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12-08-2015 02:15:44 PM

TONIA R HAMPTON

REGISTER OF DEEDS

BY: TONIA R HAMPTON

REGISTER OF DEEDS

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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
LINVILLE FALLS DEVELOPMENT, FORMERLY KNOWN AS
BLUE RIDGE COUNTRY CLUB SUBDIVISION**

APPROVED BY MEMBERSHIP ON NOVEMBER 7, 2015.

Return to: Will Rucker at Counter

Amended Declaration of Covenants, Conditions and Restrictions - November 7, 2015

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LINVILLE FALLS DEVELOPMENT, FORMERLY KNOWN AS BLUE RIDGE COUNTRY CLUB SUBDIVISION

This **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LINVILLE FALLS DEVELOPMENT, FORMERLY KNOWN AS BLUE RIDGE COUNTRY CLUB SUBDIVISION** is made as of the 7 day of November, 2015 by **LINVILLE FALLS CLUB PROPERTY OWNERS ASSOCIATION, INC.**, a North Carolina non-profit corporation, hereinafter referred to as "Association."

W I T N E S S E T H

WHEREAS, Association is the duly organized association of property owners within the Linville Falls Development located in McDowell County, North Carolina developed as an exclusive residential community; and

WHEREAS, Association desires to insure the attractiveness of the individual Home Sites and Common Areas within Linville Falls Development and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of said Development and to provide for the maintenance and administration of the Common Area, Private Street Rights-of-Way, entrances, landscaping, gates and other community facilities located within Linville Falls Development; and

WHEREAS, Association deems it desirable, in order to insure the efficient preservation, protection and enhancement of the values and amenities of Linville Falls Development and the residents' enjoyment of the specific rights, privileges and easements in the community properties and facilities, to be the organization which will be delegated and assigned the powers of owning and maintaining all Common Areas, administering and enforcing these covenants and restrictions and collecting and disbursing the assessments and charges hereinafter imposed; and

WHEREAS, the Linville Falls Development, (previously known as the Blue Ridge Country Club Subdivision) is subject to those Declarations of Covenants, Conditions and Restrictions as recorded in Book 425 at Page 704 of the McDowell County Register of Deeds, as amended, restated and supplemented (all amendments, restatements and/or supplements together, being the "Prior Declaration"); and

WHEREAS, Owners totaling at least 80% of the Home Sites in the Linville Falls Development, as required by the Prior Declaration, have duly voted to amend the Prior Declaration as provided in this Declaration.

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NOW, THEREFORE, Association hereby declares that "Property" defined herein, is and shall be owned, held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration, which Declaration amends and restates the Prior Declaration, and which Declaration shall run with the Property defined herein, and be binding upon (except as provided in Article V, Section 9 hereafter) and shall inure to the benefit of all owners thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I – DEFINITIONS

Section 1. "*Architectural Review Committee*" shall mean a committee of not less than three, nor more than five, individuals the majority of which, are selected by Declarant, and the balance appointed by the Board of Directors, to review plans and specifications as provided in Article IX hereof and to make the determinations provided in said Article. No less than one member shall be an owner of an Improved Home Site as defined below. When there is no longer a Declarant, the members shall be appointed by the Board of Directors.

Section 2. "*Association*" shall mean Linville Falls Club Property Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns. Any and all actions to be taken by the Association shall be taken by the Board of Directors as and to the extent set forth herein and in the Bylaws of the Association.

Section 3. "*Common Area*" shall mean all real and personal property or rights therein owned by the Association for the common use and enjoyment of the Owner and designated as "Common Area" on any Plat of the Property duly recorded in the McDowell County Public Registry, or in any supplementary declaration, and made subject to the provisions of this Declaration, such Common Areas including, but not being limited to, the Private Street Rights-of-Way; and all right, title, and interest of the Association in and to the Designated Maintenance Items, whether such Designated Maintenance Items are real or personal property, and whether, if such Designated Maintenance Items are personal property, they are located upon Common Area or upon a Home Site. The Common Area as of the date of this Declaration is more particularly described in Article II, Section 3, below.

Section 4. "*Club*" shall mean the recreational facilities located adjacent to the Linville Falls Development and to the east and south thereof, including the golf course, driving range, clubhouse, parking areas, lodge, pro shop and all other facilities constructed thereon and used in connection therewith under the name "Linville Falls Golf Club,;" which is a semi-private club offering both right-to-use memberships and day-of-play access for a fee, not a club that is maintained by the Association, and not a Common Area.

Section 5. *"Condominium"* shall mean a dwelling unit in a residential building subjected to the terms of Chapter 47C of the North Carolina General Statutes, or any subsequently enacted statute governing Condominiums.

Section 6. *"Declarant"* shall mean RDLG, LLC, a successor in interest to Linville Falls Mountain Club and Preserve, Inc., a North Carolina limited liability company, and its successors or assigns, until such time as there ceases to be at least ten (10) Declarant Home Sites (as defined below), at which time Declarant shall mean the Association.

Section 6.1 *"Declarant Home Site"* shall mean any Home Site, Lot Home Site, Multi-Family Home Site or Multi-Family Tract owned by Declarant or Declarant's affiliate.

Section 7. *"Declaration"* shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Linville Falls Development, Formerly Known as Blue Ridge Country Club Subdivision, as the same may be further amended from and after the date hereof.

Section 8. *"Designated Maintenance Items"* shall mean the following items which are located within the Private Street Rights-of-Way, and upon Common Area real property, and, to the extent specifically provided below, upon Home Sites:

- (a) Plants (including, but not limited to: trees, hedging, shrubs, flowers, ground cover and grass).
- (b) Light poles, fixtures, bulbs, traffic signals, wiring and all equipment related to the use thereof, except for such items as are maintained by a public utility company; to the extent they are so maintained.
- (c) Decorative and screening walls, retaining walls, sitting walls, steps and walking paths.
- (d) Private streets, including, but not limited to, signage, curbs and gutter, asphalt or other paving, crushed stone, striping, street signs, and storm drainage.
- (e) Gatehouses and equipment, gates, fences, and walls.
- (f) Irrigation lines, sprinklers, and fire hydrants installed by Declarant, whether located upon Common Area or upon any Home Site.

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- (g) The Entrance Feature installed by Declarant near the intersection of Highway 221 with the Entrance Road.
- (h) The Disposal System.

Section 8.2 *"Disposal System"* shall mean the water and wastewater collection systems with pumps, wastewater treatment works and/or disposal facilities to provide sanitary sewage disposal and water. Such shall include, without limitation, all pipes, fixtures, pumps, wells, and other equipment.

Section 9. *"Entrance Road"* shall mean the roadway providing access to the property from U.S. Highway 221, which Entrance Road traverses the Club in a westerly direction from its intersection with U.S. Highway 221 to its intersection with Blue Ridge Drive, and which Entrance Road includes that portion of Blue Ridge Drive North which travels from such intersection to the intersection of Blue Ridge Drive South from such intersection to the northeasterly corner of Lot 19 of Linville Falls subdivision Phase 1-A.

Section 10. *"Home Site"* shall mean any plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Properties with the exception of any Common Area. "Home Site" shall also mean and refer to any Condominium located in a building upon the Property which is shown on the plats and plans of a Condominium recorded in the McDowell County Public Registry, and any Townhouse-for-Sale. There are three(3) categories of Home Sites defined as follows:

- (a) *"Lot Home Site"* shall mean all numbered lots shown on the maps recorded in Map Book 4 at Pages 349 through 353; Map Book 4, Pages 411 through 416; Map Book 4, Page 419; and Map Book 5, Pages 9 and 10 of the McDowell County Public Registry; and any other Home Site which has been designated as a Lot Home Site in any Supplementary Declaration of Covenants, Conditions and Restrictions or any recorded plat of the Property or any portion thereof. The Lot Home Sites are intended for construction of detached single-family dwellings.
- (b) *"Multi-Family Home Site"* shall mean any Home Site that is a Condominium, a Town home or a Multi-Family Tract (as defined below) which has been designated in any Supplementary Declaration of Covenants, Conditions and Restrictions or any recorded plat of the Property or any portion thereof, or in any Condominium Declaration or Declaration of Covenants, Conditions and Restrictions covering any portion of the Property.

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- (c) “Improved Home Site” shall mean any Home Site improved with Single Family Residence, Town Home or Condominium. Also any Home Site sold after August 6, 2005 by the Declarant or other lot owners that does not have a Single Family Residence, Townhome or Condominium constructed thereon within two years after the sale. Once a Home Site becomes an Improved Home Site, it shall always thereafter retain that status.

Section 11. “*Member*” shall mean the owners of property in the Linville Falls Development entitled to membership in the Association.

- (a) Associate Members may be added by a vote of the Board of Directors. These members can be granted certain privileges of the Association but they will have no voting privileges.

Section 12. “*Multi-Family Tracts*” shall mean the Property labeled as “multi-family home sites” on the Plats. Notwithstanding any such designation on the Plats, there is no obligation to develop the Multi-Family Tracts for Condominium or Townhome-for-Sale developments which may be developed for single-family residential purposes.

Section 13. “*Owner*” shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Home Site, Townhome or Condominium which is a part of the Properties, including contract sellers and owners of an equity of redemption, but excluding those having such interest in a Home Site solely as security for the performance of an obligation.

