

APPROVED AT ANNUAL MEETING
OF MEMBERS ON JULY 8, 1995.

BOOK 7-20
PAGE(S) 2010-2015

RESTRICTIVE AGREEMENT

This Restrictive Agreement made and entered into as of the 8th day of July, 1995, by and between all those undersigned owners of certain lots in the development known as Cold Springs Development (said certain lots, the "Lots") and Cold Springs Property Owners Association, Inc., a North Carolina Non-Profit Corporation (the "Association").

W I T N E S S E T H:

Whereas, the Cold Springs Development (the "Development") was originally planned and developed by Cold Springs Development Company, Inc., which released its development rights in a Contract and Agreement dated June 1, 1978; and

Whereas, the Lots and any other property which is hereafter subjected hereto are hereinafter collectively called the "Subdivision"; and

Whereas, the "Association" has been performing the functions of a homeowners association for the Subdivision for some time; and

Whereas, the undersigned intend for themselves, their successors in interest in ownership of the Lots and the owners of any property hereafter subjected hereto (said undersigned, their successors and such other owners hereinafter collectively, the "Owners") to bind the Owners and the Lots pursuant hereto; and

Whereas, the Owners and the Association wish to clarify the rights and obligations of the Owners with respect to the operation of the Subdivision; and

Whereas, Owners desire, for the benefit of the Subdivision and for the benefit of the present Owners and their successors that the Subdivision be used exclusively as hereinafter set forth; and

Whereas, various documents appear of record in Macon County, North Carolina, relating to the Development, and the restrictions thereon; and

Whereas, Owners and Association intend that the existing rights and obligations of those owners of property within the Development who do not join herein will continue in full force; and

Whereas, the provisions hereof are intended to render more definite the Owners' and Association's rights and obligations regarding the Subdivision in order to assure the continued successful operation of the Subdivision;

Now, therefore, in consideration of the premises and for the advantage which the Owners will receive from the sale of the Lots in a restricted subdivision as a part of a general scheme of development, the Owners, and their successors in title, covenant, agree and hereby restrict the Subdivision as follows:

1. Applicability. Every Owner and every Lot is subject hereto. Every Owner is a member of the Association in accordance with and subject to its By-Laws and Rules as adopted from time to time. Any owner of property in the Development who is not a

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party hereto or who is not subject hereto may apply to the Association for inclusion of such owner's property in the Subdivision. Upon the Association's approving such application and the filing of a notice thereof in the Macon County Registry signed by the applicant and the Association, the applicant shall be an Owner, and the property of such applicant shall be a Lot and a part of the Subdivision. The applicant shall pay such fees as the Association establishes in connection with applications for inclusion.

2. Residential Use. All Lots shall be known and described as residential lots, subject to rental regulations from time to time adopted by Association, and no part of any Lot shall be used for any type of business or commercial activity. This restriction, however, shall not prohibit a home occupation, so long as it does not have customers, suppliers, delivery trucks or clients coming to the Lot or otherwise increasing traffic within the Subdivision, and which does not otherwise violate any other provision of these restrictions.

3. Trash and Nuisances. No noxious or offensive activities shall be carried out upon any Lot, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood. Except for routine household garbage, trash and debris, all of which must be kept in covered containers reasonably screened from view and which must be promptly hauled off, no Lot shall be used in whole or in part for the placement, dumping or storage of rubbish, garbage, junk or refuse, including but not limited to junked or unlicensed motor vehicles. No Lot shall be allowed to remain in an unclean or unkempt condition. No liquid waste or other substance, thing or material shall be dumped, placed or kept upon any Lot which will emit foul or noxious odors discernible on any other Lot or which will cause such noise which will unreasonably disturb the peace, quiet and comfort of any occupant of another Lot.

4. Temporary Structures, Trailers, etc. No structure of a temporary character, including trailers, mobile homes or shacks (other than a licensed contractor's temporary construction office during house construction and then removed) shall be placed upon any portion of the Subdivision at any time. Recreational vehicles may not be lived in, but may be stored in an enclosed, approved garage. Likewise, no boat trailer may be kept in the Subdivision, except stored in an approved garage.

