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Register of Deeds

BOOK 272 PAGE 118

STATE OF NORTH CAROLINA

**SUPPLEMENTAL DECLARATION OF
COVENANTS, RESTRICTIONS AND
EASEMENTS OF LAKE ADGER
SUBDIVISION, PHASE I, SECTION H**

COUNTY OF POLK

THIS DECLARATION is made this 30th day of April, 2001, by LAKE ADGER DEVELOPERS, INC.

WITNESSETH:

WHEREAS, Lake Adger Developers, Inc., (hereinafter referred to as the "Developer"), is the developer of portions of that certain real estate known as Lake Adger Development located in White Oak Township, Polk County, North Carolina, as described in Article II of this Supplemental Declaration; and

WHEREAS, the Developer heretofore filed a Declaration of Covenants, Restrictions and Easements of Lake Adger Subdivision, as recorded in Book 241 at Page 120, Polk County Registry (hereinafter referred to as the "original declaration"), imposing certain restrictions upon the real estate as shown and delineated upon Plats recorded in Card File C at Page 1229; Card File D at Page 15; Card File D at Page 23; Card File D, at Page 48; Card File D at Page 85 and Card D at Page 223, all of the Polk County Registry; and

WHEREAS, the original Declaration authorized the Developer to annex certain property to Lake Adger Subdivision by the filing of a plat of the real property to be annexed and by recordation of a supplemental declaration; and

WHEREAS, the Developer desires to annex to Lake Adger Subdivision all those tracts of land comprising Phase I, Section H, as described in Article II of this Supplemental Declaration, and to impose certain restrictions on said real estate as described in the original Declaration, subject to the Amendments and Modifications thereof as contained herein.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that upon execution of this Supplemental Declaration, the real property known as Section H, Phase I, as described in Article II hereinafter shall be annexed to and shall become a part of Lake Adger Development and Developer declares that such annexed property is held and shall be held, conveyed, hypothecated, leased, rented, used, occupied and improved subject to the provisions of the original Declaration recorded in Book 241 at Page 120, Polk County Registry and the Amendments and Modifications contained herein, as if such annexed area were a part of Lake Adger Development on the date of the recording of the original Declaration; subject however, to the Amendments and Modifications contained herein.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to the Lake Adger Property Owners Association, Inc.
- (b) "The Properties" shall mean and refer to the Existing Property, as hereafter defined, and additions thereto, as are subject to this Declaration or any supplemental Declaration under the provisions of Article II hereof.
- (c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of the property and intended to be devoted to the common use and enjoyment of the owners of the properties. Additions may be made to the common properties at any time.

(d) "Lot" or "lots" or "tract" shall mean and refer to any lot or tract of land shown upon any subdivision plat of the properties with the exception of common properties as heretofore defined.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot situated upon the property, but not withstanding any applicable theory of mortgage law, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Member" shall mean and refer to all those owners who are members of the Association as provided in Article III, Section 1, hereof.

(g) "Landscape Easements" shall mean and refer to the easements reserved by Developer and granted over, across and under certain areas of the Properties, for the installation, maintenance, repair and removal of landscaping and landscaping amenities.

(h) "Improvements" shall mean and refer to any acts done upon a lot of a permanent nature which increases the value of such lot.

(i) "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Easements of Lake Adger Subdivision, Phase I, Section A, B and C and the Peripheral Tract and any Supplemental Declaration thereto.

(j) "Common Ramp Easement Areas" shall mean and refer to the portion of the Common Properties designated on the subdivision plat(s) as "Proposed Ramp for Off-Water Lots" or similarly designated property which may be used by Owners in accordance with the terms set forth herein. Such Common Ramp Easement Areas shall include, whether or not shown on the subdivision plat, the portion of the Peripheral Tract located between each Common Ramp Easement Area and Lake Adger.

(k) "Equestrian Easement Area" shall mean and refer to the twenty (20') foot wide portion of Lots or tracts, designated on the subdivision plat(s) as "bridle path and nature trail" or similarly designated property which may be used by Owners in accordance with the terms set forth herein.

(l) "Peripheral Tract" shall mean and refer to that portion of each Lot or Common Property lying in the Lake Adger lakebed below elevation 925.0 feet above mean sea level, U.S.G.S. datum, but lying above 911.6 feet above mean sea level, U.S.G.S. datum.

(m) "Cluster (or Chalet) Home" shall mean a private, single-family residential unit which is located immediately adjacent to or in close proximity to other cluster homes and which may share a common or party wall with adjacent cluster home units and also share certain common areas of the lot(s) upon which said units are located.

(n) "Marina Boat Slip" shall mean a designated boat docking space, approximately 10' X 20', located in a common docking or marina facility within the waters of Lake Adger as located and constructed by the Developer, which facility is accessed from a common or community area, said slips being allocated in favor of certain designated lot owners.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this declaration is located in Polk County, North Carolina, and is more particularly described as follows, and hereafter referred to as "Existing Property":

LAKE ADGER SUBDIVISION, PHASE I, SECTION H

Said tracts of land will be shown on plats of Section H, denominated as North Highland Farms, H-1, H-2A and H-3 as prepared by G.A. Wolfe, R.L.S., to be recorded as they become available, in the Office of the Register of Deeds for Polk County, North Carolina.

