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STATE OF NORTH CAROLINA  
COUNTY OF RUTHERFORD

Deed  
Book 0797 Page 0878  
RUTHERFORD COUNTY  
05/16/2002 4:48 PM  
FAYE H. HUSKEY  
Register of Deeds  
By: [Signature] Deputy/Asst.

**BILL'S MOUNTAIN  
DECLARATION OF COVENANTS AND RESTRICTIONS  
AND PROPERTY OWNER'S ASSOCIATION**

WHEREAS, The Great Outdoors Land Company, LLC, referred to hereinafter as Declarant, acquired property by deeds recorded in Deed Book 787, Page 439 and Tract One described in deed recorded in Deed Book 787, Page 431, in the office of the Register of Deeds for Rutherford County, North Carolina, the Tract One described in deed recorded in Deed Book 787, Page 431 being subject to those covenants and restrictions set forth in that instrument recorded in Deed Book 729, Page 459, Rutherford County Registry (hereinafter the "Instrument"), said described Tract One lying on both the southern side and the northern side of US Highway 64/74A.

WHEREAS, that portion of the said Tract One lying on the southern side of US Highway 64/74A having been developed and that portion lying on the northern side of US Highway 64/74A not having yet been developed, the Declarant desiring to incorporate that portion of Tract One described in deed recorded in Deed Book 787, Page 431 lying on the northern side of US Highway 64/74A into the Bill's Mountain Subdivision as such portion adjoins the property described in deed recorded in Deed Book 787, Page 439, Rutherford County Registry.

WHEREAS, the roadways constructed and to be constructed for the development of Bill's Mountain Subdivision utilize and will utilize the property described in deed recorded in Deed Book 787, Page 439, Rutherford County Registry, and that portion of Tract One described in deed recorded in Deed Book 787, Page 431, Rutherford County Registry, lying on the northern side of US Highway 64/74A and that the development of these properties pursuant to a common scheme of development is most practical and reasonable under the circumstances.

WHEREAS, by the Declarant's intent to incorporate said portion of the said Tract One into Bill's Mountain Subdivision, the Declarant intends to rescind those covenants and restrictions set forth in the Instrument recorded in Deed Book 729, Page 459, Rutherford County Registry, as to that portion of Tract One lying on the northern side of US Highway 64/74A and subject said portion to these covenants and restrictions.

WHEREAS, at the time of the filing of the Instrument, the Declarant therein and the Declarant herein, being successors in interest, did not intend to purchase that property described in deed recorded in Deed Book 787, Page 439, Rutherford County Registry, and the Declarant's statement in Paragraph 12 in the Instrument was intended to apply to all additional properties that were added to Twelve Mile Post Subdivision lying between the southern side of US Highway 64/74A and State Road 1198 (Grassy Knob Road), said additional properties being described as Tracts 2 through 6 in that deed recorded in Deed Book 787, Page 431, Rutherford County Registry, and that property described in deed recorded in Deed Book 742, Page 437, Rutherford County Registry, including those properties conveyed from said properties by Declarant and its predecessor in interest.

WHEREAS, the Declarant intends to establish the common boundary line of Twelve Mile Post Subdivision and Bill's Mountain Subdivision as being the centerline of US Highway 64/74A with Twelve Mile Post Subdivision being all of those properties lying to the south of said centerline and Bill's Mountain Subdivision being all of those properties lying to the north of said centerline (said properties lying to the north of said centerline being all of that property described in deed recorded in Deed Book 787, Page 439 and that portion of Tract One described in deed recorded in Deed Book 787, Page 431, Rutherford County Registry, lying to the north of said centerline and all of said property lying north of said centerline being hereinafter referred to as the "Property"), a portion of the Property having been subdivided into Lots (the "Lots") by the Declarant as shown on those plats recorded in Plat Book 23, Pages 63 and 64, Rutherford County Registry, by the Declarant showing and describing the Lots together with roadways serving the Lots, said subdivision to be known as Bill's Mountain (the term "Lots" shall also include any

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property conveyed from the properties described in the above-referenced deeds prior to the recordation of any such subsequent plats); and

WHEREAS, the Declarant desires to place and impose certain conditions and restrictions upon the Property for the use and benefit of all of the future owners of the Property and the Lots and Declarant in order to proximate the best interest and protect the investments of future owners

of the Property and the Lots and the successor or successors of each of them and for the use and benefit of all subsequent owners of the Property and the Lots.