5. Dwellings. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached, single family dwelling. The main structure on a Lot, exclusive of open porches and garages, shall not contain less than 1,600 square feet of heated living space. No site for residence location shall be cleared more than six months before the commencement of construction thereof. All residence construction must be completed within one year of the commencement of construction thereof.

6. Setbacks. No residential structure shall be located on any Lot within thirty-five feet of the right-of-way of any adjacent road, within twenty feet of any side or rear Lot line or within thirty feet of the lake edge. For the purposes of this covenant, eaves and steps shall not be considered as part of a structure, provided however, that this shall not be construed to permit any eaves, steps or any portion of a structure on a Lot to encroach upon another Lot. Association reserves the right to waive unintentional violations of the setback lines not exceeding ten (10%) percent of the requirement and to grant variances not exceeding ten (10%) percent of the heated floor space requirements as set forth in paragraph 5, above, by an instrument recorded in the Office of the Register of Deeds for Macon County, North Carolina. A building line violation in excess of ten (10%) percent shall be waived only with the unanimous approval of the Association and the adjacent Lot Owners, if any. Any home in

existence before July 8, 1995, may exceed the ten (10%) percent variance with approval of the Board and adjoining Lot Owners.

7. Subdivision. No Lot may be subdivided nor combined with another Lot without approval of the Association.

8. Signs. Except as expressly permitted hereby, no sign of any kind shall be displayed to the public view on any Lot (whether within or without a structure,) except a small sign of customary size indicating the Owner's name and/or the house number and one sign of not more than five (5) square feet advertising the Lot for sale.

9. Grounds. All Lots shall be kept in a slightly condition by the Owner, with all improvements kept in a good state of repair and maintenance and all lawns and other vegetation kept in a reasonably neat condition. All septic tank systems must be kept in good working order by the Owner at all times. The Association and its designees shall have an easement to enter the Lots for the purpose of placing the improvements in the condition required hereby. If it determines that the Lot is not being kept as required herein, the Association shall provide notice thereof to the Owner, and the Owner shall have fifteen days to commence action to bring the Lot in compliance. If Owner fails promptly to commence such action and to continue thereafter to rectify promptly the violation hereof, then the Association may enter the Lot to do so. Owner shall reimburse the Association's costs of performing the work plus twenty percent thereof.

10. Approval of Plans. No building, structure or modification thereof of any kind shall be erected, placed, altered or allowed to remain on any Lot until the plans and specifications for same, including a complete site plan (collectively the "Plans and Specs",) have been approved in writing by the Association or a committee established therefor by the Association (collectively the "Architectural Committee".) One complete copy of the Plans and Specs shall be furnished to the Architectural Committee for it to retain in its records. The disapproval of Plans and Specs submitted may be based upon any reasonable ground, including the purely aesthetic judgment of the Architectural Committee. Once Plans and Specs have been approved, no alterations thereof may be made without the written consent of the Architectural Committee. Likewise, no excavation, fill or stream alteration shall be undertaken without the prior approval of the Architectural Committee.

11. Tanks, Equipment and Containers. All tanks, garbage receptacles and clothes drying areas shall be placed within the rear yard of a residence and shall be reasonably concealed from the views of neighboring Lots, roads and streets.

12. Livestock. No cows, pigs, goats, chickens, sheep, horses, llamas or other animals generally considered livestock may be kept on any Lot. Horses may be kept in the stable, but only in accordance with rules established by the Association. No commercial animal raising of any type shall be permitted on any Lot. Only animals which are generally recognized as domestic pets, may be kept and maintained upon a Lot. All pets must be kept under the control of their Owner and kept in such a manner so as not to become a nuisance or an annoyance to other residents within the Subdivision.

13. Hunting and Weapons. No hunting shall be allowed at any place within the Subdivision.

14. Motorized Vehicles. No unlicensed vehicle may be operated within the Subdivision. Motorcycles, mini bikes, dune buggies, motorized bikes and other recreational motorized vehicles that are duly licensed may be operated within the

bounds of the Subdivision, but only while riding for access purposes to and from a residence to the public road (outside the Subdivision,) and may not be ridden within the bounds of the Subdivision for recreational purposes. All motor vehicles shall be maintained in proper operating condition so as not to be a nuisance by noise, exhaust emissions or otherwise. No motor vehicles shall be driven within the Subdivision, except on driveways and on the existing roadways.