Section 2. Additions to Existing Property. Additional land may become subject to this declaration in the following manner:

(a) **Additions in accordance with a General Plan of Development.** The Developer, its successors and assigns, shall have the right, but not the obligation, to bring within the scheme of this Declaration additional properties, in future stages of the development, provided that such additions are in accordance with the Polk County Subdivision Ordinance and a General Plan of Development prepared prior to the sale of any Lot. Such General Plan of Development shall show the proposed additions to the Existing Property and contain: (1) a general indication of sites and location of additional development stages and proposed land uses of each; (2) the approximate size and location of common properties proposed for each site; (3) the general nature of proposed additions, if made, and a statement that such proposed additions shall become subject to assessments for their just share of Association expenses. Unless otherwise stated therein, such General Plan shall not bind the Developer, its successors and assigns, to make the proposed additions or to adhere to the Plan in any subsequent development of the land shown thereof.

The additions authorized under this and the succeeding subsection herein, shall be made by the filing of record in the Office of the Register of Deeds for Polk County, North Carolina, by the Developer of a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the Covenants and Restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complimentary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property and as are not inconsistent with the general scheme of this Declaration, in the sole and uncontrolled opinion of the Developer.

(b) **Mergers.** Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its property, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other property as one scheme. No such merger or consolidation however, shall affect any revocation, change or addition to the covenants established by the Declaration within the Existing Property except as hereinafter provided.

(c) **Section H – North Highland Farms of Phase I of Lake Adger Subdivision** as defined herein is the only property subject to these covenants and restrictions. It shall be expressly acknowledged by any purchaser who becomes an owner of a Lot that only the property described in Article II, Section 1 is at this time subject to these covenants and restrictions, and any other property owned by the Developer shall be subject to these covenants and restrictions only by the Developer, as its option, electing to subject same to these covenants and restrictions pursuant to the terms and provisions of this Article II.

ARTICLE III

MEMBERSHIP AND VOTERS RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot, which is subject by covenants of record to assessment by the Association, shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. No owner may except or exclude himself from membership or contributions to the association by waiver of use of enjoyment of the amenities provided by the Association.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each lot in which

they hold the interest required for membership by Section 1. When more than one person holds such interest or interest in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B: The Class B member shall be the Developer, and the Developer shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, however, that the Class B membership shall be reinstated with all rights, privileges and responsibilities if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the Property by the Developer in the manner provided in Article II of the Declaration, or

(b) January 1, 2010.

Section 3. Voting, Quorum and Notice Requirements in the Association. Except as may be otherwise specifically set forth in this Declaration or in the Articles of Bylaws, the vote of a majority of all votes entitled to be cast by all classes of the Association Members, present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present, shall be the act of the Association Members. The number of votes present at a meeting of the Association Members that is properly called and that will constitute a quorum shall be as set forth in the Bylaws. Notice requirements for all actions to be taken by the Association Members shall be as set forth herein or in the Bylaws. Notwithstanding the above, the affirmative vote of no less than two-thirds (2/3) of all votes entitled to be cast by the Association members shall be required in order for the Association to (1) file a complaint, on account of any act or omission of Developer, its agents, employees or contractors, with any governmental agency which has regulatory or judicial authority over the Properties or any part thereof; or (2) assert a claim against or sue Developer.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's Easement of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns, that it shall convey all its right, title and interest in the Common Properties to the Association not later than December 31, 2010.

Section 3. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period not to exceed six (6) months for any infraction of its published rules and regulations; and

(b) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(c) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and

action thereunder is sent to every Member at least thirty (30) days in advance of any action taken.

(d) the right of the Developer or the Association to promulgate and enforce reasonable regulations governing the use of the Common Properties to insure the availability of the right to use the Common Properties to the Owners and the safety of all Owners on the Common Properties.

(e) the right of the Developer or the Association to grant utility, drainage and other easements across the Common Properties.

(f) the right of the Developer or the Association to suspend the enjoyment rights of any Owner with respect to the use of the Common Properties or easements (including the right to use Lake Adger) for any period not to exceed six (6) months for any violation of the terms of this Declaration or any rules or regulations promulgated by Developer or the Association hereunder.

Section 4. Equestrian Easement. The Developer hereby grants unto the Owners, their heirs, successors and assigns and civic and equestrian organizations approved by the Developer, a non-exclusive easement over the Equestrian Easement Area for the purpose of ingress, egress and regress through the Equestrian Easement Area by Owners, their guests and such civic and equestrian organizations as may be approved by the Developers or Property Owners Association. Under no circumstances shall any Lot Owner construct or maintain any fence or other barrier (including, without limitation, any tree, shrubbery or other landscaping improvement) which would prevent or restrict the use of the Equestrian Easement Area by Lot Owners entitled thereto. Under no circumstances shall motorcycles, mopeds, all-terrain-vehicles, go-carts or any other motorized or non-motorized vehicle be used within the Equestrian Easement Area. Developer hereby reserves the right and easement to access the Equestrian Easement Area from and across any Lot and to maintain and repair the Equestrian Easement Area.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and Personal Obligation of Assessments. The Developer for each lot owned by it within The Properties hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments of charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made except to lien creditors. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of The Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to its purpose and related to the use and enjoyment of the Common Properties and of the homes situate upon The Properties, including, but not limited to, the maintenance of roads, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January 1, 2000, the annual assessment shall be Two Hundred and no/100 (\$200.00) Dollars per Lot. From and after January 1, 2001, the annual assessment may be increased by vote of the Members, as herein provided.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association fix the actual assessment for any year at a less amount, for the year beginning January 1, 2001.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to the year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, grounds liability insurance, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent to two-thirds of the votes of each class of Members who are voting by person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least fifteen (15) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set limitations of Section 3 hereof and shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2 hereof.

