed by declarant. The initial Board of Directors

shall call the first annual meeting of the members within one year of their appointment. The term of the Board of Directors shall commence upon the date of their election and continue for a period of two (2) years. There shall be an annual meeting of the members with the exact date of such annual meeting to be established by the Board of Directors, and written notification of such annual meeting shall be sent to all members not less than thirty nor more than sixty days in advance of the meeting. At any time, the members of the Association may adopt by-laws governing the day to day operations of the Association, which by-laws shall not be inconsistent with the provisions of this declaration.

ARTICLE VI

GENERAL PROVISIONS

6.01

Each owner of any lot by acceptance of the Deed therefor, or by entering into a contract with declarant for the purchase of a lot, whether or not it shall be so expressed in such deed of contract, is deemed to covenant and agree to the following general restrictions and conditions for the beneficial use and protection of each owner of a lot or lots:

(1) Mobile Homes are permitted; however, if they are older than three (3) years when put on the property, they must have prior written approval from declarant.

(2) All Mobile Homes must be 600 square feet minimum.

(3) All Mobile Homes and additions must be skirted with new commercially designed Mobile Home skirting, within thirty (30) days after Mobile Home is on property; any other type of skirting must be approved in writing from declarant.

(4) All Mobile Homes must have a minimum of 200 square feet of attached improvements, ie: deck, porch, carport, utility room.

(5) All Mobile Homes or Houses must be constructed and erected on the property in a manner that meets all governmental codes.

(6) No living or camping is permitted in any vehicle or trailer other than those vehicles or trailers which have been originally manufactured for that purpose.

(7) Occupying the vehicle or trailer (as in Item 6) is limited to a continuous eight (8) months period. If vehicle or trailer remains over 30 days, it must be skirted as called for in paragraph 3 above. A thirty (30) day vacancy of occupant or and vehicle or trailer is required prior to another occupancy period beginning.

(8) A permanent, on site constructed house must be a minimum of 800 square feet and the exterior must be built of new material commercially designed by the building industry for exterior sides, unless approved in writing by declarant, and the exterior must be completed within six (6) months of commencement of construction.

(9) No swine shall be kept thereon. No dog kennels or poultry for commercial purposes shall be permitted. All pets must be confined to owner's property and free of roadways and/or easements.

(10) No shacks, barns or other outbuildings shall be used as a residence either temporarily or permanently, nor shall any structure of a temporary character be used as a residence except for commercially built recreation trailers and vehicles. Tent camping is permissible for a period not to exceed thirty (30) days. No dwelling shall be occupied unless substantially finished.

(11) No noxious or offensive trade or activity shall be carried on upon any lot or any part thereof, nor shall anything be done thereon which may be or become a nuisance to the neighborhood.

(12) No junk or junk cars shall be allowed to remain on any of said lots at any time. No type of vehicle repair business is allowed.

(13) Each building or plot shall be kept and maintained in a good state of repair completely free from any accumulation of junk or trash of any kind whatsoever.

(14) No commercial or business activities shall be allowed with the exception of real estate transactions, and those specifically approved in writing by declarant.

(15) Septic tanks and wells shall not be permitted or allowed upon any lot or any part thereof until such time as written approval of the location of same shall be obtained from the Declarant.

(16) No signs shall be placed on the property without the express written consent of Declarant.

ARTICLE VIIENFORCABILITY

7.01

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

7.02

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

7.03

At any time, by a seventy-five percent majority vote of all members, and with the express written consent of declarant, the members of the Association may amend any provisions of these Restrictive and Protective Covenants. Such amendment shall not be effective until recorded in the public records of the Henderson County, North Carolina Registry, along with the express written consent of declarant. Provided further, that so long as declarant is the owner of fifty percent of the "properties" as defined in Paragraph 1.03, declarant may amend the provisions of these Restrictive and Protective Covenants without the consent of the remaining owners. Such amendment shall not be effective until recorded in the Office of the Henderson County, North Carolina Register of Deeds.

