

**DECLARATION
OF
RESIDENTIAL COVENANTS, RESTRICTIONS, EASEMENTS, RESERVATIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS GOVERNING GOLD CITY**

Whereas, the undersigned, being the owner of that certain tract or a parcel of land hereinafter specifically described, intend to develop that portion of said lands into a residential subdivision; and

Whereas, the undersigned has had said lands subdivided into lots or tracts for purposes of selling the same;

Whereas, the lands to be restricted are part of a larger tract or parcel of land generally known as "Gold City", the portion of which is to be subject to these residential restrictions, is more particularly described on Schedule A attached hereto, which is by reference, incorporated herein, and the following covenants, restrictions, easements, reservations, affirmative obligations and conditions shall apply uniformly thereto.

Now, Therefore, the undersigned owner of Gold City does hereby set forth the following covenants, restrictions, easements, reservations, affirmative obligations and conditions which shall be covenants running with the land by whomsoever owned and shall constitute a material part of the consideration for the purchase and sale of said land, between the owner and the purchasers thereof, as follows:

1) Non-exclusive road rights-of-way and utility easements are reserved on all roads in the subdivision, as set forth on the plat of survey by Thomas H. Cabe, Registered Land Surveyor. This reservation is made for the benefit of the Owner, its successors and assigns, for ingress, egress and regress to all lots in the subdivision from the state roads and for the benefit of other lands which Owners may now own, or later acquire and designate which would be served by the roads. In the event that the North Carolina Department of Transportation should desire to make public roads out of any or all of the roads contained in the subdivision, this reservation is made for the benefit of the Department of Transportation and its successors with the intent that no further consent shall be required of any landowners then holding title in the subdivision. No warranty, either express or implied, is made by the Owners herein as to whether or not the subdivision roads will, if ever, be made public roads.

Each lot is made subject to the right of way and easement of any road adjoining the same, as shown on said recorded plat and each lot shall have the right of access over all roads shown on the recorded plat for the purpose of ingress, egress and regress therefrom to the State Highway.

- 2) The identified lots and tracts subject hereto shall be used for residential or agricultural purposes only. Provided, however, that occupations carried on within a private residence which do not produce undue noise or require heavy traffic shall be allowed.
- 3) Any lot or tract may be further subdivided, provided such subdivision is in compliance with the requirements of the North Carolina Health Department.
- 4) No junk yard, salvage yard, or scrap yard shall be permitted. No vehicles shall be permitted on the property without a valid current license plate, except for antique or collectible vehicles.
- 5) No mobile homes or house trailers shall be used as a temporary or permanent residence or located on any lot.
- 6) No noxious, offensive, or unsightly use shall be made of any lot or tract of land. No activity shall be maintained that creates a nuisance to the neighborhood.
- 7) Recreational vehicles or motor homes may be temporarily parked on the property for a period not in excess of 120 consecutive days, but cannot be used as permanent residence; provided however, that the said vehicle may be stored on the property after completion of a residence thereon.
- 8) No animals or fowl other than horses and household pets which are not maintained for breeding purposes shall be kept, maintained or permitted upon any lot. Lot owners are charged with the responsibility of controlling their horses/pets at all times and shall keep all horses/pets restrained and/or enclosed within the boundary of their lot.
- 9) No activity which will result in the maintenance, deposit or accumulation of trash, refuse, debris, mud or other objectionable matter, will be permitted except during the construction of a home.
- 10) Each lot or tract as originally divided, or as re-divided shall be subject to a building set back of five (5) feet along all property lines. Provided, however, should two or more lots be utilized as a single parcel or tract and for a common purpose, then and in that event the set back provisions will apply only to the exterior boundaries of the entire parcel.
- 11) No exposed concrete block is to be used in construction.
- 12) Trash containers are to be located behind the main residence situate on each lot or tract and screened from view.
- 13) Oil and gas tanks must be screened from view or buried underground.
- 14) The owner of each lot subject to these restrictions which does not have direct access to a State maintained road, or highway, shall become a member of the Gold City Property Owners Association and shall pay to said Association an annual fee which shall be applied towards the maintenance and upkeep of roads within the subdivision (not driveways) and the access road which provides vehicular ingress, egress and regress from the public road to said subdivision. The first annual assessment shall be in the amount of \$100.00 per lot and will be due and payable on the date each owners accepts a deed to his particular lot. All annual assessments due thereafter shall be due on the first day of August of each year, commencing on the first day of August, 1994. If a lot once sold by the owner is subdivided into additional lots, then the owners of each subdivided lot shall also be subject to the annual

fee, effective upon the next following August 1st. The Association, from time to time whenever the same is reasonably necessary, shall have the right to increase or decrease said annual fee as determined by a majority of the then lot owners who are members of said Association.