Section 6. Quorum for Any Action Authorized Under Section 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be the Members present at a meeting duly called and convened pursuant to Section 4 and 5 hereof.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on January 1, 2000 of each year and on January 1st of each year thereafter. Prior to January 1, 2000, the Developer agrees to maintain those Common Properties in a reasonable state or repair and operation.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of any special assessment and at least thirty (30) days in advance of the due date of any assessment, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Special Individual Assessments. The Association may levy special assessments against individual Owners ("Special Individual Assessments") (i) for the purpose of paying for the costs of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas and Maintenance Areas, including the streets, occasioned by the acts of Owner(s) and not the result of ordinary wear and tear or (ii) for payment of fines, penalties or other charges imposed against an individual or separate Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated hereunder.

Section 10. Owner's Personal Obligation for Payment of Assessments. The Annual Assessments, Special Assessments and Special Individual Assessments provided for herein shall be the personal and individual debt of the Owners (as of the due date of the applicable Assessment payment) to which such Assessments relate. No Owner may exempt himself from liability for such Assessments by non-use of his property or the Common Area or otherwise. If the Assessment is not paid within thirty (30) days after the delinquency date, such being an event of default in the payment of any such Assessment, the defaulting Owner shall be obligated to pay interest at the rate of eighteen (18%) percent per annum or the highest rate permitted by law, whichever is less, on the amount of the Assessment from the due date thereof until the date such

Assessment and interest is paid, together with all costs and expenses of collection, including reasonable attorneys' fees. In addition, the delinquent Owner shall also pay such late charges as may have been theretofore established by the Association to defray the costs arising because of late payment.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability of any assessments thereafter becoming due.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein: (a) all properties to the extent of any easements or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 11 hereof; (c) all property exempt from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemption; and (d) all unsold lots owned by Developer until January 1 of the year following the sale of such lots by Developer.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VI

RESTRICTIONS AND COVENANTS

Section 1. No Lot shall be used except for private, single family residential purposes. No buildings shall be erected, altered, placed or permitted to remain on any Lot other than one detached single family dwelling, not be exceed two and one-half (2 1/2) stories in height, a private garage and, if approved by the Developer in advance in writing, a small hobby-type building, a guest house, garages and stables and outbuildings which shall match the style and construction of the main dwelling and farm- type support structures necessary to maintain private equestrian facilities.

Provided however, that Developer reserves the right to locate and erect or construct for conveyance as individual residential units upon certain designated lots within the subdivision various cluster (or chalet) homes, as the same are defined in Article I herein, the single family residential units may be located immediately adjacent to or in close proximity to other cluster homes and may be detached or share common or party walls, as well as sharing certain common lot areas such as driveways or landscaping with adjacent cluster home units. The location, design and dimensions of said cluster homes shall be in the sole discretion of said Developer provided said cluster homes plans have been submitted to and approved by the Polk County Planning Board pursuant to the requirements of the applicable subdivision ordinance for Polk County, North Carolina. Provided further that Developer shall be responsible for the initial formation of such cluster homeowners associations as shall be necessary to administer, operate, insure, maintain and repair any common area or facilities applicable to the same and to assess the owners thereof for their share of said common expenses.

No other property owned by the Developer or its affiliates shall be encumbered by these restrictions and under no circumstances shall these restrictions be construed to imply in any way restrictions of any type or any scheme of development for or upon other property owned by Developer or its associated or affiliated companies which adjoin or is nearby this property or any other property owned by the Developer, its affiliates or associates in Polk County, North Carolina.

Section 2. All cutting of trees outside the building sites will be in such manner so as to leave the lot wooded. No trees, shrubs, bushes or other vegetation having a diameter of three (3) inches or more shall be cut, destroyed, bulldozed or mutilated except with the express written permission of the Developer for establishing pasture. Any area dedicated to pasture pursuant to this Section shall maintain an undisturbed buffer strip of at least fifty (50') feet on all property lines, unless otherwise specifically approved by the Developer.

Section 3. No grading or other land disturbing activity may be commenced upon any lot unless and until the owner of such lot has installed silt fencing and other such sedimentation control devices as necessary to prevent soil erosion resulting from any grading or land disturbing activity. All lot owners are responsible for erosion of soil from any lot which may collect and settle on roadways, drainage areas or other parts of the subdivision. Soil erosion control devices must be in place and approved by the Developer prior to the commencement of any land disturbing activity.

Section 4. The Developer or any subsequent purchaser with the prior written consent of the Developer, may subdivide any acreage tract, provided that such subsequent subdivision does not result in any tract of less than five (5) acres and must meet all regulatory requirements in effect at the time of such subdivision. In any such sale of a portion of a lot or tract, the subdivided lot or tract shall immediately become subject to the original Lake Adger Development Restrictions as initially recorded in Book 241 at Page 120 of the Polk County Registry, and shall immediately become a dues paying member of the Property Owners Association as provided in said restrictions.

Developer reserves the specific right to approve other combinations or resubdivisions of property and such combinations or resubdivisions of property shall occur only with the Developer's specific, written approval.

