

PROTECTIVE COVENANTS OF DILL TRUST LTD.

REGISTERED

STATE OF NORTH CAROLINA

'90 AUG 24 A9:08

COUNTY OF BUNCOMBE

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made and entered into this the 13th day of August, 1990, by and between DILL TRUST LTD., Party of the First Part, hereinafter sometimes referred to as Owner, and PROSPECTIVE PURCHASERS of certain lands located in Broad River Township, Buncombe County, North Carolina, Parties of the Second Part.

W I T N E S S E T H:

WHEREAS, Owner has heretofore acquired title to a certain parcel of land which is located in Buncombe County, North Carolina, including all property lying north of a line described as the northerly portion of that property conveyed by Warranty Deed dated May 23, 1980, executed by Ruby K. Gragg, widow, to Owner, recorded in the Buncombe County, North Carolina Registry in Deed Book 1244, Pages 363-4, reference to which said Deed is hereby made; and being more specifically described as the northerly portion of the property described in said Gragg Deed located,

Beginning at a point located at a 36-inch red oak with old marks described in the Gragg Deed as being South 20 degrees 22 minutes West 1889.48 feet along the Braswell line from a placed iron pin at an oak stump, and running straight North 57.52 degrees 54 minutes West 4220.46 feet to a found iron pin at the Jack Kirstein corner of said property located North 9 degrees 16 minutes West 328.93 feet from a stake at a birch with three old blazes (hereinafter sometimes described as the "subject property"); and,

WHEREAS, Owner intends to convey certain tracts of subject property by deeds, deeds of trust, mortgages, and other instruments to various persons, firms and/or corporations, subject to certain restrictive and protective covenants and conditions which are deemed to make the tracts more desirable and to be for the benefit of all those who acquire title to any one or more of said tracts to the end that the restrictive and protective covenants and conditions herein set out shall inure to the benefit of each person, firm, or corporation which may acquire title to any or all of said tracts and which shall be binding upon each such person, firm, or corporation to whom or to which developer may hereafter convey any of said tracts by deed, mortgage, deed of trust, or other instrument.

NOW, THEREFORE, in consideration of the premises, Owner hereby covenants and agrees with said Prospective Purchasers that each of the aforementioned tracts shall be held, sold, encumbered and conveyed subject to the restrictive and protective covenants and conditions hereinafter set forth, and said restrictive and protective covenants and conditions shall become a part of each instrument conveying any of said tracts as fully and to the same extent as if set forth therein. As a condition of the sale or conveyance of any of said tract, the purchasers agree and covenant to abide by and conform with said restrictive and protective covenants and conditions.

1. USE OF PROPERTY. No tract shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any tract other than one detached single-family dwelling not to exceed two stories in height, exclusive of basement either finished or unfinished, and two contiguous outbuildings (i.e., garage, stable, storage

RETURN TO RONALD E. SNEED

building). A building for the exclusive use of servants may be constructed with the permission of Owner.

2. APPROVAL OF PLANS. All plans, including elevations and specifications shall be submitted to the Owner, its agents or its successors, for approval before construction is commenced. All such plans must show the location of all buildings to be placed, erected or altered upon the tract. After such time as the plans and specifications have been delivered to Owner for review and approval, Owner shall have thirty (30) days to approve in writing said plans and specifications, or notify in writing the applicant for approval that the plans and/or specifications are not adequate or acceptable, and the reasons therefor. In the event that Owner does not communicate in writing approval or request alterations in the plans and specifications within thirty (30) days of the receipt thereof, said plans and specifications shall be deemed approved by Owner for purposes of this provision.

3. DWELLING SIZE. The heated floor area of any residence, exclusive of garage, carport, unenclosed porches and patios, shall contain a minimum of 1,200 square feet of living area.