15. Parking. No unlicensed or regularly inoperable vehicles shall be kept or allowed to remain on any roadway within the Subdivision or on any Lot, other than within an approved, enclosed garage. Except for emergency repairs, no person shall repair, restore or store any vehicle, boat, trailer or other recreational equipment upon any portion of the Subdivision unless concealed from view. The Association shall have the right and authority to formulate rules governing the size and weight of vehicles which may be parked or stored within the Subdivision. No vehicles shall be allowed to remain parked on the streets or roadways within the Subdivision.

16. Outside Antennae. No satellite dishes in excess of 30" or ham radio antennae will be allowed to remain on any Lot.

17. Roadways. Those roadways providing access to the Lots shall be maintained by the Association until the same have been accepted by a governmental authority, if ever. The cost of maintenance of roadways shall be a part of the Assessment.

18. Homeowners Association. The Association is an incorporated association which has been established for the following purposes: (1) to provide for maintenance of all roadways located within the Subdivision, prior to their acceptance for maintenance by a state or municipal authority; (2) to maintain the entrance sign and landscaping surrounding said sign and all other street signs located within the subdivision; (3) to provide for the enforcement of these restrictions; (4) to operate the water system of the Subdivision; (5) to provide for any other matters of a general nature affecting all or a significant number of Lot Owners; and (6) to assess Lot Owners amounts sufficient to accomplish the foregoing (the "Assessment".) All Owners agree by acceptance of their deed to a Lot or by their execution hereof, that the purposes to which the Assessment funds are to be put are sufficiently certain and definite.

The Association shall have the right to levy the Assessments, annually or otherwise, to carry out its purposes. Every Lot Owner shall pay the Assessment within the time provided in the Association's By-Laws. Should any Owner fail to pay timely all the Assessments, the unpaid amount, plus any late fees, interest, etc., shall be a lien on such Owner's Lot from and after the filing of same with the Macon County Clerk of Court. The Association shall establish a budget, which may include amounts for reserves, administration, operation, maintenance, repair and replacement of the roadways, signs and landscaping referred to herein; amounts required to operate the water system in a prudent manner; and amounts paid in furtherance hereof. The charges for water use shall be billed in the manner established by the Association, and for the purpose of collection thereof, the amount due therefor and any other expenses reasonably attendant thereto shall be considered a part of the Assessment. The Assessments shall be established in an amount sufficient to satisfy the budgeted items and as set forth in the Association By-Laws. Every Lot Owner shall be a member of the Association and shall be entitled to vote (only one vote per Lot.) Assessments shall be levied and collected on a per Lot basis. Notice of Assessments shall be mailed or delivered to each Lot Owner. Any Assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at a rate of twelve (12%) percent per annum. The Association may bring an action at law against the Lot Owner

personally to pay the Assessment and may foreclose its lien against a Lot upon which the unpaid Assessment has been levied. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of facilities or abandonment of the Lot.

The lien of the Assessments provided for herein shall be subordinate to the lien of any institutional (bank, savings bank, credit union or insurance company) deed of trust. Sale or transfer of a Lot shall not affect the Assessment lien unless the sale is pursuant to an institutional deed of trust foreclosure or any public sale in lieu thereof. Such a foreclosure sale or public sale in lieu thereof shall extinguish the lien against the Lot (but not the former Owner's obligation) of the Assessments which became due prior to such sale. No sale or transfer of any kind shall relieve a Lot or its Owner from liability for any Assessments arising subsequent to a foreclosure sale or public sale in lieu thereof. Nothing herein shall prevent, and any mortgagee may, at its option, pay any delinquent obligations of a Lot Owner.

The Association's By-Laws, which may be amended from time to time in the manner set forth therein, were attached hereto for purposes of review by Lot Owners, but the same were detached herefrom prior to recording.

19. Recreational Areas and Guests. All recreational facilities established and/or operated by the Association are for the sole use of Owners and their permitted guests. The rules governing all such facilities, including what guests are permitted, shall be established by the Association, from time to time. No boat with an internal combustion engine (gas or other) may be used on the lake.