Each lot within the subdivision obligated to pay the road fee, shall be subject to a lien in favor of the Association for the annual assessments set forth herein. Each assessment, together with such interest thereon as hereinafter provided shall be a permanent and continuing lien upon the lot against which it relates, and shall also be the joint and several personal obligation of each property owner and such property owner by acquiring or holding an interest in any lot does thereby covenant to pay such amount as and when the same shall become due. If an assessment is not paid on the date when due, as hereinabove provided, such assessment shall bear interest from the date of delinquency at the rate of sixteen (16) per cent per annum or that rate of interest which at the time of delinquency represents the top rate of interest which does not constitute a usurious rate of interest by law, and the Association may bring legal action against the property owner, personally obligated to pay the same, or may foreclose its lien against the lot to which it relates or may pursue either such course at the same time or successively. Each property owner, by his acceptance of a deed to or other ownership of a lot, vests in the Association the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien by any appropriate proceeding in law or in equity. The Association shall have the power to bid on the lot at any foreclosure sale and to acquire, hold, lease, mortgage or convey the same. No property owner shall be released from any liability for the assessments provided for herein by non-use of the lot. Provided, however, the lien for annual assessments authorized herein shall be and is hereby made subordinate to the lien of any mortgage or deed of trust held by a recognized financial or lending institution authorized to do business within the State of North Carolina, as to all assessments with respect to the encumbered parcel, falling due subsequent to the date such mortgage or deed of trust is filed for public record.

15) These Covenants, Restrictions, Easements, Reservations, Affirmative Obligations and Conditions are intended to and shall run with the lots by whomsoever owned and shall be binding on all parties who acquire a lot and all parties claiming under them for a period of twenty (20) years from and after the date of the recording, at which time (the end of 20 years) the same shall be automatically extended for a successive period of ten (10) years unless terminated by a vote of the majority of the then owners of the lots restricted hereby.

16) These covenants, restrictions, easements, reservations, affirmative obligations and conditions may be amended, revised and/or terminated by the affirmative vote of a majority of the owners of lots subject hereto. To be effective such change, revision or termination shall be reduced to writing, be executed by the majority of said lot owners and shall be recorded amongst the public records of Macon and Jackson Counties.

17) Enforcement hereof shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any of the provisions hereof, and may seek to restrain violation hereof, or to recover damages, or both. The provisions hereof may be enforced by any lot owner or by the owner and the failure to enforce any covenant, restrictions, affirmative obligation or condition contained herein shall not be deemed a waiver of the right to seek enforcement thereof, at a subsequent time.

18) Invalidation of any one of these covenants, restrictions, easements, reservations, affirmative obligations and conditions by a judgment or order of a Court of competent jurisdiction shall not affect the validity of any of the other provisions contained herein, but the same shall remain in full force and effect.

For that purpose, each of the covenants, restrictions, easements, reservations, affirmative obligations and conditions is deemed not to be dependent upon any other covenant, restriction, reservation, affirmative obligation or condition, and shall continue in effect regardless of the validity of any other provision.

IN TESTIMONY WHEREOF, the Owner has caused these presents to be executed and its seal affixed, this the 4th day of January 1994.

ROBERTS, STEVENS & COGBURN, P.A.
TRUSTEE IN BANKRUPTCY OF GOLD CITY
PROPERTIES, INC. UNDER CASE NO.:
A-B-90-11007 CHAPTER 7

By: Janet Roberts

ATTEST:

[Signature]
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF ~~MECKLENBURG~~ Buncombe

I, Paul A. Fanning, a Notary Public
of the aforesaid County and State, do hereby certify that MARC
Rudow personally came before me this day and
acknowledged that he/she is _____ Secretary of ROBERTS, STEVENS &
COGBURN, P.A., and that, by authority duly given and as the act of the corporation, the
foregoing instrument was signed in its name by its _____ President, sealed with its
corporate seal, and attested by himself as its _____ Secretary.

1994 WITNESS my hand and Notarial seal, this the 4th day of JANUARY ~~November~~

Paul A. Fanning
Notary Public,
My Commission Expires: 10-13-97

(NOTARIAL SEAL)

EXHIBIT A

Lots Nos. 1-16 and 18-41 and 43-47 and 50 of the Subdivision of Gold City as shown on the plat thereof made by Thomas H. Cabe, Registered Land Surveyor, under date of December 30, 1993, a copy of which plat is recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Card 1564 and in the office of the Register of Deeds for Jackson County in Plat Cabinet 6, Slide 765, to which plat as so recorded reference is hereby had for a more complete and particular description of the lots subject hereto.

Provided however, that if Lots 8, 9, 10, 11, 12, 13, 14, 15 and 16 are owned by a common owner, then and in that event, they shall not be subject to the terms of Paragraphs 2, 5, 8, 11, 12 and 13.

Further provided, however, that if any three contiguous lots, of the following:

Lots 35, 36, 37, 38, 39, 40, 41, 43, 44, 45 and 46;

is owned by a common owner, and the common ownership consists of five (5) acres or more, then that portion may be used as an RV park.

NORTH CAROLINA, MACON COUNTY

The foregoing or annexed certificates of Paul A. Janning
N.P. of Buncombe NC;
N.P. of _____;
N.P. of _____;
N.P. of _____ by and certified to be correct.
Presented for registration and recorded in Book F 20, Page(s) 2137-2141.
This 6 day of Jan, 1994 at 10:03 o'clock A.M.
Janet Thomas
Register of Deeds Janet Thomas by Gloria Cabe, Assent-
Register of Deeds Franklin, N.C.