4. SET BACK LINES. All residences and outbuildings shall be set back at least one hundred (100) feet from the right of way of any road on which the subject property abuts. Each residence shall be set back, at least one hundred (100) feet from each property line, except that the requirements of this paragraph for a property set back line shall not be applicable for Tracts _____ through _____.

5. GARAGES, CARPORTS AND OUTBUILDINGS. Garages, carports and outbuildings must be located adjacent to the main residence. If a hardship is placed upon the tract owner due to topography and grade, Owner reserves the right to eliminate this requirement.

6. EASEMENTS. Easements ten (10) feet wide are reserved along each tract's tract lines common to other tracts within the subject property and twenty (20) feet wide along the tract lines comprising the subject property's perimeter property lines, for the installation and maintenance of telephone lines, electric lines, water lines, gas lines and other public utilities, and for drainage facilities. Rights of way fifty (50) feet wide (measured twenty-five (25) feet on either side of the center line) are reserved for major roads in the subject property. No other easements, rights of way or rights of access shall be conveyed, granted or in any other way given to any person, firm or corporation, through, over or upon any tract in the subject property, except to Owner, or with the written permission of the Owner, its successors or assigns, provided, however, Owner shall have the right to designate such other easements, rights of way, or rights of access as Owner shall deem reasonable upon the subject property prior to the conveyance of any tract to a Purchaser.

7. VARIANCES. The Owner reserves the right to grant minor variances in set back lines, in individual cases where this may be justified because of the topography of the ground, soil or drainage conditions or for other valid reasons. In no event, however, will set back line variances exceed 30% of requirements set forth herein, unless such variance is allowed under the terms and provisions of the planning and zoning ordinance of a relevant governmental body.

8. OTHER BUILDING REQUIREMENTS:

A. PAVEMENT. All driveways and parking areas must be graded and covered with crushed stone or gravel or paved with asphalt, concrete, or similar hard surfaced material.

B. EXTERIOR CONSTRUCTION MATERIALS. No asbestos shingles, masonite, plastic, vinyl, or metal shall be used on any

exterior wall and no metal roofing shall be used in any building construction, unless written approval for the change is granted by the Owner. Any exterior wall of concrete blocks, cinder blocks or other such similar block construction shall be veneered with brick, rock, wood or similar material, or stuccoed. Log houses are permitted. Outbuildings shall be constructed of materials that compliment the primary residence.

C. SEWAGE SYSTEM. No privies, outdoor toilets or outdoor lavatories will be permitted. All sewage systems shall be connected to a septic tank designed, located and constructed in accordance with the requirements of the North Carolina State Board of Health.

D. ELECTRIC SERVICE. Each family dwelling unit must have permanent electric service supplied by Carolina Power & Light Company or its successor normally supplying electricity to the property.

E. PLAY EQUIPMENT. No play equipment shall be located closer to the right of way of the nearest road to the residence than the distance from the nearest corner of said residence to said right of way. Said equipment shall be located adjacent to the residence.

F. CLOTHES LINES. No outside clothes line visible from any road or neighboring family dwelling unit shall be permitted.

G. COMPRESSOR UNITS. All compressor units shall be ground mounted and screened by fencing or planting.

H. FUEL STORAGE. Fuel storage receptacles or tanks may not be exposed to view and must be installed either within the family dwelling unit, screened by fencing attached to the dwelling unit, or buried underground.

I. TRASH AND GARBAGE. Each tract owner shall provide covered sanitary containers for garbage, and all garbage receptacles, tools and equipment for use by the tract owner or otherwise, shall be placed in a fenced enclosure attached to dwelling unit to shield same from general visibility from roads abutting the tract owner's property, and also from neighboring properties and to protect same from animal pilferage. Trash, garbage and other waste shall be kept in said sanitary containers. No trash, garbage, stumps, construction debris or other unsightly or offensive material shall be placed or buried upon any portion of property, except as temporary and incidental to the bona fide improvement of said area.

J. ANTENNAE AND WIRES. No television or radio receiver or transmitter or other antennae which are visible from any road or adjoining tract will be permitted without written approval from Owner. All water lines, conduits and pipes must be installed underground.