Section 14. “*Plats*” shall mean those maps of the Properties recorded in Map Book 4 at Pages 349 through 353; Map Book 4, Pages 411 through 416; Map Book 4, Page 419; and Map Book 5, Pages 9 and 10 of the McDowell County Public Registry, and any maps of the Properties within the Linville Falls Development recorded in the Register of Deeds Office of McDowell County prior to this amendment.

Section 15. “*Private Street Rights-of-Way*” shall mean the Entrance Roads and the streets currently or formerly identified as Blue Ridge Drive South, Blue Ridge Drive North, Clinchfield Gap Road, Hunnicut Hollow, Hunnicut Mountain Road, Rocky Branch Trail, Golf Course Overlook, Valley View Drive, Catawba Drive, Range Court, Clinchfield Spur, Boulder Field Drive, Hunnicut Way, Hunnicut Spur, Hunnicut Court and Indian Ridge Road on the maps recorded in Map Book 4, Pages 349 through 353; Map Book 4, Pages 411 through 416; Map Book 4, Page 419; and Map Book 5, Pages 9 and 10 of the McDowell County Public Registry and those areas designated as Private Street Rights-of-Way in deeds of portions of the Property, or in Supplemental Declarations of Covenants, Conditions and Restrictions, which rights-of-way are for the use of all Owners, their guests, employees, tenants and invitees, for the purpose of ingress, egress and regress from portions of the Property to public streets by vehicle or otherwise. All roadways constructed within said Private Street Rights-of-Way have been initially

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constructed and installed by Declarant. All roadways constructed within said Private Street Rights-of-Way other than the Entrance Road are located upon Home Sites except that approximately one-half of the widths of Golf Course Overlook, Blue Ridge Drive South and Blue Ridge Drive North are located on other property of Declarant, not currently within the Property, shown as "Multi-Family Home Sites" on the Plats.

Section 16. *"Properties"* or *"Property"* shall mean the "Existing Property" described in Article II, Section 1 hereof and such additions thereto, as have been made or as shall become subject from time to time to this Declaration under the provisions of Article II hereof.

Section 17. *"Townhome"* shall mean any single-family residence for sale located within a development including both lots and common areas owned or to be owned by an association (other than the Association) of all of the owners of such lots, other than a Condominium.

ARTICLE II – PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1. Existing Property. The Recitals set forth under the heading "Witnesseth" on the first two pages of this Declaration are incorporated by this reference. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in McDowell County, North Carolina and is (a) that property shown on maps recorded in Map Book 4, Pages 349 through 353; Map Book 4, Pages 412 through 416; Map Book 4, Page 419; Map Book 5, Pages 9 and 10; and Map Book 5, Page 59; and those plats added and recorded in Book 639, Page 36 and Book 712, Page 58 of the McDowell County Registry, and any additional property added to the Linville Falls Development by the recordation of plats in the Register of Deeds Office which real property has been subjected, prior to the date hereof, to the Prior Declaration.

This property shall be hereinafter referred to as "Existing Property".

Section 2. Additions to Existing Property. Additional property may be brought within and made subject to the scheme of this Declaration and the jurisdiction of the Association by Declarant in the following ways:

- (a) Additional land within the area described in Schedule A attached hereto and incorporated herein by reference or which is contiguous to the Property or the property described in Schedule A may be annexed to the Property by Declarant (but shall not be required to be annexed) and

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brought within the scheme of this Declaration and within the jurisdiction of the Association, in future states of development, without the consent of the Association or the Members; provided, however, that said annexations, if any, must occur on or before December 31, 2020.

(b) Additional residential property (and Common Area) outside of the area described in the aforementioned Schedule A and not contiguous to the Property and/or the property described on Schedule A may be annexed by Declarant to the Property and brought within the scheme of this Declaration and the jurisdiction of the Association with the consent of the Members entitled to at least sixty percent (60%) of the votes appurtenant to all Class A Home Sites and at least sixty percent (60%) of the votes appurtenant to all Class B Home Sites, if any, as hereinafter defined in Article III, Section 2. The Association may participate in mergers or consolidations with other non-profit corporations organized for the same or similar purposes as the Association, thereby adding to the Association, or to a surviving homeowners association, the properties, rights and obligations of the non-profit corporation with which it merges or consolidates. Any such merger or consolidation shall have the assent of the Members as provided above in this Subsection (b) and no such merger or consolidation shall revoke, change or add to any of the provisions of this Declaration except as herein provided.

(c) The additions authorized under Subsections (a) and (b) shall be made by filing of record Supplementary Declarations of Covenants, Conditions and Restrictions with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to assessment for their just share of the Association's expenses. Said Supplementary Declarations may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect only the different character of the added properties and as are not inconsistent with the provisions of this Declaration. Any Supplementary Declaration authorized under Subsection (a) shall be executed by Declarant. Any Supplementary Declaration authorized under Subsection (b) shall be executed by the Association and shall recite the requisite vote to effect an addition under Subsection (b).

Section 3. Common Area. Those portions of the Existing Property which are a Common Area are as follows:

(a) The Entrance Road. The rights of the Owners and the Association in and to the Entrance Road are subject to a non-exclusive easement created in favor of the Club and its members and guests to use the Entrance Road to provide access to and from U.S. Highway 221 to the Club. Each Owner, by accepting a deed to a Home Site, acknowledges, consents to, and agrees to such right and easement, and the further right

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and easement of the Club and its members and guests to maintain security devices limiting access from the Entrance Road to the Club.

- (b) The Private Street Rights-of-Way, including the crushed stone base, paving, gutter, storm drainage facilities, but specifically excluding the real property over the Private Street Rights-of-Way are located, it being acknowledged, understood, consented to and agreed by each Owner, by acceptance of a deed to a Home Site, that the Association and Owners shall have easement rights in, but not fee ownership of, such real property.
- (c) The entrance signs for the Properties located at or near the intersection of U.S. Highway 221 with the Entrance Road and towards the North and South borders of the Properties.
- (d) The gate and gatehouse at or near the intersection of U.S. Highway 221 with the Entrance Road, and any other gate, gatehouse, or other security built or installed along the Entrance Road after this date with the purpose of limiting access or providing security to the Properties.
- (e) The Disposal System for water and waste treatment as shown on the recorded deed of record in McDowell County Register of Deeds in Book 522, Page 94.

ARTICLE III – MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot Home Site, Condominium, or Town home shall be a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of such Lot Home Site, Condominium, or Town home.

Section 2. Voting. The voting rights of the membership shall be appurtenant to the ownership of a Home Site, Condominium, or Town-home. There shall be two classes of voting rights with respect to voting. The voting rights of the Association shall be as follows:

- (a) Class A voting rights shall belong to owners of Home Sites which have been transferred by the Declarant to a third party. The transfer of a Home Site by Declarant to any third party causes such lot or property to have Class A voting rights, regardless of the identity of the third party Owner. Once a Home Site acquires Class A voting rights status, such Home Site forever thereafter retains such status, regardless of the identity of any subsequent Owner. Each Class A Home Site Owner shall be entitled to one (1) vote for each property owned. When more than one person owns an interest (other than a leasehold or security interest) in any property, all such persons shall be Members and the

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voting rights appurtenant to said Home Site property may be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any one Home Site or property. Notwithstanding the other provisions hereof, voting rights of all Home Sites are suspended during any period that the Assessments are delinquent, as provided more fully in Article V, Section 8 hereof, but the Association also retains the right to pursue other additional remedies and provisions provided in this document.

- (b) Class B voting rights shall be those voting rights appurtenant to Home Sites, owned by Declarant, that have never been transferred by The Declarant. Once The Declarant transfers title to a Home Site, the Home Site acquires Class A Voting rights, even if such Home Site is later reacquired by The Declarant. The Declarant shall be entitled to four (4) votes for each Class B Home Site owned by Declarant.

The Class B Home Sites shall cease to exist and shall be converted to Class A Home Sites:

- (i) When the total number of votes appurtenant to the Class A Home Sites equal the total number of votes appurtenant to the Class B Home Sites, provided, that the Class B Home Sites shall be reinstated with all rights, privileges, and responsibilities, if, after conversion of the Class B Home Sites to Class A Home Sites hereunder, additional land containing Home Sites is annexed to the Existing Property pursuant to Article II, Section 2 hereof; or
- (ii) Declarant may at any time relinquish its rights under this Subparagraph (b) by written instrument delivered to the Association.

When the Class B Home Sites cease to exist and are converted to Class A Home Sites, Declarant shall have the same voting rights as other owners of Class A Home Sites.

Section 3. Amendment. Notwithstanding the provisions of Section 2 above, so long as Declarant owns at least ten (10) Home Sites, this Declaration and the Bylaws of the Association may be amended in accordance with the terms hereof and the Bylaws; provided, however, Declarant shall have the right to veto any proposed amendment that has an adverse effect on the Declarant's rights hereunder at any time prior to the meeting of the Association to vote thereon.

Section 4. Board of Directors. The Association shall be governed by a Board of Directors (the "Board of Directors") in accordance with this Agreement and the Bylaws of the Association (the "Bylaws").

