

FIRST AMENDMENT
DECLARATION OF COVENANTS AND RESTRICTIONS
THE RIDGE AT SOUTH MOUNTAIN

WHEREAS, Hollifield Group, LLC, referred to hereinafter as "Developer," is the owner of The Ridge at South Mountain property, hereinafter referred to as "Properties", which is located on Bostic/Sunshine Highway in Golden Valley in Rutherford County, North Carolina; and

WHEREAS, the Developer may add to the declaration as may pertain to additional properties in future stages of development; and

WHEREAS, Developer is the owner and developer of said property, intends to subdivide said eighty-two acre tract, and prior to subdividing and conveying lots or parcels out of said eighty-two acre tract, desires to place and impose certain conditions and restrictions upon said lots or parcels for the use and benefit of all the lots or parcels created by such subdivision and future owners thereof in order to promote the best interests and protect the investments of said owners, and the successor or successors of each of them, and for the use and benefit of all subsequent owners of said lots or parcels and each of them,

NOW, THEREFORE, in consideration of the premises, said owner, hereinafter referred to as "Developer" for the use and benefit of itself and for the use and benefit of its successors and assigns, and for the use and benefit of its future grantees, and for the use and benefit of all subsequent owners of said lots, does place and impose hereby on all of the existing lots and on all of the lots to be created by the aforesaid subdivision, the following conditions and restrictions:

ALL PHASES OF DEVELOPMENT:

1. No lot within the Properties shall be used other than for residential purposes. No business activity or trade of any kind whatsoever shall be carried out upon any lot. This shall include, but not be limited to, use of a residence or accessory structure for a professional office, rooming house, commercial workshop, fraternity, or antique or gift shop.
2. Any building placed or constructed upon any lot within the Properties shall have the exterior completed within twelve months after commencement of construction.
3. No wiring or antenna for electrical power, telephone, radio, or any other use shall be permitted above ground, except within a building. One small satellite dish shall be permitted subject to the requirements of paragraph 5.d.
4. The following general standards of development shall be followed for all dwelling structures constructed within the Properties. The Developer shall have the right to reduce, increase, or otherwise explicitly modify these standards within other additions to the Properties.
 - a. Residence Limitation: No recorded lot in The Ridge at South Mountain shall have more than one (1) single-family residence constructed upon it.
 - b. Minimum Floor Area: The minimum floor area for any dwelling exclusive of garages, porches, patios, decks, or enclosed decks shall contain at least 1500 square feet of heated

living area if built on a basement foundation, or 1800 square feet if built on a partial basement, crawlspace or slab foundation.

c. Easements and Setbacks: Utility easements, road rights-of-way, and minimum building setbacks pertaining to any phase of development shall be as shown on plats thereof of record. As to any future development or phases of development, the utility easements, road rights of way, and minimum setback lines shall be as follows:

I. A utility easement of 30 feet is reserved along interior lot lines, 15 feet on either side of the lot line. A utility easement of 15 feet on the interior side of the line is reserved on exterior lot lines.

ii. The right-of-way for all roads is 50 feet, unless otherwise shown on the plat.

iii. Setbacks of dwellings and accessory structures from the lot line are as follows: 20 feet from all street right-of-way lines, rear lines, and outside boundaries; 30 feet from all creek boundaries; 15 feet from side lot lines that are now outside boundaries.

d. Exterior finish: All residence exteriors must be of a natural wood color, rock, stone, or brick. No vinyl or metal siding will be permitted on the exterior of any residence. Metal roofing will be allowed, but only of the pre-painted type. No galvanized roofing will be allowed.

e. Approval: All exterior finish materials and colors shall first be approved by the Developer.

f. Exposed Foundation: Exposed foundation walls shall be painted or sided to match the exterior color scheme of and elevations materials used in construction of the dwelling. No foundation shall have exposed concrete, cinder block.

g. Solar Panels: Any active solar panels shall be flush with the roof or side wall of a dwelling and shall not be located in any yard or upon an accessory structure.

5. The following general standards shall be satisfied in the construction and installation of improvements and structures other than the dwelling. Written approval for other improvements and structures is not required but shall comply with these standards. The Corporation and members of the Corporation shall have the right to enforce these standards.

a. Fencing: Fencing shall not be constructed closer to the street than the front elevation of the dwelling and shall be constructed with the finished side facing the lot line. No fencing other than decorative fencing or walls, not to exceed 48 inches in height, shall be allowed in the front yard. No chain link, chickenwire, goat or cattle fencing material, nor any other type of commonly denominated livestock fencing material shall be permitted on any lot. Fences must be maintained in good order and an attractive condition.

b. Accessory Structures: One detached, non-commercial accessory structure, such as a storage shed or playhouse, will be permitted. Accessory structures shall be constructed of compatible and similar materials and design with the dwelling. No vinyl or metal siding will be permitted on the exterior of any accessory structure. All accessory structures and other accessory improvements, such as swing sets and sand boxes, shall be compatible with the quality of the overall development and shall be maintained in good order and in attractive condition. Accessory structures and improvements shall not be placed within view of the street.

c. Dog Kennels: Any dog run or kennel shall be adequately screened from view and shall not be located in the front yard or within 15 feet of any lot line.

d. Satellite Dish: Any satellite dish shall not be larger than 18 inches in diameter and must be located and screened so as to be as unobtrusive as possible.