K. SATELLITE RECEIVER. A satellite receiving station in excess of seven feet in diameter will not be permitted to be placed on the tracts. Other stations will be properly screened so as not to be visible from any road or adjoining tracts. Written permission to install any such system must be obtained from the Owner.

L. FENCES. Type and location of any fencing on any tract or portion thereof must be approved in writing by the Owner. Barbed wire fencing will be absolutely prohibited.

M. EXTERIOR CONSTRUCTION PERIOD. It is required that exterior construction on any tract shall be completed within eighteen (18) calendar months after commencement thereof. The Owner may, upon written application from the tract owner, grant

extensions if, in the Owner's opinion, adequate cause is shown by the tract owner.

N. MAINTENANCE OF ROADS DURING CONSTRUCTION. The tract owners covenant and agree with the Owner that they will require all contractors, builders, carpenters, and other workers, in connection with any construction, to keep the roads on the subject property free of dirt, mud and debris at all times and to repair any damage caused to said roads.

O. DRIVEWAY CUTS AND SLOPES. It shall be the responsibility of each individual tract owner to seed or otherwise landscape all cuts and slopes resulting from the construction and continuing use of any one or more driveways located upon said individual owner's tract in such a manner as to maintain the aesthetic quality of the subject property and to prevent unsightly or damaging erosion.

P. COVERING OF CULVERTS. It shall be the responsibility of each tract owner to cover any culvert pipes located upon his tract for purposes of drainage by a reinforcing headbarrier which shall be approved by Owner.

9. SUBDIVISION. No tract can be divided without written permission from the Owner, its agent, or successors and assigns. Owner may change unsold tracts at its discretion.

10. TRAILERS AND CAMPERS. No trailer (except for any trailers under 25 feet in length), temporary house, mobile home, horse trailer, camping equipment or any other kind of trailer or camper may be parked on the subject property, except in garages, attached carports, or improved surface parking areas; but in no event, shall any of such items be located further than thirty-five (35) feet from any residence or residential house site, or closer to an adjacent road than the nearest corner of said residence or residence site is to said road.

11. RESIDENTIAL USE OF OTHER STRUCTURES. No trailer, mobile home, tent, outbuilding or garage, or other outbuilding erected on the above-described tract or any tract therein shall at any time be used as a residence temporarily or permanently, nor shall any residence not meeting North Carolina Department of Insurance standards be moved onto a building tract in the subject property, provided that, on approval by Owner, such temporary residence shall be allowed for a period of no more than eighteen (18) months after the issuance of a permanent residential building permit, for the sole purpose of occupancy for the purpose of building the permanent residential dwelling.

12. VEHICLES NOT IN OPERATION, PARKING. No disabled or abandoned vehicles shall be permitted on any tract nor shall any vehicle be stored thereon, nor shall major repairs be permitted upon any vehicle parked upon any tract unless completely hidden from view from roads and any other tracts. Vehicles must be parked on driveway or paved parking areas within the tract.

13. OUTDOOR FIRES. No outdoor fire shall be built within the property except in barbecue grills utilized and supervised for cooking purposes. No leaves, trash, or similar debris shall be burned.

14. TRESPASSING, SIGNS. Unused and/or vacant tracts are not to be trespassed upon for any reason except by Owner for maintenance or property security purposes. No billboard or signboard (except one sign suitable for identification, sale, or rent of the tract or dwelling unit) shall be maintained on any tract.

15. INAPPROPRIATE ACTIVITIES. No commercial trade or business and no noxious or offensive activity shall be carried on upon any tract, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, nor shall

any tract or premises be used or occupied so as to affect injuriously the use, occupation or value of any adjoining premises for residential purposes, nor shall any unsanitary conditions prejudicial to the public health be allowed.