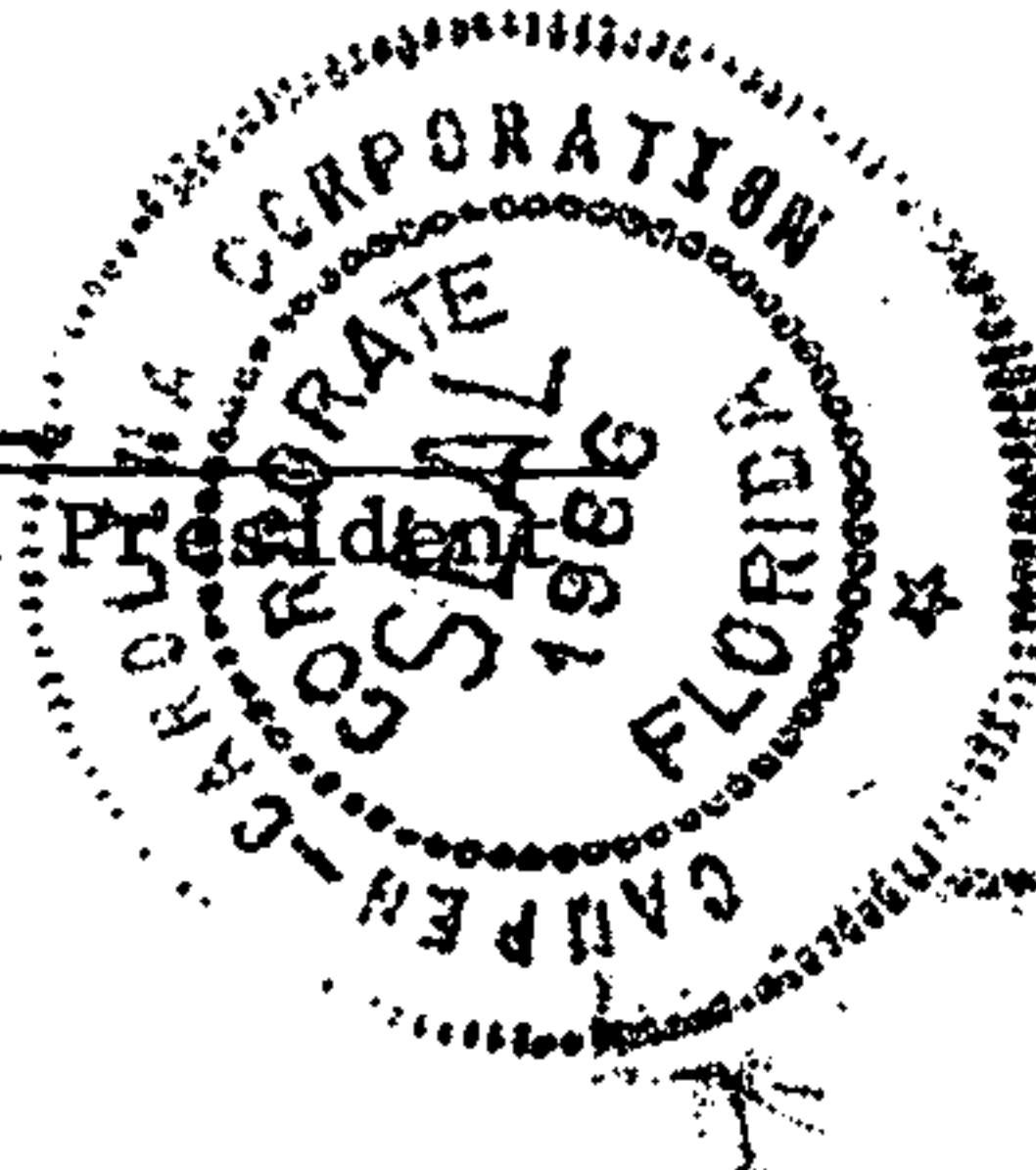
7.04

The provisions of these Restrictive and Protective Covenants shall run with and bind the land until December 31, 2010, after which time said provisions shall automatically be renewed for successive periods of ten (10) years each, unless a majority of the then Association members elect to terminate said provisions. In order for any termination to be effective, it must be signed by a majority of the then members of said Association and recorded prior to the initial expiration date or the expiration date of any succeeding ten (10) year period.