6. Necessary precautions must be taken when any ground is disturbed so as to prevent erosion and sediment from reaching any stream, creek, lake, roadway, walking easement, or other lot on the Properties.

a. All front, side, and rear yard areas shall be seeded or sodded within three (3) months after completion of any dwelling constructed within the Properties. Lawn areas shall be maintained in good order and an attractive condition, and shall not be permitted to become overgrown.

b. No trees may be cleared within 20 feet of the interior property lines unless they pose a threat to any structure. Trees along the road and at the back of lots may be cleared at the lot owner's discretion. Lot owner shall remove, bury, or burn within 30 days any such trees or debris for any portion of her or his lot where said cut trees or debris is visible from any road, right-of-way, or lot, and such portion must be landscaped, reseeded, or replanted within a 60 day period.

I. Pine Trees: A lot owner may cut down any pine tree on her or his own lot.

ii. Hardwood Trees: No hardwood tree which is ten (10) or more inches in diameter may be cut down on any lot except within 50 feet of the house site, which is to include a swimming pool area or other construction directly connected to the house. In the event that such a tree should become so large as to obstruct the view to the house, then and only then shall it become permissible to cut down said tree.

iii. No tree which is visible from the road, right-of-way, or other lot may be trimmed at the apical meristem ("topped") in such a manner as to inhibit or destroy the regrowth of foliage on said tree.

7. All buildings within the Properties shall be constructed in conformity with the requirements of the applicable building codes of Rutherford County, North Carolina.

8. No partially completed dwelling or temporary building and no trailer, tent, shack, or garage on any lot within the Properties shall be used as either a temporary or permanent residence.

9. No loud, noxious or offensive activity shall be conducted or permitted upon any lot within the Properties, nor anything which is or may become an annoyance or nuisance to the neighborhood or which endangers the health or unreasonably disturbs the quiet of the occupants of adjoining lots.

10. No discharging of firearms shall be permitted on the Properties or Common Areas, nor within 500 feet of any residence in the Properties. All laws of the State of North Carolina shall be adhered to.

11. No animals, livestock, or poultry of any kind - including but not limited to fighting roosters, other poultry, or swine - shall be raised, bred, or kept on any lot within the subdivision for any purpose, commercial or otherwise. Household pets, such as cats and dogs, shall be permitted, but must be kept so as not to become a nuisance to the neighbors. Dogs not confined to their owner's property must be leashed and accompanied by owner or other responsible party. Any pets which become a nuisance, including but not limited to continually barking dogs, must be removed from

the Properties.

12. Garbage receptacles shall be kept in areas not visible from the street or any other lot on the Properties. No accumulation or burning of junk or trash shall be permitted on the Properties or on any lot therein.

13. No signs of any kind, shape, or format, and no billboards or other advertising devices, including "For Sale" signs by a realtor or real estate firm, shall be permitted on any lot within the Properties. This provision shall apply for a period of three years from the date of closing. Thereafter, no advertising signs, billboards, or other advertising devices larger than 18 inches by 24 inches shall be permitted, and no more than one sign can be displayed on a lot at any time. However, Developer may at any time erect signs of any size advertising lots for sale within the Properties.

14. The following general standards shall be followed for all vehicles located on the Properties.

- a. No more than one (1) unlicensed, unregistered, uninsured vehicle may be maintained on any lot, and any such vehicle shall be kept out of sight of the street, other lots, and other residences.
- b. No recreational vehicle shall be parked or stored upon the front yard of any lot within the Properties. Recreational vehicles that are in operating condition may be parked or stored upon the back or side yards of a lot.
- c. No motorized vehicles - including but not limited to cars, trucks, and 2-, 3-, or 4-wheel ATVs - shall be operated on any road or street within the Properties by any underaged or unlicensed individual.
- d. No dual tandem trucks may enter the Properties except for the purpose of delivery or pick up. Tractor trailers are strictly prohibited except for those utilized by the Developer during development.

15. Developer may designate and enforce locations through and over which all construction vehicles shall enter and exit the Properties during development.

16. The Developer retains unto itself up until the time the Association is turned over to the new owners the right to:

- a. Add to or amend these covenants and restrictions for any lots still owned by the Developer by recording said amendments in the Rutherford County Register of Deeds Office.
- b. Grant variances for any provision of these covenants and restrictions to any individual lot owner by providing the variance in writing in recordable form to the said owner.

17. The Developer will form a non-profit corporation known as The Ridge at South Mountain Property Owners Association. Each owner of a lot in The Ridge at South Mountain will be a member of The Ridge at South Mountain Property Owners Association. Each lot will have one (1) vote in the Association regardless of the number of owners of that lot.

18. Variances may be granted by the President and Vice-President of the Association, with the exception of Paragraph 31, after the property has been turned over to the Association as provided

in paragraph 20 hereafter. (It will be the owner's responsibility to record said variance for it to become effective.)