16. ANIMALS. No cows, hogs, goats, or similar animals, nor any chickens, turkeys, ducks or other poultry, shall be kept or maintained anywhere in the subject property, except that as many as one beast of burden for personal use shall be allowed for each person residing on the premises and poultry may be kept in a coop adjacent to the residence for personal use only. No fauna of any kind may be kept, bred or maintained for commercial purposes. Pets when running loose, must be kept strictly within the boundaries of the tract owner's property. At all other times, they must be kept securely on a leash or directly controlled by Owner. No pets are permitted if they are kept so as to constitute a nuisance.

17. HUNTING, TRAPPING, DISCHARGE OF WEAPONS. Hunting and trapping of animals, fowl and game is prohibited, and the discharge of firearms, bows and arrows, or other weapons for any purpose shall be prohibited.

18. USE OF ROADS AND RIGHT AWAY. Roads shall be used by motor vehicles for normal ingress and egress to North Carolina Route 9 only. No RTV or other "off road" vehicles shall be used on the property. Racing of vehicles or engines and off road driving is specifically prohibited.

19. EXCLUSIVE USE OF LAND IMPROVEMENTS. All roads, entry and road signs, common area, and other improvements (collectively hereinafter referred to as land improvements) now or hereafter located within the described premises, are private but are dedicated for the exclusive use of Owner and the property owners in subject property, for their ingress and egress, for their service and for public utilities. The following provisions apply to all land improvements in the described property:

A. COST OF MAINTENANCE OF LAND IMPROVEMENTS. The cost of maintaining all land improvements shall be equally divided among all tracts served by said land improvements. The maintenance cost paid by the owner of each tract, for that tract, shall be the total cost of maintenance of said land improvements divided by the total number of tracts served by said land improvements. So long as Owner owns tracts in the subject property, Owner shall pay for land improvement on the same basis as any other tract owner; provided that as long as Owner owns at least fifty percent (50%) of the acreage in subject property, as described on page 1 herein. Owner shall pay the entire cost of land improvements maintenance.

B. LIEN FOR ASSESSMENTS. The owner of each tract, by the acceptance of a deed or other conveyance, agrees to pay to Owner, or its successors in interest as hereinafter defined, that tract's pro rata share of land improvement maintenance as defined in Paragraph A above. Each tract is hereby made subject to a specific and continuing lien to secure the payment of such charges, including interest thereon, and this lien shall run with the land and be enforceable notwithstanding any change of ownership of the tract. The successive owners of each tract, by the acceptance of deeds therefor, shall be deemed to personally assume and agree to pay all such charges which are a lien upon the tract. Owner, or its successors in interest as hereinafter defined, shall have the right to collect the charges, including reasonable attorneys fees, all costs of collection and 10% simple interest on all outstanding charges which are a lien on any tract by means of a civil action against the owner of such tract, and, upon obtaining judgment against the owner, to have the tract sold and the net proceeds of sale applied to the discharge of the judgment.

C. INTEREST ACCRUAL UPON NON-PAYMENT. All charges for land improvement maintenance which are not paid within thirty (30) days after being billed to the tract owners shall bear interest at the rate of ten percent (10%) per annum, compounded semi-annually, until paid. Upon demand, Owner or its successors in interest shall furnish to any tract owner or mortgagee a certificate showing all amounts which are a lien against any tract as of a given date.

D. ASSIGNMENT OF RIGHTS TO PROPERTY OWNERS ASSOCIATION. Owner reserves the right, in its discretion, to assign to an association of the property owners in subject property the right and obligation to maintain the subject property land improvements and to collect the maintenance cost thereof from the owners of the tracts. Until such an assignment is made, all land improvement maintenance shall be performed by Owner, who shall be reimbursed by the other tract owners as provided above. If Owner assigns its rights to a property owners association, the association may, in its discretion, establish and collect an annual assessment against each tract for land improvement maintenance. The method for calculation of the assessment shall be the same for all tracts, shall be on a per tract basis, and shall be such amount as the association shall determine to be necessary in order to provide for land improvement maintenance for the ensuing year. The association shall not be obligated to expend in any twelve month period all of the assessments collected during that period, and may carry forward any balance remaining. The provisions of paragraphs B and C above shall apply to such assessments.