ARTICLE IV – PROPERTY RIGHTS

Section 1. Ownership of Common Areas. After the conveyance of seventy-five percent (75%) of the Home Sites by Declarant to other Owners, Declarant shall convey any Common Area owned by Declarant in fee simple (including without limitation the Entrance Road) to the Association. Notwithstanding the recordation of any Plat or any other action by Declarant, all Common Area shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public; provided, however, Declarant may, prior to such date, at its sole option, convey all or any part of designated Common Area to the Association. Notwithstanding the fact that the Declarant is still the owner of any of the aforesaid, the Association shall be responsible for the upkeep and maintenance of the same as soon as they are designated as Common Area by the Declarant or use by the Association or any Owner has commenced or the Association or any Owner has the right to use the same.

Section 2. Owner's Rights to use and enjoy Common Area. Except as limited by Section 3 of this Article IV, every Owner shall have the non-exclusive right and easement to use and enjoy the Common Area established initially and in all additions to the Property, which right and easement shall be appurtenant to and shall pass with the title to every Home Site, subject to the following provisions:

- (a) The right of the Association to promulgate and enforce reasonable regulations governing the use of the same to insure the safety and rights of all Owners;
- (b) The right of the Association to suspend the voting rights and rights of an Owner to the use of any Common Area for any periods during which an assessment against his Home Site remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, commission, 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 the Members entitled to at least eighty percent (80%) of the votes appurtenant to all Class A Home Sites and all of the votes appurtenant to all Class B Home Sites agree to such dedication or transfer and sign their agreement by a signed and recorded written document, provided that this Subsection shall not preclude the Board of Directors of the Association from using and/or granting easements for the installation and maintenance of water and sewage systems, utilities, including CATV and security wiring, and drainage facilities upon, over, under and across the Common Area without such

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agreement of the Members when such easements, in the sole opinion of said Board, are requisite or desirable for the convenient use and enjoyment of the Properties.

- (d) The right of the Association, with the assent of Members entitled to at least eighty percent (80%) of the votes appurtenant to each class of Home Sites (Class A and Class B), to mortgage, pledge, deed in trust, or otherwise hypothecate any or all of its real or personal property, as security for money borrowed or debts incurred.

Section 3. Delegation of Use.

- (a) **Family.** The right and easement of enjoyment granted to every Owner in Section 2 of this Article IV may be exercised by members of the Owner's family for any period of time such members occupy the residence of the Owner within the Properties, or the guests of the Owner.
- (b) **Tenants.** The right and easement of enjoyment granted to every Owner in Section 2 of this Article IV may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence.
- (c) **Guests.** The right and easement of enjoyment granted to every Owner in Section 2 of this Article IV may be utilized by guests of Owners, tenants or contract purchasers subject to such rules and regulations governing said use as may be established by the Board of Directors.

Section 4. Owner's Easements of Ingress and Egress. Subject to the terms hereof, and to the rules and regulations established from time to time by the Association as herein provided, every Home Site shall be conveyed with a perpetual, non-exclusive right to use any Private Street Rights-of-Way. Such easement shall exist as an appurtenant to each and every Home Site whether or not it is mentioned in the deed of conveyance to such Home Site.

Section 5. Ownership of Water and Sewage Systems. Declarant has caused (or will hereafter cause) water and sanitary sewage systems (such systems including, without limitation, all pipes, fixtures, pumps, wells, and other equipment) to be constructed and installed upon the Properties, including the Common Area and Private Street Rights-of-Way, and through easements over certain Home Sites, for the benefit of Owners. Such water and sewer systems are hereinafter referred to as the "Disposal System". It is currently contemplated that the Declarant shall convey such Disposal System to the Association, to be designated as a Common Area, when the Disposal System is in compliance with all local, state and federal laws. Upon acceptance of the Disposal System by the Association, each Home Site may pay an Assessment as set forth below to the Association for the maintenance of the Disposal System. Each Owner

of a Home Site shall be responsible for maintaining any part of the Disposal System located upon such Home Site, unless that portion of the Disposal System is not used exclusively to serve such Home Site and is located within a sanitary sewer or water right-of-way applicable to the Home Site. The Association shall be responsible for maintaining that portion of the Disposal System located within any sanitary sewer or water easement agreement between the Association and any Owner or any public or private utility company. Each Owner is required to connect the residence located upon such Owner's Home Site to the Disposal System at such time as the Declarant constructs a line or lines from the Disposal System to a boundary of such Home Site. At the closing with Declarant of a Home Site, the Owner shall pay Declarant nonrefundable "Impact Fees" for the water and sewer service Disposal System in the total amount of \$2850.00.

Section 6. Rules and Regulations Regarding Parking Rights. The Association may make such reasonable rules and regulations as it may elect with respect to the parking of vehicles within the Private Street Rights-of-Way, or on other areas within the Property, and the use of the Private Street Rights-of-Way and Common Area, provided all such rules and regulations are applied uniformly to all Owners and their employees, agents, and invitees and do not unreasonably limit access to Home Sites. The Association may, in its discretion, prohibit parking on all Private Street Rights-of-Way without the approval of any Owner. Declarant shall have sixty (60) days from the date of any action taken under this Section to object in writing and veto such action, if, and only if, such prohibition would materially impact the conduct of any Club tournament activities or impact development and construction activities.

Section 7. Rules and Regulations Regarding Security. The Board of Directors may make such reasonable rules and regulations as it may elect with respect to the use of the gatehouses and security systems, visitor screening, access to, and ingress and egress to and from the Property. The Board of Directors shall have the authority to employ a private security firm to provide security for the Property. The Board of Directors shall determine the scope and hours of operation of all security services.

The Board of Directors and/or the Association (or any director, officer or shareholder) makes no representation or warranty, direct or indirect, to any Owner regarding the security provided for the Property and none shall be liable in any manner whatsoever for any loss, injury, damage or death occurring on the Property, regardless of whether the same was the result of the failure of the security provided in accordance with the terms hereof to prevent the same.

ARTICLE V – COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

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The Owner of any Home Site, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements and other purposes, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees shall be a charge on the Home Site, Condominium, or Town home and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with interest, costs and reasonable attorney's fees, shall also be the personal or corporate obligation of the Owner of such Home Site, Condominium or Town home at the time when the assessment fell due. The personal obligation shall not be imposed upon such Owner's successors in the title unless expressly assumed by the successors in title, but such unpaid assessment charges shall continue to be a lien upon the property against which the assessment has been made. Assessments apply to all Home Sites that have Class A voting rights as provided by Article III of this document. Assessments do not apply to Home Sites that have Class B voting rights as provided by Article III of this document. Once a Home Site is obligated for an assessment, that obligation shall always remain.

Section 2. Purposes of Assessments and Duties of the Association.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement, and maintenance of Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, Private Street Rights-of-Way and Home Sites including, but not limited to, the cost of repair, replacement and additions thereto and the Designated Maintenance Items, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against such property, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, payments of principal and interest on funds borrowed for Association purposes, and such other needs as may arise.

Without limiting the generality of the above-described purposes, the Association shall be responsible for maintaining the Disposal System for water and sewer only after acceptance of the system from Declarant and shall pay for any needed maintenance and improvements through Assessments as set forth below.

Without limiting the generality of the above-described purposes, the Association shall be responsible for performing the following in a diligent and reasonable manner and the assessments levied by the Association may be used for the following purposes:

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- (a) To maintain, when constructed, all Private Street Rights-of-Way in a first class manner, so that the Private Street Rights-of-Way provide reasonably convenient year-round access from U.S. Highway 221 to all of the Home Sites;
- (b) To maintain all Common Area in accordance with the highest standards for such private facilities;
- (c) To keep all Common Area and Private Street Rights-of-Way clean and free from debris and to maintain any other amenities in a clean and orderly condition, and to maintain the landscaping therein in accordance with the standards for private parks including any necessary removal and replacement of landscaping;
- (d) To provide such security services as may be approved by the Association, subject to the limitations of Section 7 of Article IV hereof, and subject to such terms and provisions as are agreed upon with the Club and/or Declarant, as may be deemed reasonably necessary for the protection of the Home Sites, Common Area, and Private Street Rights-of-Way from theft, vandalism, fire and damage from/to animals and to maintain all security equipment;
- (e) To pay all ad valorem taxes levied against the Common Area, Private Street Rights-of-Way and any other property owned by the Association;
- (f) To pay the premiums on all hazard insurance carried by the Association and all public liability insurance carried by the Association and officers' and directors' liability insurance;
- (g) To pay all legal, management, accounting, architectural and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws;
- (h) To maintain, when constructed, the gatehouse, entrance islands, entrance gates, signs and landscaping on any entrance-way easements shown on the recorded maps or reserved by Association in deeds to Home Sites;
- (i) To maintain, when constructed, all Designated Maintenance Items located on Common Areas,, or, to the extent provided for herein above, on the Home Sites; and
- (j) To provide for garbage and trash collection services for the Properties.

Section 3. Annual Assessment. Until July 1, 2009, the maximum annual assessment for each unimproved Lot Home Site shall be \$400.00; and the maximum annual assessment for

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each improved Home Site shall be \$1,200.00. Thereafter, the annual assessment for each unimproved and improved Home Site, apportioned as provided in Section 4 following, will be established by the Board of Directors.

In the event Declarant establishes additional or different categories of Home Sites, as contemplated above, Declarant shall, in a Supplementary Declaration of Covenants, Conditions and Restrictions, establish the amounts of assessment for such categories of Home Sites, and shall also establish the apportionment therefor under Section 4 immediately following this Section.