19. The covenants and restrictions herein set forth (or as amended) shall exist and be in full force and effect until September 30, 2026, and shall be automatically extended for successive periods of (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.

20. At the discretion of the Developer or when 75% of the lots are sold (whichever comes first) the Association will be turned over to the owners of said lots and they will elect their own officers (President, Vice-President, Secretary, Treasurer, and Alternate) and assume all management responsibilities. All common areas will also be transferred to the Association at this time, and responsibility and maintenance of these areas will be the responsibility of the Association.

21. After the Developer turns the Association over to the new owners, the elected President and Vice-President of the Ridge at South Mountain Property Owners Association will have the right to grant variances pertaining to any individual lot as set forth in paragraph 18 above.

22. The Association, through one or more of its elected officers, will have the power to enforce, in accordance with the laws of North Carolina, collection of dues and compliance to the covenants and restrictions, including the recovery of damages and the restraining of violations.

23. The elected officers will have the power to set Association dues on a yearly basis. However, if these dues need to be adjusted upward more than 5% in any given year, then a meeting with the entire Association membership must be called for this purpose with at least 30 days notice, at which time 75% of the members in good standing attending the meeting in person or through proxy (provided a quorum is present) must vote positive to effect the raise.

24. At the first meeting called by the Association for a specific reason, a quorum of 51% 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 with a 2 week notice and 25% of the owners (personally or through proxy) will represent a quorum.

25. Each lot, except those owned by the Developer, will pay \$250.00 per calendar year Association dues for maintenance of roads and other minor Association expenses (i.e.: postage, meeting place, commons maintenance, etc). Prorated dues will be collected at closing for the remainder of the calendar year, excluding the month of closing, adjusted from time to time by the Association.

26. Property owners that own two lots with a common property line (contiguous lots) will pay only one Association fee unless and until one of the two lots are sold to another party, at which time both lots are subject to the full amount of the Property Owners Association dues, as they pertain to an individual lot. Property owners owning more than two lots will pay the full association fee for each lot they own, except for the second contiguous lot.

27. Any members not paying their dues promptly (by January 31 of each calendar year) will be assessed an additional \$ 10.00 per month, unless adjusted by the Association.

28. The Developer retains the right to add to its subdivision and to this original declaration any real estate which said Developer may acquire in the future, provided that any such future acquired real estate is either adjacent or contiguous to a future acquisition which in turn is adjacent or contiguous to the original acre tract. Any such future acquired real estate may upon the recording of a supplemental declaration be subjected to all the provisions, rights, duties, privileges, and obligations as set forth in this declaration.

29. Any damage done to any Association roads, ditch lines, or grassed areas by lot owners, their guests, or general contractors must be promptly repaired by said owners at their expense, or if the repair is performed or contracted for by the Association, the owners will be financially responsible for reimbursing the Association for said repairs, and all costs related to the repairs.

30. All roads and driveways that serve more than two (2) or more lots as shown on the original plat of The Ridge at South Mountain will be maintained by the Association.

31. Initially, the Developer will complete all roads in the subdivision and maintain the same until the Association is turned over to the owners. Pursuant to the provisions of Section 136-102.6 of the North Carolina General Statutes, prospective purchasers of lots and property in the subdivision of any phase described or shown on the plat are hereby advised that the roads and streets are private and the responsibility for the maintenance of said roads and streets rests with the Developer and/or the Property Owners Association until such time as the roads are included into the State Highway System for maintenance. Roads in The Ridge at South Mountain are built to county standards for private roads and may not meet state standards. Any subsequent inclusion of the subdivision roads and streets in the State Highway System may be upon the condition that lot owners participate in the cost of initial improvement of the roads and streets sufficient to meet minimum State standards.

32. No parcel of land in The Ridge at South Mountain may be used for ingress or egress to or from any other properties not originally a part of the subdivision (unless such other properties are added by the Developer as permitted by paragraphs above.)

33. These covenants and restrictions are to run with the land and shall be binding on the Developer 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 Ridge at South Mountain, and/or The Hollifield Group, LLC, the Association, or the owner of any lot within the subdivision. If an action is brought by The Ridge at South Mountain and/or The Hollifield Group, LLC, or The Ridge at South Mountain Property Owners Association to enforce any of these covenants, the violator must pay all costs and expenses of such action, including reasonable attorney's fees.

This instrument is executed this _____ day of March, 2006.

Hollifield Group, LLC

By: _____(Seal)
Member/Manager

State of North Carolina
County of Rutherford

I, a Notary Public of the County and State aforesaid, do hereby certify that _____ who is known to me or proved to me on the basis of satisfactory evidence to be the person(s) described, personally appeared before me this day and acknowledged that he/she/they is/are a Member/Manager of Hollifield Group, LLC and further acknowledged the due and voluntary execution of the foregoing instrument on behalf of the Limited Liability Company.

Witness my hand and official stamp or seal, this the _____ day of March, 2006.

My commission expires:

Notary Public

Printed or Typed Name of Notary Public