NOW, THEREFORE, in consideration of the premises, said Declarant, for the use and benefit of their respective successors and assigns and the successors and assigns of each of them and for the use and benefit of their future grantees, jointly and severally, and for the use and benefit of all subsequent owners of the Property and the Lots, do place and impose hereby on all the Property and the Lots, the following conditions and restrictions:

**I. DECLARATION OF COVENANTS AND RESTRICTIONS**

1. Each owner of a Lot in Bill's Mountain Subdivision shall be a member of the Bill's Mountain Subdivision Property Owner's Association ("POA") described in Section II.
2. No modular homes or mobile homes, including but not limited to single wide, double wide or triple wide, camper trailers or motor homes shall be permitted on any Lot within Bill's Mountain Subdivision. Log homes are permitted but must be custom built.
3. The plans for all houses constructed on a Lot in Bill's Mountain Subdivision must have prior written approval by Declarant (or by the Architectural committee) before construction may begin. All houses must be single family dwellings and only one residence may be constructed on a Lot. Outbuildings and guest cottages are also permitted on the same Lot as the main residence but approval by the Declarant (or Architectural Committee) for the purpose of any structure's appearance, purpose and location must be obtained before construction may begin. Outbuildings and guest cottages must be similar or compliment the architectural style of the main residence. Only one main residence shall be permitted on a Lot and only one guest cottage shall be permitted per an additional five (5) acres of a Lot's overall acreage. For example, a five (5) acre or less Lot shall be permitted a main residence only; a ten (10) acre tract shall be permitted a main residence and one guest cottage; a fifteen (15) acre tract shall be permitted a main residence and two guest cottages.
4. Vinyl siding on any structure shall not be permitted. Prow windows shall not be permitted. Six inch or less "D" type logs shall not be permitted Preferred siding materials include wood, brick, stone, stucco and logs. All concrete block foundations must be covered with stone, brick, or stucco.
5. No dwelling shall be located on any Lot nearer than 30 feet to any road right of way servicing such Lot, nor nearer than 30 feet from any side or interior Lot line, nor nearer than 30 feet from any rear Lot line. Easement for underground utilities are reserved along the rights of ways of all roads located within Bill's Mountain Subdivision. There is a 10 foot utility easement reserved along the side Lot lines, 5 feet on both sides of the side Lot lines. Where a Lot is traversed by a watercourse, drainway, channel or stream, there shall be provided a storm water easement or drainage right of way conforming substantially with the lines of such watercourse (10 feet from each bank) and such further width or construction, or both, as may be adequate for the purpose of maintaining adequate drainage.
6. Each Lot shall be maintained and preserved in a clean, orderly and attractive manner. No junked cars, general rubbish or debris shall be permitted. Plastic plant or animal replicas shall not be permitted on any of the Lots within Bill's Mountain.
7. No standing timber shall be destroyed on any Lot except for clearing of a house site, construction of driveways, clearing for view sites and the removal of dead trees or trees leaning in such way as to present a potential hazard.

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8. No Lots may be further subdivided, with the exception of Lots exceeding ten (10) acres. Lots exceeding ten (10) acres may be subdivided but not in less than four (4) acre Lots.

9. No commercial raising of livestock, cattle, poultry, swine, or other animals shall be permitted on any Lots. Farm pets shall be permitted on a Lot but are to be responsibly kept by owners and not become a nuisance to surrounding neighbors.

10. No Lot or residence constructed on a Lot may be used for commercial purposes, provided, however, that home offices, hobbies and crafts are permitted and not considered as commercial businesses as long as these activities do not necessitate a steady stream of customers, clients or other persons entering the Property or the Lot for business purposes. The rental of residences or guest cottages is permitted but signs advertising the rental of such shall not be permitted.