For purposes of this Declaration and determining the applicable annual amounts, a Lot Home Site shall be conclusively deemed improved at such time as any grading, staking, delivery of materials, or other pre-construction activity occurs with respect to or in preparation for the construction of a residence upon such Home Site, provided that, effective as of August 6, 2005, when a lot is sold by developer or an existing Lot Owner, the new owner of the lot(s) shall have twenty-four (24) months from the date of closing to start home construction or the lot(s) will be deemed improved and assessed at the then current Improved Home Site annual assessment rate commencing on the next assessment billing date. Once a Lot Home Site has been conclusively deemed an Improved Home Site, pursuant to this Section, such Lot Home Site shall remain an Improved Home Site for all purposes thereafter.

- (a) From and after July 1, 2009, the maximum annual assessment for each of the above groups of Home Sites may be increased or decreased by the Board of Directors effective January 1 of each year, without a vote of the Members, but subject to the limitation that the percentage of any such increase shall not exceed ten percent (10%) of the assessment for the previous year, or an amount equal to the percentage increase in the United States Department of Labor Consumer Price Index-All Urban Consumers (All Cities) from the effective date of the last annual assessment to the effective date of the annual assessment being established, whichever is greater, without a vote of the Members.
- (b) The Board of Directors may fix the annual assessment at an amount not in excess of the permitted maximum.
- (c) From and after July 1, 2009, the maximum annual assessment may be increased in excess of the above maximum assessment set forth in Paragraph (a) without limitation if such increase is approved by no less than a majority of the votes appurtenant to the Class A Home Sites and a majority of the votes appurtenant to Class B Home Sites, cast in person or by proxy, at a meeting duly called for this purpose.

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- (d) Any annual assessment established by the Association shall continue thereafter from year to year as the annual assessment until changed by said Board.

Section 4. Apportionment of Annual Assessment. The total annual assessment will be divided among Home Sites in proportion as assigned by the Board of Directors. The Board of Directors will assign the annual assessment for Improved and Unimproved Home Sites. The Board of Directors has the authority to determine when Unimproved Home Sites no longer exist.

- (i) For purposes of this Declaration and determining the applicable Assessment Units, a Lot Home Site shall be conclusively deemed improved at such time as any grading, staking, delivery of materials, or other pre-construction activity occurs with respect to or in preparation for the construction of a residence upon such Home Site. ; provided, however, when a lot is sold by developer or an existing Lot Owner, the new owner of the lot(s) shall have twenty-four (24) months from the date of closing to start home construction or the lot(s) will be deemed improved and assessed at the then current Improved Home Site annual assessment rate commencing on the next assessment billing date. Once a Lot Home Site has been conclusively deemed an Improved Home Site, such Lot Home Site shall remain an Improved Home Site. Once a Lot Home Site has been conclusively deemed an Improved Home Site pursuant to this Section, such Lot Home Site shall remain an Improved Home Site for all purposes thereafter.
- (ii) In the event Declarant establishes additional or different categories of Home Sites, as contemplated above, Declarant shall, in a Supplementary Declaration of Covenants, Conditions and Restrictions, establish the number of Assessment Units for such categories of Home Sites.

Section 5. Special Assessments for Capital Improvements and Other Matters. In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, special assessment(s) for the purpose of defraying, in whole or in part the cost of any repair or replacement of a capital improvement upon the Common Area including repair or maintenance of the Disposal System for water and sewer, fixtures and personal property related thereto, the gatehouse and the Private Street Rights-of-Way, if they remain private, repayment of indebtedness and interest thereon, providing funds to pay for unforeseen or unbudgeted expenditures, borrowing of funds to make property comply with zoning ordinance(s) or environmental requirements, borrowing of money for capital improvements and pledging or mortgaging of Association property as security for loans ("Special Assessments"), provided that any Special Assessment will only be levied if the Special Assessment is not disapproved by sixty-seven percent (67%) or more of the votes of the entire Association at a special meeting of

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Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. The notices of such special meeting will include one statement from the Directors favoring the Special Assessment and one statement from those Directors opposing the Special Assessment containing the reasons for those Directors' support and opposition for the Special Assessment, if any such statements are provided by the Directors supporting and opposing the Special Assessment (Directors being under no obligation to provide such statements). Neither statement, either supporting or opposing the Special Assessment, will exceed five pages in length. Such Special Assessments shall be apportioned among the different categories of Home Sites in the manner set forth above with respect to annual assessments.

Section 6. Assessment Collection. Both annual and special assessments shall be collected on a quarterly, semi-annually or yearly basis as billed by the Association. However, special assessments may be billed and collected as needed. Once a Home Site is obligated for an assessment, that obligation shall always remain.

Section 7. Date of Commencement of Annual Assessments; Due Date; Certificate of Payment. The annual assessment provided for herein shall commence as to a Home Site on the first day of the month following the conveyance of such Home Site by Declarant to a third party. No annual assessment shall commence with respect to a Home Site until such home Site has been sold and conveyed by Declarant to a bona fide third party. For any Home Site that has been conveyed by Declarant to a third party or an affiliate of Declarant or that is being developed by Declarant for the purposes of a "spec" home (each a "Spec Home Site"), the annual assessment for such Spec Home Site shall commence on the first day of the twenty-fourth month following the conveyance of such Spec Home Site. Declarant shall provide Association written notification of conveyance of a Spec Home Site. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Home Site have been paid.

- Section 8. Effect of Nonpayment of Assessments; Remedies of the Association.**
- (a) Any Assessment not paid in full within thirty (30) days after the due date shall be delinquent. Such delinquency shall subject the Owner of the property for which the Assessment is delinquent to the suspensions and disconnections set forth in Article IV, Section 2(b) of this document and other relevant consequences set forth in other Articles and Sections of this document.
 - (b) Any Owner who is delinquent in payments of assessments is also in default of such Owner's obligations under this Article for as long as such delinquency exists.

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- (c) Any Assessment not paid within ten (10) days after the due date shall incur a one-time late charge in an amount, established by the Board, but not to exceed the greater of fifty dollars (\$50.00) or ten percent (10%) of the amount of the unpaid Assessment.
- (d) In addition to the one-time late charge set forth above, the unpaid balance of any Assessment shall begin to accrue interest thirty days after the due date at the rate of eighteen percent (18%) per year or such other lower rate that may be established by the Association specifically applicable to the fiscal year of such delinquency.
- (e) The Association may bring an action at law against the Owner(s) personally obligated to pay the delinquent Assessment. In connection therewith, all interest, costs and reasonable attorney fees (which shall be fifteen percent of the unpaid balance) shall be added to the amount of the delinquent Assessment.
- (f) Alternately, the Association may foreclose on the lien against the property for which the Assessment is delinquent. In connection therewith, all interest, costs and reasonable attorney fees (which shall be fifteen percent of the unpaid balance) shall be added to the amount of the delinquent Assessment in the foreclosure proceeding.
- (g) The Association shall further have the right to disconnect water service and waste treatment service to the property for which assessments are delinquent during the period of delinquency. There shall be an additional charge determined annually by the Association's Board of Directors to disconnect the water service and an additional charge to re-connect the water service. Further, there shall be an additional charge determined annually by the Association's Board of Directors to disconnect the waste treatment service and an additional charge determined annually by the Association's Board of Directors to re-connect the waste treatment service.
- (h) No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area, Private Street Rights-of-Way or other property of the Association or by abandoning his Home Site.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust, pursuant to a foreclosure thereof, and any such foreclosure shall extinguish the lien of such assessments as to the payment thereof which became due prior to any sale or transfer pursuant to such foreclosure. No such sale or transfer shall relieve such Home Site from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 10. Exempt Property. All Property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI – EXTERIOR MAINTENANCE

Section 1. Improved Home Site Lots. The Owner shall maintain the grounds and the improvements situated on each Home Site, including, but not limited to plantings, landscaping, and lawns, at all times in a neat and attractive manner satisfactory to the Board of Directors of the Association. Upon the Owner's failure to do so, the Association may, at its option, after approval by a majority vote of the Board of Directors and after giving the Owner ten (10) days written notice sent to their last known address, or to the address of the Home Site, have the grass, weeds, shrubs and vegetation mowed, cut, cleaned or pruned when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Home Site, and replaced, and may have any portion of the Home Site reseeded or landscaped, and all expenses of the Association under this Article VI shall be a lien and charge against the Home Site on which the work was done and the personal obligation of the then Owner of such Home Site. The Owner shall remove mud stains and any construction discoloration from the foundation of any improvements upon completion of the improvement. Upon the Owner's failure to maintain the exterior of any structure, including, without limitation, the roof, walls, trim and foundation, in good repair and appearance, the Association may, at its option, after approval by a majority vote of the Board of Directors and after giving the Owner thirty (30) days written notice sent to his last known address make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Home Site and shall constitute an assessment against the Home Site on which the work was performed, collectible in a lump sum and secured by the lien against the Home Site as herein provided. Any entry on a Home Site by the Association, its agents or employees, to perform the maintenance and repairs set forth herein, shall not be a trespass and an easement for such entry is hereby granted.