Section 5. No dwelling shall be erected on any lot having less than 1,000 square feet of heated floor space. The floor space required by this article shall not include basements, porches, verandas, breezeways or garages. No asbestos siding shall be used and no concrete blocks shall be used unless the exterior walls are faced with brick or covered with some other material approved by the Developer.

Section 6. No building, including stoops, verandas, steps, porches and roofs shall be located nearer the front line or nearer the side street line of any lot than the building line shown on said plat nor nearer than fifteen (15) feet to any side lot line. Provided, however, that in the case of cluster (or chalet) homes, as defined herein, the aforesaid minimum set-off requirements may be reduced or eliminated for the individual residential unit, so long as the outside dimensions of the residential cluster group shall not violate said front and side set-off requirements, and so long as the location, dimensions and lot line set-offs of said cluster home units have been approved by the Polk County Planning Board.

Section 7. No trade, business, noxious or offensive activity shall be carried on upon any lot or adjoining street nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or which tends to injure or damage the value of the neighboring property. No owner shall permit any unsanitary, offensive or unsightly condition to exist on any lot or adjoining street. No tractor, trailer, stripped down, partially wrecked, junked or unlicensed vehicle or sizeable part thereof shall be parked on any street or on any lot so as to be visible from any street. No truck greater than eighteen (18') feet in length, trailer, boat, camper, motor home or school bus shall be parked overnight or longer on any street or within the front set-back line of any lot, except as otherwise herein provided. Any receptacle for trash or garbage, clothes lines or poles, lawn mowers or debris shall be screened or so placed as not to be visible from any street. No tractor trailer truck combinations shall be allowed in the subdivision except for the purpose of loading and unloading.

Except for those portions, if any, of a Lot which the Association may elect to maintain or repair hereunder or under any applicable Supplementary Declaration, the Owner of any Lot shall have the duty and responsibility at such Owner's sole cost and expense, to keep the Lot(s) owned by such Owner, including Improvements thereon and ground and drainage easements or other rights of way incident thereto, in compliance with the covenants, conditions, restrictions and development standards contained in this Declaration (to the extent applicable), and in any applicable Supplementary Declaration, in accordance with the provisions of applicable guidelines, and in a well-maintained, safe, clean and attractive condition at all times. Such maintenance, as to unimproved and improved Lots or Tracts, shall include, but shall not be limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;

- (b) Keeping land, including any lawns and shrub beds, well maintained and free of trash, uncut grass and weeds;
- (c) Keeping all sediment resulting from land disturbance or construction confined to the respective Owner's property;
- (d) Keeping any portion of equestrian trails and private streets free, clear and unblocked at all times; and
- (e) Complying with all governmental health and police requirements.

In addition, such maintenance, as to improved Lots or Tracts, shall include but shall not be limited to, the following:

- (a) Lawn mowing on a regular basis;
- (b) Tree and shrub pruning;
- (c) Watering by means of a lawn sprinkler system and/or hand watering as needed;
- (d) Keeping exterior lighting and mechanical facilities in working order;
- (e) Keeping lawn and garden areas alive;
- (f) Removing and replacing any dead plant material;
- (g) Maintenance of natural areas and landscaping in accordance with guidelines established by the Association;
- (h) Keeping parking areas and driveways in good repair;
- (i) Repainting of Improvements; and
- (j) Repair of damage and deterioration to Improvements, it being understood and agreed that if any Improvements are damaged or destroyed by fire or other casualty, then within six (6) months following the date such damage or destruction occurs, the Owner of the Lot or Tract on which such Improvements are situated, must repair and restore such damaged Improvements (in accordance with plans and specifications approved by the Association and otherwise (in accordance with the terms and provisions of this Declaration and of each Additional Declaration applicable thereto) or remove such damaged Improvements and restore the Lot or Tract to its condition existing prior to the construction of such Improvements.

Section 8. No tent, shack or barn, or other outbuilding located or erected on any lot may, at any time, be used as a residence, either temporarily, or permanently, nor shall any structure of a temporary character be used as a residence.

No trailer or mobile home shall be permitted on any lot, except that a trailer may be used by a builder during construction. Any construction trailer shall be specifically approved by the Developer prior to its placement. Overnight camping shall not be permitted on any lot, except as herein permitted.

Notwithstanding other provisions of this condition, any lot owner shall be entitled to place on the property for temporary residential use, for a period not to exceed sixty (60) days per year, a motor home or travel trailer, provided that same must be occupied while on the lot. Additionally, a well, septic tank and driveway must be installed prior to such use. Developer reserves the right to approve any such motor home or travel trailer and such motor home or travel trailer may not be placed upon any lot until the Developer has approved of same in writing.

Section 9. No building, structure or other improvement shall be erected on any lot until the design, plans, specifications, exterior color or finish, grade and location have been approved in writing by the Developer, its successors and/or assigns. If the Developer shall not be in

existence, or if the design, plan specifications, grade and location have not been approved or disapproved within thirty (30) days after submission, then such approval shall not be required, provided that the design, plan specification, grade and location of the building, structure or other improvement shall conform to and be in harmony with the existing structures in the development. The location of the dwelling, driveways, parking areas, sidewalks, trash containers, heating and air conditioning units and plumbing and electrical details must be approved in writing by the Developer. Landscaping of a particular lot must be approved by the Developer.