11. All fences that are constructed on a Lot in Bill's Mountain Subdivision must be board fences or some other aesthetic type approved by the Declarant (or Architectural Committee if the duties of the Declarant has been turned over to the POA).

12. The Declarant reserves the right to lease a portion of the Property for the purposes of the installation and operation of a tower used for cellular telephone transmission and similar purposes. The tenant of any such lease shall have the right to use the roads within the subdivision to access any such tower without having to pay any fees or costs associated with such use.

13. All roads constructed or to be constructed on the Property shall have a forty-five (45) foot right of way. The Bill's Mountain Subdivision road system is declared a private road system. The responsibility of maintenance of the private road system is that of the owners of the Lots. The Declarant shall not have any responsibility to maintain the private road system.

14. Declarant reserves the right to use Bill's Mountain Subdivision roads to access adjoining properties that may be added to the Bill's Mountain Subdivision. Any and all such adjoining properties added to the Bill's Mountain Subdivision will be subject to the same Bill's Mountain Subdivision protective covenants and restrictions and POA.

15. The covenants and restrictions herein set forth (or as amended) shall remain and be in full force and effect for a period of twenty (20) years from the date of filing of this instrument with the Rutherford County Register of Deeds and shall be automatically extended for successive periods of ten (10) years unless prior to the beginning of such a ten (10) year period an instrument signed by the owners of a majority of Lots subject to this Declaration agreeing to terminate, amend, or modify the Declaration shall have been recorded in the Office of the Register of Deeds for Rutherford County, North Carolina.

16. These covenants and restrictions are to run with the land and shall be binding on the Lots within Bill's Mountain Subdivision and all persons claiming under it. The invalidation of any one of the covenants and restrictions by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect. These covenants may be enforced by the Declarant, the POA or the owner of any Lot within the Bill's Mountain Subdivision. If any action is brought to enforce any of these covenants, the violator must pay all costs and expenses of such action, including reasonable attorney fees.

**BILL'S MOUNTAIN SUBDIVISION**

**II. DECLARATION OF THE PROPERTY OWNER'S ASSOCIATION**

NOW, THEREFORE, in consideration of the premises set forth above, the Bill's Mountain Subdivision Property Owner's Association is formed for the use and benefit of the said Property Owners and their respective successors and assigns and for the use and benefit of their future grantees, jointly and severally, and for the use and benefit of all subsequent owners of the Lots. The basic responsibilities and duties of the POA will be that of reviewing and presiding over all construction plans and activities, maintaining entrance way and road right-of-ways,

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building a substantial monetary amount through the collection of yearly dues that will provide for the maintenance of the Bill's Mountain Subdivision roads and other common areas. The Declarant does place and impose hereby on all of the Lots to be created by the aforesaid subdivision, the following conditions and restrictions:

1. Each owner of a Lot in Bill's Mountain Subdivision will be a member of Bill's Mountain Property Owner's Association ("POA").
2. The POA will consist of a President, Vice-President, Secretary, and Treasurer. These officers will first be appointed by Declarant. The term of office of each officer will be decided among the officers appointed.
3. At the discretion of the Declarant or when 75% of the Lots are sold, whichever comes first, the duties of the Declarant will be turned over to the owners of said Lots, and they will elect their own officers and assume all management responsibilities. The POA, when it assumes management responsibilities, may form a nonprofit corporation to assume the responsibilities, duties and rights of the POA.
4. Each Lot will have one (1) vote in the POA regardless of the number of owners of that Lot. Any Lots owned by the Declarant will have one vote in the POA. However, the Declarant will not be able to vote regarding POA dues or other assessments. Any Lots owned by the Declarant shall not be subject to POA dues or assessments.
5. Each Lot shall be subject to an initial \$250.00 per year POA dues for maintenance of gate systems, roads and other minor POA expenses (i.e.: postage, meeting place, etc.) provided, however, any lot owned by the Declarant is excluded from the payment of dues. The owners of each Lot, excluding the Declarant, shall be personally liable for the payment of any and all dues or special assessments levied by the POA. Dues are due and payable on March 31 of each year to the Bill's Mountain Subdivision POA and shall be collected by the POA treasurer.
6. The POA dues are designed to create an expense account for the sole benefit of the Lots and the Lot owners within Bill's Mountain Subdivision. The Declarant will not be able to use the funds from the POA for new development purposes. The POA account is to be used only by the Lot owners and checks written from the account must have signatures from two (2) of the POA's elected officers. A balance statement from the POA's financial account will be sent out yearly to each owner of a Lot. The proceeds will be deposited in a local bank account established by Declarant.
7. The POA will establish an Architectural Committee for the purpose of reviewing and passing or rejecting potential home plans and also for additions, outbuildings and all other construction activities throughout Bill's Mountain Subdivision. The Architectural Committee shall consist of at least two (2) individuals appointed by the POA officers.
8. The Declarant or the POA, through its elected officers, will have the power to enforce, in accordance with the laws of North Carolina, collection of dues and compliance with the covenants and restrictions, including the recovery of damages and the restraining of violations. Unpaid dues will become a lien upon the Lot. If an action is brought to enforce collection of dues or any of these covenants, the violator must pay all costs and expenses of such action, including reasonable attorney fees.
9. The elected officers will have the power to set POA dues on a yearly basis. However, if these dues need to be adjusted upward more than 10% in any given year, then a meeting must be called for this purpose with at least 30 days notice at which time owners of 50% of the Lots attending the meeting in person or through proxy (provided a quorum is present, a quorum being defined as set forth below) must vote positive to effect the raise.
10. At the first meeting called by the POA for a specific reason a quorum shall be the owners of at least 51% of the Lots entitled to vote must be present (personally or through proxy) to effect any business. If a quorum is not met, then a second meeting for the same purpose may be called within 14 days notice and 25 1/2% of the owners of the Lots entitled to vote will

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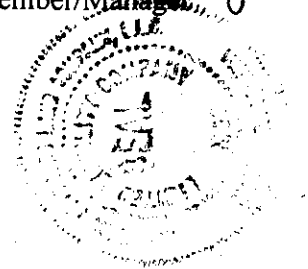
represent a quorum. If a third meeting is called for the same purpose because a quorum is not present at the second meeting, said meeting will not need a quorum to effect any business. The individual Lot owners present will represent the quorum and decide the issues for which the original meeting was called. However, at least 14 days notice to all members restating the purpose of the meeting must be sent to ALL members.

IN WITNESS WHEREOF, the Declarant has executed this instrument this 16<sup>th</sup> day of May, 2002.

THE GREAT OUTDOORS LAND COMPANY, LLC

BY: William F. McBrayer Jr  
William F. McBrayer, Jr., Member/Manager

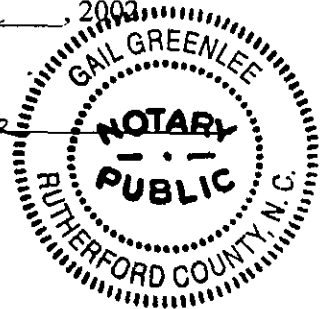
STATE OF NORTH CAROLINA  
COUNTY OF RUTHERFORD



I, Gail Greenlee, a Notary Public of the County and State aforesaid, certify that William F. McBrayer, Jr. personally appeared before me this day and acknowledged that he is Member/Manager of The Great Outdoors Land Company, LLC, a North Carolina Limited Liability Company, and further acknowledged the due execution of this instrument on behalf of the Limited Liability Company.

Witness my hand and official stamp or seal, this 16<sup>th</sup> day of May, 2002.

Gail Greenlee  
Notary Public



My commission expires: May 25, 2003

NORTH CAROLINA, RUTHERFORD COUNTY

THE FOREGOING CERTIFICATE OF Gail Greenlee

NOTAR(Y) (IES) PUBLIC IS (ARE) CERTIFIED TO BE CORRECT. THIS INSTRUMENT AND THIS CERTIFICATE ARE DULY REGISTERED AT THE DATE AND TIME AND IN THE BOOK AND PAGE SHOWN ON THE FIRST PAGE THEREOF.

FAYE H. HUSKEY REGISTER OF DEEDS  
BY Rhonda B. Byers  
DEPUTY REGISTER OF DEEDS