20. PUBLIC MAINTENANCE OF LAND IMPROVEMENTS. If and when any land improvements in the subject property shall be accepted for maintenance and taken over by Buncombe County (County) or the North Carolina Department of Transportation (State), no permission or agreement shall be required of the Owner or any tract owners, it being understood that the Owner and the tract owners, for themselves and their heirs, successors and assigns, agree that such land improvements shall become part of the County or State jurisdiction at such time as the County or State assumes the responsibility of the maintenance and upkeep thereof. The tract owners and Owner agree to execute any documents that may be necessary or expedient for said County or State agency to accept the maintenance of any subject property land improvements.

21. RESERVATION OF RIGHTS FOR CAROLINA POWER & LIGHT COMPANY. Owner reserves the right to subject the real property in the subject property to a contract with Carolina Power & Light Company for the installation of road lighting, which requires a continuing monthly payment to Carolina Power & Light Company by each residential customer.

22. DEVELOPER'S RIGHT TO ASSIGN. Owner reserves the right, in its discretion, to assign to an association of property owners in subject property any and all rights of approval or disapproval reserved to Owner. As used herein, "assignee" may be interpreted to mean such an association.

23. MODIFICATION OF COVENANTS. The covenants contained herein may be amended or modified by written instrument executed by the owners of two-thirds (2/3) of the tracts in the subject property, and duly recorded.

24. PERIOD OF APPLICATION. These covenants shall run with the land and shall be binding on all parties and all persons claiming under the Owner for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by a majority of the then owners of the tracts in the subject property is recorded, modifying said covenants in full or in part.

25. SEVERABILITY. Invalidation of any one or more of these covenants by judgment or court order shall in no way affect any of the other provisions above set out, which shall remain in full force and effect.

26. ENFORCEMENT. It shall be lawful, not only for the undersigned Owner and its successors and assigns, but also for any present or future owner or owners of any tract or tracts coming out of the above-described tract, to institute and prosecute any proceedings at law or in equity against any person or persons violating the foregoing covenants.

NOTHING HEREIN CONTAINED shall be construed as imposing any covenants and restrictions on any property of the Party of the First Part, its heirs, successors and assigns, other than on the specific land hereinbefore described, to which these restrictive covenants apply.

IN WITNESS WHEREOF, the said Party of the First Part has hereunto set its hand and seal, this the day and year first above written.

OWNER: DILL TRUST LTD.

By: Ronald D. McCall (SEAL)
RONALD D. McCALL
General Partner

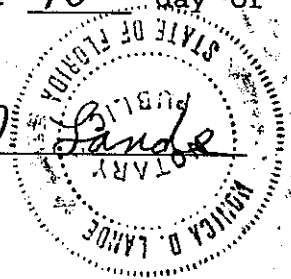
By: John C. Bierley (SEAL)
JOHN C. BIERLEY
General Partner

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

I, a Notary Public of the aforesaid State and County, do hereby certify that RONALD D. McCALL and JOHN C. BIERLEY, the General Partners of DILL TRUST LTD., personally appeared before me and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the 13th day of August, 1990.

Monica D. Lande
Notary Public



My Commission Expires:
NOTARY PUBLIC, State of Florida
My Commission Expires July 30, 1994

State of North Carolina, County of Buncombe

Each of the foregoing certificates, namely of Monica D. Lande

a notary or Notaries public of the State and County designated is certified to be correct.

This 24 day of August, 19 90

Filed for registration on the 24 day of August, 19 90 at 9:08 A. M.