Section 2. Unimproved Home Sites. The Owner shall maintain the grounds of an unimproved Home Site to conform to a natural appearance free of debris, unnecessary under growth and fallen trees. Upon the Owner's failure to do so, the Architectural Review Committee may, at its option, after giving the Owner ten (10) days written notice sent to its last known address, have the debris, under growth and fallen trees removed from such Home Site and all expenses of the Association under this Article VI shall be a lien and charge against the Home Site on which the work was done and the personal obligation of the then Owner of such Home

Site. Any entry on a Home Site by the Association, its agents or employees, to perform the maintenance and repairs set forth herein, shall not be a trespass and an easement for such entry is hereby granted.

ARTICLE VII – USE RESTRICTIONS

Section 1. Residential Purposes Only. Each Home Site shall be used exclusively for single-family, non-transient residential purposes, and garages and parking spaces shall be used exclusively for the parking of passenger vehicles or light (i.e. non-commercial) vans or pick-up trucks; provided, however, Declarant (and its designees) shall have the right to use Home Sites designated from time to time by Declarant for the purpose of construction and operation of a sales and marketing center, for model homes, and for related uses. No trade or business of any kind shall be conducted upon a Home Site or any part thereof except by Declarant as permitted above. Except as permitted herein, no structure shall be erected, placed, altered, used or permitted to remain on any Home Site (other than a Multi-Family Home Site) other than single-family detached private dwelling(s), and one (1) private garage.

Section 2. Obstructions. There shall be no obstructions of the Common Area or Private Street Rights-of-Way, nor shall anything be kept or stored in such areas by any Owner, nor shall anything be altered, or constructed or planted in, or removed from such areas, without the prior written consent of the Association.

Section 3. Restricted Actions by Owners. No Owner shall permit anything to be done or kept on the Properties which will result in the cancellation of or increase in cost of any insurance carried by the Association, or any other Owner, or which would be in violation of any law. No waste shall be permitted in the Common Area. Each Owner shall comply with the laws, regulations, ordinances (including without limitation, applicable zoning ordinances) and other governmental rules and regulations applicable to such Owner's Home Site(s).

Section 4. Signs. No sign of any kind unless expressly approved by the Board of Directors and Declarant (exclusive of street address identification numbers, building permits and other signs that are legally required to be displayed) shall be displayed on any Home Site; provided, however, the foregoing shall not act to restrict or prohibit the Declarant from erecting and maintaining custom made signs advertising the Properties, or portions thereof, or prevent the Association from posting directional and other signs relating to the use of the Properties. Notwithstanding the foregoing, all signs erected and maintained on any Home Site, Common Area or Private Street Rights-of-Way must conform to all applicable governmental requirements. The Association and/or Declarant shall have the right to install signs in the Common Area and along and in the Private Street Rights-of-Way. Nothing herein prohibits the Declarant from

placing temporary flags or signage at the Entrance Road or display a map of the community near the golf shop or displaying lot and corner markers on some or all of Declarant's available lots inventory.

Section 5. Damage to the Common Area. Each Owner shall be liable to the Association for damage to property owned by either of them caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, contractors, employees or invitees.

Section 6. Rules of the Association. The Association shall have the power and authority to promulgate rules and regulations to enable the Association to carry out the letter and intent of this Declaration. All Owners shall abide by all rules and regulations so adopted by the Association from time to time. The Association shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and any Owner violating such rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorney's fees, resulting from such violations.

Section 7. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Home Site or in any dwelling, except that dogs, cats or other household pets may be kept or maintained, provided they are not kept or maintained for commercial purposes. All dogs must be kept contained, tied, or on leaders when within the Properties or on any Home Site. No dog run may be constructed or maintained on any Home Site unless such dog run has been approved in writing by the Architectural Review Committee. No hunting or trapping of animals shall be conducted on any part of the Linville Falls Development without the express written permission of the Association and the North Carolina Wildlife Resources Commission and subject to such terms and conditions as may be imposed by either as a condition of such permission.

Section 8. Waste. No Home Site shall be used or maintained as a dumping ground for rubbish, trash or garbage. Waste of any nature shall not be kept on any Home Site except on a temporary basis in sanitary containers. Such containers shall be screened from view from the Common Area or from any other Home Site with materials approved by the Architectural Review Committee.

Section 9. Vehicles. No recreational vehicles or equipment, including a motorboat, houseboat, motor home or other similar water-borne vehicle, nor any "camper" vehicle, may be maintained, stored or kept on any portion of the Property, except in enclosed garages or in areas specifically designated by the Architectural Review Committee.

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Trucks with tonnage in excess of three-fourths (3/4) ton shall not be permitted to park overnight within the Properties. No vehicle of any size that transports flammable or explosive cargo may be kept within the Properties at any time. No vehicles that are not in operating condition may be stored or situated on any Home Site unless stored in an enclosed garage.

The Owner of each Home Site will be responsible for providing on such Home Site sufficient parking area for all vehicles normally parked and/or situated on such home Site.

Section 10. No Drilling or Mining. No oil drilling, oil development operation, oil refining, quarrying, or other mining operations of any kind shall be permitted upon or in any Home Site. No derrick or other structure designed for use in quarrying or for drilling for oil or natural gas shall be erected, maintained or permitted upon any Home Site.

Section 11. No Hunting or Discharge of Firearms. No hunting of animals by firearms, bows or any other device or method, no trapping of animals and no discharge of firearms shall be permitted in the subdivision.

ARTICLE VIII – EASEMENTS

Section 1. Utilities. Easements twenty-five (25) feet in width, for construction, installation and maintenance of driveway, walkway, parking area, water line, gas line, cable television, telephone, electric power line, sanitary sewer and storm drainage facilities, security wiring and facilities, and for other utility installations are reserved over, under, through and along the front boundary lines of all Home Sites (other than Multi-Family Home Sites); easements fifteen (15) feet in width for such purposes are reserved over, under, through and along all side boundaries of all Home Sites (other than Multi-Family Home Sites). Easements twenty-five (25) feet in width, for construction, installation and maintenance of driveway, walkway, parking area, water line, gas line, cable television, telephone, electric power line, sanitary sewer and storm drainage facilities, security wiring and facilities, and for other utility installations are reserved over, under, through and along the front and rear boundary lines of all Multi-Family Home Sites; easements fifteen (15) feet in width for such purposes are reserved over, under, through and along all side boundaries of all Multi-Family Home Sites. In the event it is determined that other and further easements are required over any Home Site or Home Sites, such easements may be established by the Declarant, including without limitation being established by the filing of a Plat or Plan showing such easements, except that if any such easements are reserved or established after the conveyance of a Home Site or Home Sites to be affected thereby, the written assent of the Owner or Owners of such Home Site or Home Sites and of the trustees and mortgages in deeds of trust constituting a lien thereon shall be required. The Declarant may, without the consent or approval of the Owners, reserve and grant easements for the installation and maintenance of water, sewerage, utility (including CATV and security wiring), and drainage

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facilities over, under, and through the Common Area as provided for in Article IV, Section 2 (c). Within any easements provided for above, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Maintenance of Designated Maintenance Items. The Declarant or the Board of Directors, or any person authorized by it, shall have the right of access over each Home Site to the extent necessary to perform its obligations of maintenance, repair, or replacement of the Designated Maintenance Items.

ARTICLE IX – CONSTRUCTION OF IMPROVEMENTS AND ARCHITECTURAL CONTROL

Section 1. Construction of Improvements.

- (a) Notwithstanding anything contained within this Declaration to the contrary no Owner shall undertake on any Home Site:
 - a. The location of any completed Improvement or any construction of any Improvement, which shall include in addition to the actual erection of a dwelling and its appurtenances, any staking, clearing, excavation, grading or other site work;
 - b. Any landscaping, plantings or removal of plants, trees or shrubs other than general maintenance of landscaping located pursuant to previously approved landscaping plans; or
 - (i) Any modification, change or alteration of any Home Site or dwelling thereon, whether functional or decorative, unless and until the type and size thereof, and site plans showing the proposed location of the dwelling, garage, and driveways upon the Home Site and final grades and landscaping plans, shall have been approved in writing by the Architectural Review Committee, and copies of said approved plans, specifications and details shall have been filed with said Architectural Review Committee. The Architectural Review Committee may refuse approval of plans, location, exterior color or finish or specifications for any

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reason, including purely aesthetic reasons, which in the sole discretion of the Architectural Review Committee shall be deemed sufficient.

- (b) The term "Improvement(s)" as used throughout this Declaration shall mean and include all buildings, storage sheds or areas, roofed structures, parking areas, loading areas, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, septic tanks, water wells, utilities, facilities, swimming pools, tennis courts, signs, exterior illumination, changes in any exterior Improvement(s) exceeding \$1,000.00 in cost which may not be included in any of the foregoing. The definition of Improvement(s) does not include garden shrub or tree replacement or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances. The definition of Improvement(s) does include both original Improvement(s) and all later changes and repairs to Improvement(s).
- (c) The Association expressly reserves unto said Architectural Review Committee the sole and exclusive right to approve the grade at which any dwelling shall hereafter be erected or placed on a Home Site (subject only to compliance with the regulation of public authorities having control thereof.)
- (d) The procedure to be followed by an Owner in obtaining approval from the Architectural Review Committee is set forth in Section 22 of this Article IX.