Refusal of approval of plans, location or specifications may be based by the Developer upon any ground, including purely aesthetic conditions, which in the sole and uncontrolled discretion of the Developer shall seem sufficient.

A fee of One Hundred and no/100 (\$100.00) Dollars shall be charged by the Developer for a review of the plans and specifications, payable at the time of submission to the Developer.

Section 10. All mailboxes must be approved and conform to the restrictions set forth by the Developer.

Section 11. No fencing shall be erected until the design, height, materials and location have been approved in writing by the Developer or such person as may be designated by the Developer. In no case shall a chain link fence be erected nearer the street than the rear corners of the dwelling. The location and design of fences on corner lots shall be approved by the Developer. Special consideration will be given to the adjoining lots. No lot owner or successor in title shall be entitled to assert the defense of estoppel as to any fence which does not meet the requirements of this paragraph. No fence shall be erected which interferes with, damages, or obstructs the installation, maintenance or repair of underground utility lines, drainage areas or equestrian easements. The lot owner shall be fully liable for any and all damage to utility lines resulting from erection of a fence or other improvements, even though approval of the fence or other improvements has been properly obtained. All fences visible from main subdivision roads shall be board, split rail or other material specifically approved by the Developer. No barbed wire, chain link, hog wire or other wire fences shall be visible from any major subdivision road.

Farm-type fencing may be utilized in areas not visible from major subdivision roads, provided that no fence constructed primarily of barbed wire shall be permitted. Farm-type fencing may be placed on wood or metal posts. Metal posts shall be painted white or brown.

Section 12. No fireworks of any kind shall be used on any lot or in the Common Areas or on any public or private road or street in the subdivision.

Section 13. No motor bike, motorcycle, or off-road vehicle may be operated in the subdivision except for transportation to and from an individual lot. No vehicle may be operated on subdivision property, roads or common areas without insurance and current license plates. Any operator of a motorized vehicle must have a valid driver's license. However, nothing in this section shall prevent the use of tractors, farm machinery or off-road vehicles which are utilized within the boundaries of a particular tract in single ownership primarily for the purpose of facilitating farm or equestrian operations.

Section 14. No signboards shall be displayed on any lot except a single "For Sale" sign and a builder's sign, or a single "For Rent" sign. No sign shall be more than two by three (2X3) feet in size, provided, however the Developer shall have the right to use additional signs for development of the property.

Section 15. No domestic fowls, poultry, goats, sheep or swine shall be kept upon any lot. Household pets may be maintained on the property; however, such pets must be confined or on a leash at all times. Nothing herein contained shall prohibit use of the property for cattle or horse farms or equestrian activities and events. However, cattle and horses may be placed on the property subject only to the following conditions:

- (a) Horses and cattle may be maintained permanently only on cleared and seeded pasture. There must be at least one (1) acre of cleared pasture per horse or cow permanently pastured. "Feeder" lots for the purpose of the commercial fattening of cattle are expressly prohibited.

(b) Horses may be temporarily housed in corrals or paddocks for the purpose of recreational riding, provided owners keep the area in a manner that is not offensive to their neighbors or the Developer. Animal waste must be removed or composted, and horses are to be maintained in a manner consistent with humane husbandry.

(c) The construction of commercial stables or horse boarding facilities may be done only with the approval of the Developer or the Association.

(d) Horseback riding by owners, their guests or equestrian organizations is permitted on the developed streets within the property, and on undeveloped trails designated by the Developer or the Association.

Section 16. All lots shall be subject to all easements as shown on the plat of said lot, and, in addition, the Developer reserves unto itself, its successors and assigns:

(a) An easement for drainage and utility installation, including cable television, and maintenance, on the rear ten (10') feet of each lot and ten (10') feet on each side lot line.

(b) An easement and right of way for all private subdivision streets serving Lake Adger Subdivision; the equestrian easement, as the same shall appear throughout Lake Adger Subdivision; all boat ramp areas as the same shall be designated and any other easements appearing on the official subdivision plats of Lake Adger Subdivision,

(c) The right to grant to the Association any or all of the reservations of easements and rights of way set forth immediately hereinabove, including specifically the right to grant to the Association easements for utilities and other uses over the common properties of Lake Adger Subdivision.

Section 17. All sewage shall be disposed of through septic tank systems approved by the Developer and the Polk County Sanitarian. All wells shall be likewise approved.

Section 18. The exterior of all houses and other structures related thereon must be completed within one year after the commencement of construction and all construction debris should be removed at that time, except where such completion is impossible due to strikes, fires, national emergency or natural calamities.

No specific time limit is placed on each lot sold from the date of sale for construction of a dwelling to begin. However, purchasers who purchase lots within the subdivision either developed or undeveloped shall keep the lots in a neat and attractive manner, including but not limited to, regular mowing of grassed areas. In the event grassed areas shall become unsightly, the Developer or the Association may, after notice to owner, clean the area or mow the grass and assess the owner for the cost involved.

Section 19. Construction of new buildings only shall be permitted on Lots and Tracts, it being the intent of this covenant to prohibit the moving of any existing new or used building onto a Lot or Tract. Provided, however, that nothing herein shall prohibit Developer from moving an existing new or used building onto a Lot or Tract to be used for storage or for use as construction or sales offices.

Section 20. The name "Lake Adger Subdivision", or any similar use of said name is the sole and exclusive property of the Developer and cannot be used by any homeowner other than as used for this development, but may be used by the Developer as it sees fit.