OTTO W. DeBRUHL
Register of Deeds, Buncombe County

By: Julia K. Buckner Deputy

OTTO W. DeBRUHL
Register of Deeds, Buncombe County

By: Julia K. Buckner Deputy

1619 PG 665

STATE OF NORTH CAROLINA

REQUEST FOR NOTICE

MC

COUNTY OF BUNCOMBE

In accordance with the provisions of G.S. 45-21.175(5) request os hereby made that a copy of any notice of sale under the deed of trust (mortgage) recorded on June 12, 19 81, in Book 972, page 161, records of Buncombe County, North Carolina, executed by Kathryn M. Willett and husband, E. Stanley Willett as trustor (mortgagor), in which Asheville Federal Savings & Loan Association IS named as beneficiary (mortgagee), and First Union National Bank as trustee, be mailed to First Commercial Bank at the following address: P. O. Box 3079, Asheville, NC 28802

Steven I. Goldstein
ATTORNEY AT LAW

Return: Catha Strain

STATE OF NORTH CAROLINA

) SS:

COUNTY OF BUNCOMBE)

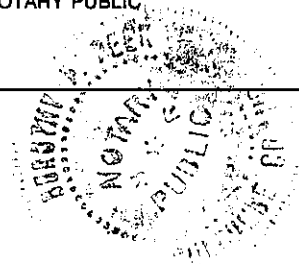
I, Dorothy P. Peek, do hereby certify that Steven I. Goldstein personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and Notarial Seal the 23rd day of August, 19 90.

My Commission Expires:

Dorothy P. Peek
NOTARY PUBLIC

August 9, 1994



NORTH CAROLINA

Buncombe

REGISTERED

'90 AUG 24 10:17

REGISTRAR OF DEEDS
BUNCOMBE CO., N.C.

COUNTY

The foregoing certificate(s) of Dorothy P. Peek and _____ Notaries Public of Buncombe County are certified to be correct. This instrument was presented for registration and recorded in this office in Book _____, Page _____.

This 24 day of August, 19 90, 10:17 o'clock A M.

Otto W. DeBuhl
REGISTRAR OF DEEDS
By - Colene C. Bolham,
Deputy

BK 1619 PC 666

Return

This document prepared by Steven I. Goldstein - Patla, Straus,
Robinson & Moore, P. A., 29 No. Market, Asheville, NC 28801



STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

In accordance with the provisions of G.S. 45-21.17 (5), request is hereby made that a copy of any notice of sale under the Deed of Trust (mortgage) recorded on June 7, 1977, in Book 884, Page 301, records of Buncombe County, North Carolina, executed by William D. Hubbard and wife, Jane G. Hubbard as trustor (mortgagor), in which Asheville Association Federal Savings & Loan is named beneficiary (mortgagee); and First Union National Bank of North Carolina as trustee, be mailed to Telco Credit Union at 7 Orchard Street, Asheville, NC 28801 Attn.: Barbara H. Rhymer.

NORTH CAROLINA
Buncombe County
REGISTRY
'90 AUG 24 10:18
REGISTER OF DEEDS
BUNCOMBE CO. N.C.

By: Steven I. Goldstein
Steven I. Goldstein

I, DOROTHY P. PEEK a Notary Public of Buncombe County, North Carolina do certify that Steven I. Goldstein personally appeared before me this day and acknowledged the due execution of this Request for Notice of Sale.

Witness my hand and official seal, this 20th day of August, 1990.

Dorothy P. Peek
Notary Public

(N.P. SEAL)

My commission expires August 9, 1994



State of North Carolina, County of Buncombe

Each of the foregoing certificates, namely of Dorothy P. Peek a notary or Notaries public of the State and County designated is certified to be correct. This 24 day of August, 1990.

Filed for registration on the 24 day of August, 1990 at 10:18A M.

OTTO W. DeBRUHL
Register of Deeds, Buncombe County
By: Colene C. Dentham Deputy
OTTO W. DeBRUHL
Register of Deeds, Buncombe County
By: Colene C. Dentham Deputy