20. Period of Enforcement. The within covenants are to run with the land and shall be binding on all parties and all persons claiming under them until the 1st day of January, 2015, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless terminated or modified, in whole or in part, by the affirmative vote of those persons then owning a majority of the Lots.

21. Enforcement. Enforcement hereof shall be by proceeding at law and/or in equity commenced by any Lot Owner or by the Association against any person or persons violating or attempting to violate any covenant to restrain violation and/or to recover damages. Should any person or persons be found in violation of any part hereof (including but not limited to the obligation to pay Assessments,) in addition to all other remedies available, such violating party shall be responsible for the reasonable attorney's fees incurred by the other party.

22. Severability. Invalidity of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

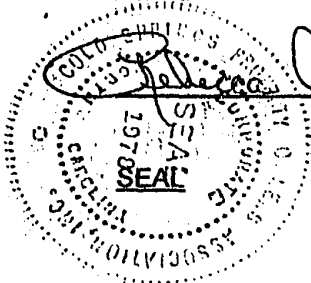
23. Adjacent Property. No easements, right of way or rights of access shall be deeded, granted or in any way provided by any Lot Owner to any other person, firm or corporation through, over or in any Lots without the written permission of the Association. In particular, no Owner of a perimeter Lot shall permit it to be used for access to or from any property not located within the Subdivision, except with the express written consent of the Association.

24. Amendment. The Owners of a majority of the Lots may modify, amend or eliminate non-material portions hereof. Material changes hereto (house size, setback, use, etc.), may only be made by the affirmative vote of at least 67% of the Lot Owners.

25. Right of First Refusal. Prior to any Lot Owner transferring ownership of a Lot, other than (i) by gift, devise or intestacy, (ii) by conveyance to a partnership, corporation or limited liability company of which Owner is a general partner, principal or member, or (iii) by conveyance to a trust created by such Owner, the transferring Owner shall provide the Association with a copy of the offer to purchase such Owner wishes to accept and shall offer in writing (the "Offer") to sell the Lot to the Association on the same monetary terms contained therein. The Association shall have ten (10) days from its receipt of the Offer to accept the same in writing. If the Association does not elect to accept the Offer, it shall provide a Certificate, in recordable form, signed by the appropriate officers of the Association confirming, if the same be true, that all Assessments are currently paid and confirming the Association's waiver of its right of first refusal with respect to the Offer. The Certificate shall be recorded prior to the deed signed by the Owner making the Offer. No waiver with respect to one Offer shall constitute a waiver as to future transfers, as each must be submitted to the Association.

In Witness Whereof, the Owners and the Association have caused the due execution of the foregoing.

Attest:



Secretary

Cold Springs Property Owners Association, Inc.

By:

Curtis Meltzer

President

Owners:

Lot # 28

Curtis Meltzer (SEAL)

Kenneth A. Pellego (SEAL)

Lot # 9

Gay L. Edwards (SEAL)

Carol M. Edwards (SEAL)

Lot # 94

H. Wayne Hilley (SEAL)

Clare B. Hilley (SEAL)

Lot # 55

John M. Freese (SEAL)

Nancy H. Freese (SEAL)

Lot # 75

Robert D. Lane (SEAL)

Anna Louise Lane (SEAL)

Lot # 88

~~W. F. Glover~~ (SEAL)

W. F. Glover (SEAL)

Lot # 89

Frederick Rodenbeck, III (SEAL)

Martin Rodenbeck (SEAL)

Lot # _____

_____(SEAL)

_____(SEAL)

Lot # _____

_____(SEAL)

_____(SEAL)

Lot # _____

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Lot # _____

_____(SEAL)

_____(SEAL)

Lot # _____

_____(SEAL)

_____(SEAL)

Lot # _____

_____(SEAL)

_____(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF MACON

I, a Notary Public of the County and State aforesaid, certify that Rebecca Clary personally came before me this day and acknowledged that she is Corp. Secretary of Cold Springs Property Owners Association, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its N/A President, sealed with its corporate seal and attested by her as its N/A Secretary.



Witness my hand and official stamp or seal, this 8th day of August, 1995.