Section 21. Dog houses or dog pens may be allowed on any lot subject to the express written permission of the Developer and must be located behind the house, not visible from the road.

Section 22. All garbage cans or pails must be hidden from view.

Section 23. The use of motorized lawn mowers, lawn tractors, grass trimmers, garden tillers, chain saws and other motorized (including, but not limited to, electric and gasoline-powered engines) lawn and garden maintenance equipment shall be prohibited before 8:00 o'clock a.m. and after 8:00 p.m. on all days of the week except for Sundays. No such mechanized or

motorized home accessories as stated within this paragraph shall be used on Sundays for any reason when such use is objectionable to other property owners or developer.

Section 24. No lawn furniture or decorative items, such as statuettes or renderings of animate or inanimate objects, shall be maintained in the front or side yards of any Lot unless shielded from view by landscaping, a fence or a wall and approved in advance in writing by the Developer or the Association.

Section 25. Bedding material, plastic sheets, towels or other similar non-standard window treatments shall not be hung or placed in or on any window on any dwelling located on any Lot, except on a short-term, temporary basis.

Section 26. Garden areas shall not be visible from any subdivision road or from the Lake Adger trails.

Section 27. No fuel tanks or similar storage receptacles may be exposed to view and may be installed only with the main dwelling house or unit, within the accessory building or within a screened area or buried underground. No window air conditioner shall be visible from the road.

Section 28. No satellite TV antenna or dish and no swimming pool shall be placed upon any lot in the subdivision until approved by the Developer or its designated representative. Any pool approved must be an in-ground pool.

Section 29. No flagpole shall be erected upon any lot or attached to any structure upon any lot and no flag shall be flown for any reason at any time upon any lot or structure unless the Developer shall approve in writing any such flagpole to be erected or any such flag to be flown.

Section 30. In the event a dwelling on any lot is damaged or destroyed, and the Owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the Developer or Homeowners Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the dwelling until paid by the Owner and may be foreclosed in the same manner set forth in Article IV for liens for assessments.

Any dwelling which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and to the By-Laws of the Association.

The Association shall maintain adequate grounds liability and fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall:

- (a) Name the Association as an obligee;
- (b) Be written in an amount equal to at least 20% of the estimated annual operation expense of the Association, including reserves;
- (c) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 31. All utility service lines, including cable television from existing streets, poles or rights of way, shall be installed underground to any dwelling or other structure located on any lot, unless otherwise approved by the Developer.

Section 32. No owner or subsequent owner of any lot purchased from the Developer, or derived through the chain of title of the land owned by Developer, shall grant an easement or right of way across his lot or tract for any reason at any time to any person, individual or entity other than the Developer, its successors and/or assigns, unless the same shall be approved in writing by the Developer.

Section 33. Tent and open air camping on lots or tracts within Lake Adger Subdivision, Phase I, Section H, is permitted only under the following conditions:

(a) A driveway must be constructed on the lot and finished with gravel and culverts as needed to access a single campsite that is at least 30 feet from all lot lines and road rights of way.

(b) Campsites may not be occupied overnight by more than a total of 6 persons, unless all such persons are members of the owners' immediate family.

(c) Campsites may not be rented under any circumstances.

(d) Upon approval of plans by the Developer, a screened picnic shelter or open shelter for a picnic table may be constructed in an approved camping area, but no other structure may be constructed without approval of the Developer.

Picnic tables and properly constructed stone or brick barbecue grills may be left on the lot, but all other camping equipment must be removed when the site is vacated.

(e) All fires will be contained in a properly constructed firepit or stone fire ring and thoroughly extinguished from the site as vacated.

(f) Campsites must be maintained free of trash and debris and should an owner or guest fail to properly clean the site prior to vacating, the Developer shall have the right to enter the campsite for the purpose of cleaning it up and the owner shall pay a minimum charge of \$100.00 for such cleanup.

(g) Campsites may be occupied by guests of the owner only when the owner is present.

(h) At such time as 50% of the lots adjoining the Lake Adger contour line of 925' elevation have a house constructed on them, no further camping shall be permitted, unless specifically approved by a majority vote of the Association or the Developer.

Section 34. The Developer hereby reserves the right and easement benefiting Developer and the Association and burdening the Properties to go upon any Lot or other portion of the Properties in order to replant any trees, shrubs or other vegetation removed in contravention of the terms of this Declaration or to otherwise correct any nonconformity with or violation of this Declaration including, without limitation, removing any fence or other impediment maintained within the Equestrian Easement Area which violates the terms of this Declaration. Should Developer or the Association exercise its easement rights pursuant to the terms of this Section 34, the Owner of the nonconforming Lot shall reimburse Developer or the Association (as applicable) within five (5) business days following the submission of an invoice for any costs or expenses incurred by Developer or the Association. The exercise or non-exercise of the easement rights contained in this Section 34 shall be subject to the discretion of the Developer and the Association and neither Developer nor the Association shall have the obligation to exercise such rights.

The Developer and/or the Association shall have the authority, but not the obligation, in its sole discretion, to assess penalties against an Owner who cuts, damages, or removes any trees, shrubs or other vegetation (i) from any part of the Common Area, or (ii) from any Lot (including, without limitation, any portion of the Peripheral Tract), contrary to the provisions of this Declaration. The penalties authorized by this Section 34 as well as the expenses to be reimbursed, shall be considered Special Individual Assessments against the respective Owner's Lot, entitling the Association to the assessment collection remedies specified in Article V of this Declaration.