Section 2. Floor Areas, Stories. The total heated floor area of the main dwelling on each Lot Home Site accessed by driveways which front Blue Ridge Drives, North & South, exclusive of porches, terraces, garages, basements, attics and outbuildings, shall contain not less than 1,500 square feet of enclosed heated living space for a one-story dwelling; 1,800 square feet total enclosed heated living space for a two-story dwelling. The total heated floor area of the main dwellings abutting and accessed by all other roads shall contain not less than 1,200 square feet of enclosed heating living space for a one story dwelling; 1,500 square feet total enclosed heating living space for a two story dwelling for homes. Heated lower levels on hillside Lot Home Sites with door openings and or windows that are heated shall not be considered basements and included in the heating living space calculations.

Section 2.1 The Architectural Review Board can approve main dwellings smaller than required in Article IX, Section 2 on a case by case basis, provided they are proposed as residential interim occupancy dwellings and are located on a cul-de-sac.

Section 2.2 Square Footage for Multi-Unit. Multi-Family Housing will be approved and/or determined on a case-by-case basis under guidelines established by the Architectural Review Committee.

Section 3. Building Setback Lines. The main building on each Home Site shall not be located on any Home Site nearer to the Home Site boundary line than the building setback line approved by the Architectural Review Committee or, if a wider setback is required by applicable zoning laws and other governmental requirements, as required by applicable governmental requirements.

Setbacks may be modified by the Architectural Review Committee to recognize any special topography, dimensional factors or other site-related conditions.

Section 4. New Construction. Construction of new buildings only shall be permitted on a Home Site, it being the intent of this Covenant to prohibit the moving of any existing building onto a Home Site and remodeling or converting the same into a dwelling.

Section 5. Diligent Construction. All construction, landscaping or other work which has been commenced on any Home Site located within the Property must be continued with reasonable diligence to completion and no partially completed houses or other improvements shall be permitted to exist on any Home Site, except during such reasonable time period as is necessary for completion. In no case shall completion take more than 12 months, except with permission of the Architectural Review Committee for good cause shown. Prior to commencement of construction on any Home Site, the Owner shall provide a gravel driveway with a minimum of five inches (5") of #5 crushed stone base from the paved street to the site of the actual house construction area. No construction materials of any kind may be stored within forty-five feet (45') of the street base which are not being immediately used for construction but in no case can remain for more than 60 days. Any damage to the street, curb or sidewalk or any part of any Common Area or any utility system caused by the Owner or Owner's builder shall be repaired by such responsible Owner. The Owner of each Home Site shall at all times keep contiguous public and private area reasonably free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of improvements. Association may provide for the cleaning of public and private areas due to the activities of the Owner or Owner's builder and may assess the Owner a reasonable charge not to exceed the actual cost of such cleaning. Every builder constructing improvements within the Properties shall, consistent with standard construction practices, keep all portions of the Home Site free of unsightly construction debris; shall at all times during construction either provide dumpsters for the containment of garbage, trash or other debris which is occasioned by construction of improvements or take other measures consistent with standard construction practices necessary to keep the Home Site free of garbage, trash or other debris which is occasioned by the construction of Owners' improvements;

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and shall be required to deposit a cash bond in the amount of \$4,000.00 as set forth in Section 22 of this Article with the Architectural Review Committee to secure its obligations set forth in this paragraph. All Owners and Owners' builders shall comply with such rules of the Association as are from time to time adopted with respect to construction of improvements. Each Owner shall be responsible to insure that any contractor employed by such Owner complies with all Builders' Rules adopted by the Association from time to time.

Section 6. Location of Improvements. In order to assure that buildings and other structures will be located and staggered so that maximum view, privacy, sunlight and breeze will be available to each building or structure within the confines of each Home Site, and to assure that structures will be located with regard to the topography of each Home Site, taking into account the location of large trees and other aesthetic and environmental considerations, the Architectural Review Committee shall have the right to control absolutely (subject to the provisions of zoning ordinances of the appropriate governmental authorities) the precise site and location of any building or structure on any Home Site for any reason or reasons which may in the sole and uncontrolled discretion and judgment of the Architectural Review Committee seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner of the Home Site in question to recommend a specific site. The provisions of this Section shall in no way be construed as a guarantee that the view, privacy, sunlight or breeze available to a building or structure on a given Home Site shall not be affected by the location of a building or structure on an adjacent Home Site.

Section 7. Driveways and Landscaping.

- (a) General. All grass, foliage and ground cover, and natural areas located on any Home Site shall be neatly maintained at all times, consistent with a mountain community setting.
- (b) Driveways. The Architectural Review Committee may, from time to time, establish guidelines for the color, location, alignment and materials to be used for Home Site driveways. All driveway construction at the intersection of the driveway with any Private Street Rights-of-Way must conform to the requirements of the Architectural Review Committee. Special paving materials, such as brick, pavers, or exposed aggregate are encouraged to accent portions of the driveway, preferably along the edges of the driveway and at the intersection of the driveway with the Private Street Rights-of-Way.
- (c) Landscape Guidelines. The Architectural Review Committee reserves the right to promulgate and amend, from time to time, landscape guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods and procedures for landscape management on the Property, and such authorized standards, methods and procedures may be utilized by the Owners without prior written approval by

the Architectural Review Committee. No trees measuring six inches (6") or more in diameter at a point two feet (2') above ground level, any flowering trees or shrubs, or any evergreens may be removed without the prior written approval of the Architectural Review Committee. Approval for the removal of trees located within ten feet (10') of the main dwelling or accessory building or within ten feet (10') of the approved site for such building will be granted unless such removal will substantially decrease the attractiveness of the Property.

Section 8. Sediment Control. Sufficient sediment control measures including, but not limited to, installation and maintenance of silt fences, straw base fences, storm water inlet protection and temporary seeding, to the extent deemed reasonably necessary by the Association, shall be taken by the Owner or Owner's builder to ensure that all sediment resulting from land disturbance or construction operations is retained on the Home Site in question. All sediment control measures must be maintained until such Home Site has been permanently stabilized with respect to soil erosion.

Section 9. Swimming Pools; Tennis Courts. No swimming pool, hot tub, jacuzzi or tennis court shall be installed or erected on any Home Site until the plans and specifications for same showing the nature, kind, shape, materials, height and location of the same shall have been approved by the Architectural Review Committee.

All tennis courts must be naturally screened from adjacent Home Sites and Common Area, and windscreens should not be greater than ten feet (10') in height. A plot plan showing the tennis court location shall be submitted to the Architectural Review Committee showing any and all proposed grading and screening. Design and color of fencing materials should blend naturally into the surrounding area and plant materials should be added where necessary to soften the visual impact. Surface colors shall be soft and not highly reflective. Night-lights for tennis courts will be permitted at the discretion of the Architectural Review Committee.

Section 10. Fences and Walls. All fences and walls shall be constructed of brick, wrought iron, wood, stone or stucco and shall not exceed eight feet (8') in height. Owners must obtain from the Architectural Review Committee its written approval of any proposed fence, hedge or wall, including approval of the location and materials, before erecting or installing the same.

Section 11. Garages. Each single-family detached residence located upon a Home Site accessed by driveways which front Blue Ridge Drive, North & South, shall include an attached or detached garage or approved carport. Any garage or carport located upon any Home Site must be fully consistent in design with the overall architectural design of the dwelling

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on the Home Site as determined by the Architectural Review Committee. No Multi-Family Dwellings (i.e. Town Home, Condominium) are required to have garages.

Section 12. Sight Line Limitations. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two feet (2') and six feet (6') above roadways shall be placed or permitted to remain on any corner Home Site in such a manner as to interfere with visibility along the intersecting roadways. The same sight line limitations shall apply on any Home Site within ten feet (10') from the intersection of a street property line with the edge of a driveway or alley pavement.

Section 13. Septic Tanks and Wells. Septic tanks and water wells may be installed, used and maintained on any Home Site only until such time as the Disposal System is completed and sanitary sewer and water lines are completed to a boundary of the Home Site. At such time, use of any such septic tank and water well must be discontinued. Notwithstanding the foregoing, plans for any such septic tanks or water wells must be submitted to the Architectural Review Committee in accordance with Section 1 of this Article IX; and written permission of the Architectural Review Committee must be obtained prior to the installation, use and maintenance of any such septic tanks or wells.

Section 14. Conditioning Equipment. Air conditioning and heating apparatus shall be installed in such locations as are approved by the Architectural Review Committee, and shall be screened as required by the Architectural Review Committee.

Section 15. Antenna. All exterior antennas, earth satellite station, microwave dish, or other similar equipment and its location on the Home Site must be approved by the Architectural Review Committee.

Section 16. Gas Meters. No gas meters shall be set in the front of a residence on a Home Site unless such meter is of an underground type.

Section 17. Mail Boxes and Newspaper or News Box. No mailbox, newspaper or news box shall be erected or maintained on any Home Site unless approved by the Architectural Review Committee.

Section 18. No Clothes Line. No clothes lines of any description or type, or the outside drying of clothes, shall be allowed on the outside of the dwelling unit on any Home Site.

Section 19. Hoses and Pipes. Except for the temporary use of hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no hose, water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall

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be installed or maintained upon any Home Site above the surface of the ground, unless such installation is expressly approved by the Architectural Review Committee.

Section 20. Play Equipment. No play equipment shall be maintained on any Home Site except in locations approved by the Architectural Review Committee.