Cynthia M. Jones
Notary Public

STATE OF North Carolina

COUNTY OF Jackson

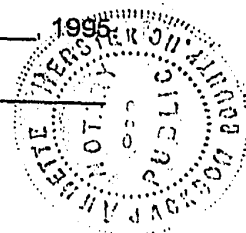
I, a Notary Public of said County and State, certify that George M. Eubanks joined by his/her spouse, Carole M. Eubanks, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 7th day of August, 1995.

My commission Expires:

Annette Nerstak
Notary Public

11-24-96



STATE OF North Carolina

COUNTY OF MACON

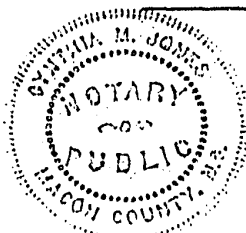
I, a Notary Public of said County and State, certify that Curtis Meltzer joined by his/her spouse, Enid A. Meltzer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 8th day of August, 1995.

My commission Expires:

Cynthia M. Jones
Notary Public

My Commission Expires 2-12-2000



STATE OF North Carolina

COUNTY OF Macon

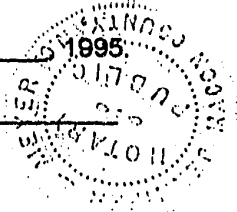
I, a Notary Public of said County and State, certify that H. Wayne Hilkey,
joined by his/her spouse, Clare B. Hilkey, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 9th day of August, 1995.

My commission Expires:

8/18/99

Jennifer Z. Meyer
Notary Public



STATE OF North Carolina

COUNTY OF Jackson

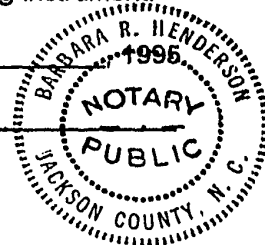
I, a Notary Public of said County and State, certify that J. B. Freese,
joined by his/her spouse, Nancy H. Freese, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 11th day of August, 1995.

My commission Expires:

12/9/97

Barbara R. Henderson
Notary Public



STATE OF North Carolina

COUNTY OF Macon

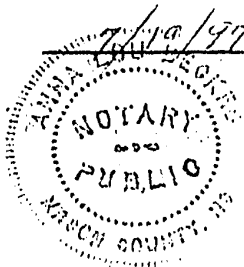
I, a Notary Public of said County and State, certify that Robert D. Sauer,
joined by his/her spouse, Anna Louise Sauer, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 14th day of August, 1995.

My commission Expires:

7/19/97

Anna Louise Sauer
Notary Public



STATE OF North Carolina

COUNTY OF MACON

I, a Notary Public of said County and State, certify that Mary B. CLOVER,
joined by his/her spouse, W. L. CLOVER, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 14th day of August, 1995.



My commission Expires:

Cynthia M. Jones
Notary Public

STATE OF North Carolina

COUNTY OF MACON

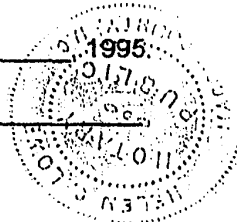
I, a Notary Public of said County and State, certify that Fred & Rodenbeck, III
joined by his/her spouse, MARINA Rodenbeck, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the 15th day of August, 1995.

My commission Expires:

Helene C. Lowe
Notary Public

February 18, 1995



STATE OF _____

COUNTY OF _____

I, a Notary Public of said County and State, certify that _____,
joined by his/her spouse, _____, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial seal, this the _____ day of _____, 1995.

My commission Expires:

Notary Public

NORTH CAROLINA, MACON COUNTY

The foregoing or annexed certificates of Anna Lou Beckes, Macon, NC
Barbara R. Henderson, Jackson, NC
N.P. of Macon County, State of NC; Helene C. Lowe
N.P. of Macon County, State of NC; Cynthia M. Jones
N.P. of Jackson County, State of NC; Annette Horstak
& Jennifer Z. Meyer
N.P. of Macon County, State of NC are certified to be correct.

Presented for registration and recorded in Book 200, Page(s) 201-2015

THIS 30th day of Aug, 1995 at 12:03 o'clock P.M.

Janet Roberson
Register of Deeds

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Janet Roberson
Register of Deeds, Franklin, N.C.
By: Regina Parrish (Dep)

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