Section 35. The Recreational Easement restricts the use of the waters of Lake Adger, including without limitation, as follows:

(a) **Pollutants.** Neither Developer nor any Lot Owner shall place, store, locate or dispense on or transport to, upon or through the waters of Lake Adger any toxic, carcinogenic, radioactive or otherwise hazardous chemicals or other hazardous materials or contaminants (other than small amounts of gasoline and motor oil necessary for the operations of watercraft). In addition, no watercraft shall be moored within the waters of Lake Adger if such watercraft is

equipped with a through hull or overboard discharge toilet which has not been certified by the United States Coast Guard as an approved marine sanitation device.

(b) Watercraft. Except for pontoon boats, no watercraft powered by an engine with over sixty (60) horsepower shall be permitted on the waters of Lake Adger. Pontoon boats powered by an engine with up to eighty (80) horsepower may be operated on the waters over Lake Adger. In no event shall any personal watercraft or similar watercraft, speed boats or other high performance boats or watercraft be permitted to operate on the waters over Lake Adger pursuant to the Recreational Easement.

(c) Debris. Lot owners and the Developer shall have the right (but not the obligation), at his or its sole cost and expense, to remove debris, including trees, limbs, wood and other materials. From Lake Adger and that portion of the Peripheral Tract over which such lot owner shall have an easement.

(d) Alteration of Shoreline. No sea wall shall be activities take place which alter the shape of the shoreline at or below the normal pond elevation of 911.6 feet above mean sea level.

Section 36. The Developer hereunder reserves the right, but does not create the obligation, to transfer all powers and duties reserved herein to a Homeowners Association, except that the Developer alone shall retain the right to modify these restrictions and upon conveyance to a Homeowners Association of rights hereunder retained, Developer shall continue to retain the right to overrule any decision by a Homeowners Association, when Developer deems that such is necessary and appropriate in its sole and uncontrolled judgment and discretion to facilitate development of the property.

Section 37. A Homeowners Association has been formed by the Developer and all Lot or tract owners shall be obligated to become a member of such Homeowners Association. The Developer shall remain a member of the Homeowners Association so long as it continues to own or offer property for sale in the development and shall pay no membership assessments or dues.

The purpose of the Homeowners Association shall be primarily for the maintenance of the private roads and common area property of Lake Adger Subdivision, Phase I, Sections A, B, C, D, E, F, G, H and J together with any and all additional private roads and common area property which shall be dedicated to the Owners of lots or tracts in Lake Adger Subdivision.

So long as the Developer owns any lot, tract or portion of the Properties, the members of the Board of Directors of the Association shall be appointed by the Developer. The number of members of the Board of Directors shall be as set forth in the Bylaws. At such time as Developer owns no lot, tract or other portion of the property, then the members of the Board of Directors shall thereafter be elected by a vote of the Association members in accordance with the Bylaws. Provided, however, that Developer may choose, in its sole discretion, to relinquish its right to appoint the members of the Board of Directors prior to the time that it owns no portion of the Properties, whereupon the Association members shall thereafter elect the members of the Board of Directors in accordance with the Bylaws.

First year homeowners dues shall be Two Hundred and no/100 (\$200.00) Dollars, payable by owners of record as of January 1 of each calendar year.

The Developer shall appoint a Homeowners Association Manager for an initial term not to exceed five (5) years.

The Homeowners Association management's compensation shall not exceed twenty (20%) percent of the total Homeowners Association dues.

Section 38. In the event any Court Proceeding is instituted for the purpose of enforcing these restrictions, whether by a Lot Owner or by Developer, then the prevailing party shall recover, as a cost of such action, his entire expenses and costs, including attorney's fees.

Section 39. The Developer, its heirs and assigns, or any purchaser of a lot in the subdivision shall have the right to enforce compliance with these restrictions and covenants.

Section 40. Nothing contained herein shall restrict or prohibit the mortgaging of any lot or the passage of title under any mortgage foreclosure; nor shall anything herein be determined to apply to or affect the transfer of title by will or under the intestate laws. However, the purchasers at any foreclosure sale and the heirs and devisees of any owners, after acquiring title by foreclosure, demise or under the intestate laws, and their successors in title, shall be bound by the provisions of this Declaration as to any subsequent sale or transfer of said Lot.

Section 41. The Developer herein reserves the right to modify, change or cancel any or all of the these restrictions and covenants as it, in its sole and uncontrolled discretion and judgment, may deem necessary for future use or development of the land.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer or his successor, the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and/or assigns, for a term ending December 31, 2018, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless instruments signed by the then Owners of two-thirds (2/3) of the lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. The President of the Homeowners Association shall be required to verify the signatures and certify his/her verification on any changes so approved and filed in the Courthouse.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity. Said covenants and restrictions shall run with the land and the Developer, the Property Owners Association, any purchaser, their heirs, successors and/or assigns shall have the right to proceed against any party violating or attempting to violate any article or section herein, either to restrain a violation or to recover damages against any person or persons, corporation or other entity and to enforce any lien created by these covenants. a waiver or estoppel for any future violation or enforcement thereof.

Section 4. Severability. Invalidation of any one of these covenants and restrictions by judgment or Court order shall in no way effect any other provisions which shall remain in full force and effect.