IN WITNESS WHEREOF, the declarant herein, CAMPEN-CAROLINA CORPORATION, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

CAMPEN-CAROLINA CORPORATION

BY: John Campen
JOHN CAMPEN, Vice President



ATTEST:

Sylvia H. Hall
Secretary

STATE OF FLORIDA

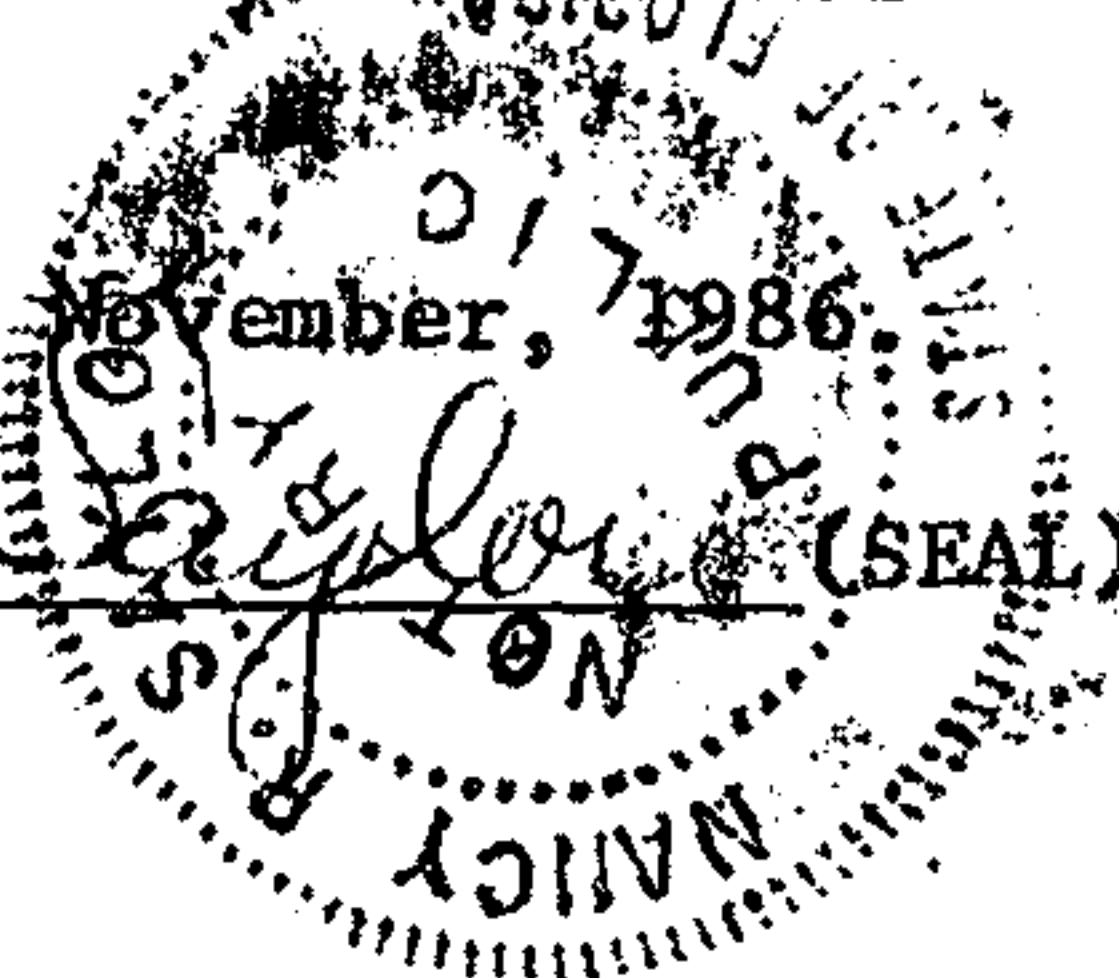
COUNTY OF ALACHUA

I, a Notary Public of the County and State aforesaid, certify that SYLVIA H. HALL personally came before me this day and acknowledged that she is Secretary of Campen-Carolina Corporation, a Florida corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Assistant Vice President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 26TH day of November, 1986.

My Commission Expires:
Notary Public, State of Florida
My Commission Expires Feb. 4, 1989
Bonded Thru Troy Fain - Insurance, Inc.

Nancy R. Saylor
Notary Public



North Carolina, Henderson County The foregoing certificate(s) of

Nancy R. Saylor
Notary Public (~~Notary Public~~) is/are certified to be correct. This instrument presented for registration and recorded in this office this 15 day of January, 1987 at 2:30 P M. in Book 69 Page 800
Ruby H. Marshall Valerie L. Constant
Register of Deeds (Assistant) (Deputy)