Section 21. Subdivision of Home Sites. After receiving the written consent of the Owners of the adjoining lots on the same side of the street or road that provides access to the lot involved, and after receiving written consent of Declarant, and after receiving the affirmative vote of fifty-one percent (51%) of the Owners eligible to vote at the Annual Meeting of the Property Owners Association, the Owner of any Lot Home Site, Multi-Family Home Site or Multi-Family Tract may subdivide such lot. The newly created lot shall be assigned a lot number by the Board of Directors of the Property Owners Association and shall for all purposes be considered to be a Lot Home Site.

Section 22. Procedure. No improvements of any kind or nature shall be erected, remodeled or placed on any Home Site until all plans and specifications have been submitted to and approved in writing by the Architectural Review Committee, as to:

- a. Location with respect to topography and finished grade elevation and effect of location and use on neighboring Home Sites;
- b. Quality of workmanship and materials, adequacy of site dimensions, and alignment of main elevation with respect to nearby streets;
- c. Conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping; and
- d. The other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Review Committee, or matters in which the Architectural Review Committee has been vested with the authority to render a final interpretation and decision.

Final plans and specifications for all improvements proposed to be constructed on a Home Site shall be submitted in duplicate to the Architectural Review Committee for approval or disapproval. The Architectural Review Committee is authorized to request the submission on samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Architectural Review Committee, one (1) complete set of plans and specifications will be marked "Approved" and returned to the Home Site Owner or his designated representative and the remaining set will be filed in the offices of the Architectural

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Review Committee. If found not to be in compliance with these Covenants, Conditions and Restrictions or if found to be otherwise unacceptable to the Architectural Review Committee pursuant hereto, one (1) set of plans and specifications shall be returned to the Home Site Owner marked "Disapproved", accompanied by a reasonable statement of items found not to be in compliance with these Covenants, Conditions and Restrictions or otherwise being so unacceptable. Any modification or change to the "Approved" set of plans and specifications must again be submitted in duplicate to the Architectural Review Committee for its inspection and approval. The Architectural Review Committee's approval or disapproval, as required herein, shall be in writing. Once the Architectural Review Committee has approved the plans and specifications for the improvements, the construction of such improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced within twelve (12) months following the date of approval of the plans and specifications therefore will be rescinded and before construction of improvements can thereafter be commenced on the Home Site in question, the plans and specifications therefore must again be approved by the Architectural Review Committee pursuant to this Article IX.

The final plans and specifications are referred to in the preceding paragraph shall mean the following:

- (k) Final site plan and drainage plan which is dimensional and shows topography at two foot (2') contours (at a scale of one inch (1") equals twenty feet (20') or at a larger scale);
 - (i) Final floor plans at a scale of one-fourth inch (1/4") equals one foot (1');
 - (ii) Final elevations, showing all sides, and accurate grade at a scale of one-fourth inch (1/4") equals one foot (1'); and
 - (iii) All material selections and color selections.

In addition to the procedure described in this section, and in recognition of the cost involved in producing the final plans and specifications, the Home Site Owner may request a preliminary review of the design of the improvements upon the submission of the following:

- (i) Schematic site plan and drainage plan, which is dimensional and shows topography at two foot (2') contours (at a scale of one inch (1") equals 20 feet (20') or at a larger scale);
- (ii) Schematic floor plans at a scale of one-fourth inch (1/4") equals one foot (1'); and

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- (iii) Final elevations, showing all sides, and accurate grade at a scale of one-fourth inch (1/4") equals one foot (1').

The Architectural Review Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied in regard to the Home Sites and shall carry forward the spirit and intention of these Covenants, Conditions and Restrictions. The Architectural Review Committee shall be responsive to technological advances or general changes in architectural design and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins shall supplement these Covenants, Conditions and Restrictions and are incorporated herein by reference. The Architectural Review Committee may refuse approval of plans, location, exterior color or finish or specifications for any reason including purely aesthetic reasons, which in the sole discretion of the Architectural Review Committee shall be deemed sufficient.

An Owner may defer submitting landscape plans to the Architectural Review Committee until no later than six (6) months after the commencement of construction on his Home Site. The procedure for review and approval of such plans shall be the same as that provided for the other plans, except that no separate fee shall be required.

At such time as an Owner submits its final plans and specifications to the Architectural Review Committee for consideration, in accordance with the terms of this Section 22, an Owner shall likewise pay to the Architectural Review Committee any review fee that may be established therefore by the Board of Directors; provided, however, if the Board of Directors does establish a review fee, it shall not exceed the sum of \$600.00 for new improvements, or \$450.00 for additions, renovations or repairs to existing improvements. Any such review fee that may be established by the Board of Directors shall be nonrefundable. Until the Board of Directors establishes such a review fee by written notice to the Members and incorporation into an architectural review application, no fee shall be payable by an Owner for review of the plans by the Architectural Review Committee.

Section 23. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of governmental requirements applicable to any Home Site and all improvements on and/or use and utilization of any Home Site shall continue to be applicable and shall be complied with in regard to the Home Sites.

Section 24. Jurisdiction. The Architectural Review Committee is authorized and empowered to consider and review any and all aspects of the construction of any improvement on a Home Site which may, in the reasonable opinion of the Architectural Review Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property.

Section 25. Enforcement.

- (a) The Association shall have the specific right, but not the obligation, to enforce the provisions contained in this Article of this Declaration and/or to prevent any violation of the provisions contained in this Article of this Declaration by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained in this Article of this Declaration.
- (b) As to nonconforming or unapproved improvements, the Association may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvements) if such improvements were commenced or constructed in violation of this Article IX. In addition, the Association may or may not employ such third parties as it deems necessary, but has no obligation to, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Home Site upon which such improvements were commenced or constructed.

Section 26. Failure of the Architectural Review Committee to Act. If the Architectural Review Committee fails to approve or disapprove any plans and specifications and other submittal which conform (and which relate to Improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within twenty one (21) days after the receipt thereof, and provided such submittal was a full and complete submittal of all items that were to have submitted to the Architectural Review Committee, and provided the Architectural Review Committee shall again fail to approve or disapprove of such plans, specifications and other submittal within-fourteen (14) days after additional written request to act on such items is delivered to the Architectural Review Committee following the passage of such first above described twenty one (21) day period, it shall be conclusively presumed that the Architectural Review Committee has approved such conforming plans and specifications and other submittal, except that the Architectural Review Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration, except where variances shall expressly be permitted herein. If plans and specifications or other submittal are not sufficiently complete or are otherwise inadequate, the Architectural Review Committee may reject them as being inadequate or may disapprove or approve part, conditionally or unconditionally, and reject the balance. The Architectural Review Committee is authorized to request the submission of samples of proposed construction materials.

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Section 27. Limitation of Liability. Neither the Architectural Review Committee nor the members thereof nor the Association nor Declarant shall be liable in damages or other wise to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with any submittal for approval or disapproval or failure to approve or disapprove any plans or specifications. Every person who submits plans or specifications, and every Owner of any property agrees that he will not bring any action or suit against the Association, The Architectural Review committee, the Board of Directors, the Declarant or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, renounces and quitclaims all claims, demands, and causes of action arising out of or in connection with judgment, negligence or nonfeasance and hereby waives the provisions of any law which provide that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Section 28. Design Guidelines. The Architectural Review Committee may, from time to time, publish and promulgate Design Guidelines (herein so called), and such Design Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Review Committee in reviewing plans and specifications. In any event, such Design Guidelines shall not be binding upon the Architectural Review Committee and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials submitted to the Architectural Review Committee for approval.

Section 29. Variances. Upon submission of a written request for same, the Architectural Review Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install Improvements which are at variance with the setback requirements, architectural standards or similar provisions of this Declaration or Supplemental Declarations which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Review Committee has not expressly and in writing approved such request within thirty (30) days of the submission of such request. No member of the Architectural Review Committee shall be liable to any Owner for any claims, causes of action or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Review Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder against any other Owners.

Section 30. Architectural Review Committee Address. All plans and specifications and fees related thereto as are required to be submitted under this Article IX shall

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be mailed (except as otherwise provided herein) to the Architectural Review Committee, Linville Falls Club Property Owners Association, 34 Blue Ridge Drive North, Marion, NC 28752, or at such other place as the Association may designate. The date of receipt of the plans and specifications must be established by receipt signed by an employee in the office of the Association or such other party as the Architectural Review Committee may designate. The address of the Architectural Review Committee may be changed from time to time by written notice to the Owners at the last address of each Owner as shown on the records of the Association. Such address shall be the place of the submittal of any plans and specifications and the place where the current rules and regulations, if any, of the Architectural Review Committee shall be kept.

Section 31. No Liability for Design Defects. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither Declarant, the Architectural Review Committee, the members thereof, nor the Association assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

Section 32. Utilities. All utilities and utility connections shall be located underground, including electrical and telephone cables and wires and security wiring. Transformers, electric, gas or other meters of any type, or other apparatus shall be located at the rear of the buildings constructed on Home Sites, or if approved by the Architectural Review Committee in writing, located elsewhere on the Home Site provided they are adequately screened as required by the Architectural Review Committee in accordance with the provisions of this Declaration. Each Owner shall provide the company providing telephone service to the Owner's Home Site with a dedicated electrical outlet upon request.

Section 33. Approval of Contractors by Association. Prior to performing any work within the Properties, a contractor retained by an Owner to perform such work must be approved by the Association. No person, firm or entity shall be approved as a contractor unless such person, firm or entity obtains his income primarily from construction or landscaping of the type which the contractor is to perform and is licensed by the State of North Carolina for his services. An Owner will be permitted to act as his own contractor after submitting adequate information to the satisfaction of the Architectural Review Committee of the Property Owners Association of such Owner's competence and ability to supervise the construction of the intended structure and to arrange for competent subcontractors and the Owner demonstrates the ability to finish the building project in a time frame equal with other similar building projects.