Section 5. Lease of Lots. Any permitted lease agreement between an Owner and a Lessee for the lease of such Owner's Lot shall provide that the terms of the Lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and By-Laws of the Association and that any failure by the Lessee to comply with the terms of such document shall be a default under the terms of the lease.

Section 6. Delegation of Use. Any owner may delegate, in accordance with the applicable by-laws of the Association, his rights of enjoyment of the Common Areas and facilities to the members of his immediate family, guests, his tenants, or contract purchaser, provided that every such delegatee shall reside upon the Property or be accompanied by the Owner.

ARTICLE VIII

MARINA BOAT SLIPS – RECREATIONAL EASEMENT

Section 1. Recreational Easement. Pursuant to a Special Warranty Deed from Duke Power Company recorded in Book 237, Page 1876 in the Polk County Registry, Developer was deeded certain easement rights pertaining to the use of Lake Adger ("Recreational Easement") which were reserved by Duke Power Company in a Special Warranty Deed from Duke Power Company to Northbrook Carolina Hydro, L.L.C., recorded in Book 237, Page 1416 in the Polk County Registry.

(a) The Developer hereby partially assigns to the Owners the following rights and easements set forth in the Recreational Easement:

- (i) each Owner shall have the right, subject to the terms, conditions and restrictions set forth in the Recreational Easement and elsewhere in this Declaration, to swim, fish and boat in the waters of Lake Adger; provided however, that owner's access to Lake Adger shall only be through and by use of the common ramp easement area at the area known as the Red Barn Landing, and owner shall not access the waters of Lake Adger from any other point of said lake's shoreline; and
- (ii) the Developer shall designate in deeds, and by separate marina Boat Slip Certificates, to Owners of certain designated lots an interest for the use of a boat slip at a designated marina constructed by the Developer, it being understood that the Developer is only allocated a limited number of marina slips and Developer shall have the sole authority to designate which lots shall receive a marina boat slip. The interest in a marina boat slip shall be appurtenant to the particular lot or tract to which it is granted and such right or interest shall not be separated from or conveyed apart from said lot. Marina boat slip holders shall be responsible for the payment of their share of the cost of maintenance associated with the marina, including without limitation any reasonable fees, costs, taxes, assessments, and/or expenses established by the Developer or homeowner's association for the use and maintenance thereof, along with any assessments payable to Northbrook Carolina Hydro, L.L.C. or its successors and assigns pursuant to Paragraph 2(b) of the Recreational Easement and/or to the Developer or Association pursuant to Article IV, Section 3 of this Declaration. Any marina boat slip holders who fail to pay any assessment or other amount owed hereunder shall be subject to a Special Individual Assessment pursuant to Article V of this Declaration which shall constitute a lien on such holder's lot until paid, as more particularly described in Article V, Section 1 of this Declaration.

(b) Use of the Recreational Easement rights in Lake Adger partially assigned pursuant to Section 1(a) above shall be subject to the following:

- (i) the terms, conditions and restrictions set forth in the Recreational Easement recorded in Book 237, Page 1416, Polk County Registry, including, without limitation, the payment of any assessments due thereunder;
- (ii) rules and regulations for use promulgated by the Developer or the Association; and
- (iii) all laws, statutes, ordinances and regulations of all federal, state and local government bodies having jurisdiction thereon.

ARTICLE IX

EFFECT OF MODIFICATIONS ON ORIGINAL DECLARATION

It is the express intent of the Developer that the restrictions and covenants set forth and this Supplemental Declaration shall modify and amend the original Restrictions as recorded in Book 241 at Page 120 of the Polk County Registry. However, except as the original Declaration of Covenants and Restrictions shall be amended and modified by this Supplemental Declaration, then said original Declaration of Covenants and Restrictions shall continue to govern and restrict the real property described in Article II hereof. In the event a question shall arise as to the interpretation of the original Declaration as compared to the Supplemental Declaration, then this Supplemental Declaration shall control in all events.

INWITNESS WHEREOF, the undersigned has caused this instrument to be signed and sealed by its duly authorized officers or agents, pursuant to due resolution of its Board of Directors, as of the day and year first above written.

LAKE ADGER DEVELOPERS, INC.

(Corporate Seal)

By [Signature]
James R. Smith, President

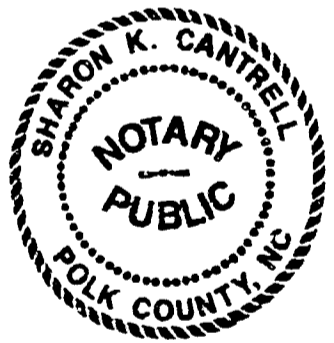
State of North Carolina

County of Polk

I, Sharon K. Cantrell, a Notary Public of the County and State aforesaid, certify that JAMES R. SMITH personally came before me this day and acknowledged that he is President of LAKE ADGER DEVELOPERS, INC., a South Carolina Corporation and that he as President, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this 30th day of April, 2001

My Commission Expires: 9-29-03 Sharon K. Cantrell (Seal)
Notary Public



NORTH CAROLINA, POLK COUNTY

The foregoing certificate of Sharon K. Cantrell

Notary Public/Notaries Public is/are certified to be correct. This instrument was filed for registration on the 16th day

of May, 2001, at 2:08 o'clock

P M., and recorded in this office in Book 272,

Page 118. Shudaw Whitman
Register of Deeds