Section 34. Final Inspection of Improvements. At the completion of all construction in accordance with the plans submitted, the Owner shall request an on-site inspection by Association. No home may be occupied until an occupancy permit has been issued by

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Association. Approvals will not be unreasonably withheld, but in addition to the above, the following will be required:

- (i) Final landscaping plans must be approved and carried out without undue delay;
- (ii) Exterior lighting must be approved; and
- (iii) All cleanups must be completed.

Section 35. Multiple Lot Spec Home Builder exclusions.

A Builder or Developer; or the Declarant who controls more than one lot who is attempting to attract future new Owners to the property may submit several different home designs for pre approval and these designs may be interchangeable on several Home Sites. Since the ultimate pairing of the Home design and the home site would be influenced by the future new Owner. Architectural Review Committee shall be allowed to pre approve a collection of Home designs in advance of the ultimate pairing of a Home design and a Home site and shall be allowed to waive certain requirements as set forth in Article IX which would be impractical to meet until such time as a pre approved home design is matched to a specific home site.

ARTICLE X – SPECIAL RESTRICTIONS AFFECTING COMMON AREAS

Section 1. Association's Right of Entry. The Association reserves unto itself, its successors and assigns the right to go on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities in the Common Area. These reservations and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Association further reserves the right to locate wells, pumping stations and tanks within the Common Area. Such rights may be executed by any contractor or licensee of the Association.

Section 2. Prohibition Against Dumping. No dumping of trash, garbage, sewage, sawdust or other similar materials shall occur and no unsightly or offensive materials shall be placed upon the Common Area, except as is temporary and incidental to the bona fide improvement of the area in a manner consistent with its classification as Common Area.

Section 3. No Public Rights. The establishment of the Common Area does in no way grant to the public or to the Owners of any surrounding or adjacent land the right to enter such Common Area without the express permission of the Association.

ARTICLE XI – GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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 2. Amendment. The covenants and restrictions of this Declaration shall run and bind the land for a term of thirty-five (35) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of such thirty-five (35) year period, or the expiration of any such successive ten year (10) period, they are terminated or altered in accordance with this Section 2, Article XI. This Declaration may be amended by an instrument signed by the Owners of not less than eighty percent (80%) of the Home Sites. Such amendment or amendments to this Declaration shall be transcribed, certified by the President or Vice President of the Association that the requisite number of owners approved the amendment by written ballot, and a copy of the amendment so certified recorded in the Office of Register of Deeds for McDowell County. No person who may act in reliance upon the certification of the President or Vice President, as aforesaid, shall incur any liability for relying upon the same and shall not be responsible to determine or ensure the proper vote of owners as so certified. Any termination or amendment must be properly recorded. For the purpose of this Section, additions to existing property as provided in Article II, Section 2, hereof shall not constitute an "amendment".

Section 3. Miscellaneous. In all cases the restrictions set forth or provided for in these restrictions shall be construed together and shall be given the interpretation or construction which will best tend toward their strict enforcement, and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective.

ARTICLE XII– WASTE TREATMENT

Section 1. General. The wastewater treatment, collection and disposal system will be a Common Area after it is certified as meeting any local, state or federal requirements, and it is accepted by the Association. After it is accepted by the Association, it shall be properly maintained and operated in conformity with law and the provisions of the permit for construction, operation, repair and maintenance of the system and facilities. The entire wastewater treatment, collection and disposal system will receive the highest priority for expenditures by the Association, excepting Federal, State and Local taxes and insurance. The Disposal System shall be maintained out of the common expenses of the Association. In order to assure that there shall be funds readily available to repair or maintain the Disposal System,

beyond the routine operation and maintenance expenses thereof, the Association shall create a fund separate from the common expense fund for this purpose. Such funds shall be separate from the routine maintenance funds allocated to the facility and shall be part of the yearly budget. As provided for in the Declaration, there shall be no limit on the amount of any special assessments to cover the necessary costs related to the repair and maintenance of the Disposal System. After it is accepted by the Association, in no case shall the Association enter into voluntary dissolution without first having transferred its system for wastewater treatment, collection and disposal, to some person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission by the issuance of a permit.

Section 2. Tap Fees. After it is accepted by the Association, the Association may, but shall not be required to charge and receive the tap fees, if any, from the operation of the Disposal System. Such tap fees as are charged by the Association, if any, shall be used only for the repair, operation, expansion, maintenance and/or upgrading of the Disposal System. In the event it is determined that this provision violates the provisions of North Carolina General Statutes Section 62-3(23) (d), the Association shall not receive any tap fees from the operation of the Disposal System.

ARTICLE XIII – WATER SYSTEM

Section 1. General. The central water system will be a Common Area after it is certified as meeting any local, state or federal requirements, and it is accepted in writing by the Board of Directors. After it is accepted by the Board of Directors, it shall be properly maintained and operated in conformity with law and the provisions of the permit for construction, operation, repair and maintenance of the system and facilities. The entire central water system will receive the highest priority for expenditures by the Association, excepting Federal, State and Local taxes and insurance. The central water system shall be maintained out of the common expenses of the Association. In order to assure that there shall be funds readily available to repair or maintain the central water system, beyond the routine operation and maintenance expenses thereof, the Association shall create a fund separate from the common expense fund for this purpose. Such funds shall be separate from the routine maintenance funds allocated to the facility and shall be part of the yearly budget. As provided for in the Declaration, there shall be no limit on the amount of any special assessments to cover the necessary costs related to the repair and maintenance of the central water system. After it is accepted by the Association, in no case shall the Association enter into voluntary dissolution without first having transferred its central water system to some person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission by the issuance of a permit.

Section 2. Tap Fees. After it is accepted by the Association, the Association may, but shall not be required to charge and receive the tap fees, if any, from the operation of the Disposal System. Such tap fees as are charged by the Association, if any, shall be used only for the repair, operation, expansion, maintenance and/or upgrading of the Disposal System. In the event it is determined that this provision violates the provisions of North Carolina General Statutes Section 62-3(23) (d), the Association shall not receive any tap fees from the operation of the Disposal System.

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LINVILLE FALLS CLUB PROPERTY OWNERS ASSOCIATION, INC., f/k/a BLUE RIDGE COUNTRY CLUB PROPERTY OWNERS ASSOCIATION, INC. BY ITS DULY AUTHORIZED PRESIDENT OR VICE PRESIDENT, DOES HEREBY CERTIFY PURSUANT TO ARTICLE XI, SECTION 2 THAT THE REQUISITE NUMBER OF OWNERS APPROVED THE WITHIN AMENDMENT BY WRITTEN BALLOT, AS FURTHER SET FORTH IN THE RECORDS OF THE ASSOCIATION.

A North Carolina Non-profit Corporation

By: *Roy Ostgaard*
 President
 Linville Falls Club Property Owners Association, Inc.

STATE OF NORTH CAROLINA

COUNTY OF *McDowell*

Roy Ostgaard

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:
Roy Ostgaard, as President of
 Linville Falls Club Property Owners Association, Inc.

Date: *12-08-2015*

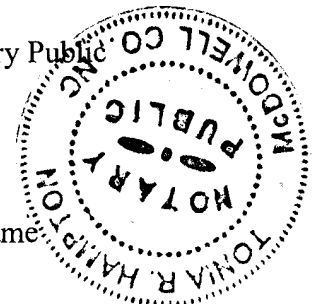
Tonia R. Hampton

Official Signature of Notary Public

Tonia R. Hampton

Notary printed or typed name

[OFFICIAL SEAL]



My

commission

expires:

01-04-2017

Amended Declaration of Covenants, Conditions and Restrictions - November 7, 2015

SCHEDULE A

TO
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR LINVILLE FALLS DEVELOPMENT, FORMERLY KNOWN AS
BLUE RIDGE COUNTRY CLUB SUBDIVISION

The area containing additional land which may be annexed to the Properties by Association is the following:

All those certain tracts or parcels of land purchased by Blue Ridge Country Club I, Ltd. From Blue Ridge Holdings Limited Partnership in Feb., 1994 and further described in the following deeds:

1. Deed from North Cove Enterprises, Inc. to Blue Ridge Holdings Limited Partnership recorded in Book 410 at Page 963 of the McDowell County Public Registry;
2. Deed from Sam Alvin Thompson et ux to Blue Ridge Holdings Limited Partnership recorded in Book 409 at Page 270 of the McDowell Public Registry; and
3. Deed from Troy Lee Cesawn et ux to Blue Ridge Holdings Limited Partnership recorded in Book 413 at Page 156 of the McDowell County Public Registry.

All those certain tracts or parcels of land identified by the following McDowell County Tax Parcel Numbers:

1728-78-1648	1728-75-6943	1729-94-6029
1728-77-2709	1728-75-3846	1729-94-5272
1728-67-8594	1729-93-7807	1729-95-7253
1728-68-5632	1728-59-7058	1739-12-3039
1728-67-2844	1728-48-9319	1738-09-4049
1728-57-7420	1729-84-3653	1728-66-2592
1729-76-8230	1729-85-2323	