

AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, AND RESERVATIONS

Wolf Laurel Road Maintenance and Security Homeowner’s Association, Inc.

63 Village Lane
Mars Hill, NC 28754

THE 2015 AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, AND RESERVATIONS OF THE WOLF LAUREL ROAD MAINTENANCE AND SECURITY HOMEOWNER’S ASSOCIATION, INC. AND, BEGINNING DECEMBER 27, 2012 AS SUCCESSOR DECLARANT IN INTEREST TO ALL ASSETS, WHETHER TANGIBLE OR INTANGIBLE, OF BALD MOUNTAIN DEVELOPMENT CORPORATION.

KNOW ALL PERSONS BY THESE PRESENTS,

Wolf Laurel Road Maintenance and Security Homeowner’s Association, Inc., its successors and assigns, (“The Association”) is the successor declarant in interest to Bald Mountain Development Corporation (“BMDC”). BMDC was the owner of certain real property in the State of North Carolina, that is generally described in Articles II and III of this Declaration and which property may hereinafter be referred to as Wolf Laurel Resort or Wolf Laurel or the Wolf Laurel Development.

WHEREAS, the real property in Wolf Laurel covered by this Declaration is endowed with superlative, natural and unspoiled beauty which requires proper development and restrictions to retain its beauty, and

WHEREAS, the maintenance of such beauty is of great benefit to Wolf Laurel and to the present property owners and persons who may buy, reside in, or lease property within Wolf Laurel, and

WHEREAS, the original Declaration of Protective Covenants, Restrictions, and Reservations applicable to Wolf Laurel was filed in the public record in Madison County Registry in Deed Book 97, Page 344 and in Yancey County Registry in Deed Book 139, Page 120 and subsequent amendments appear of public record in the Madison County Registry in Deed Book 98, Page 412; Deed Book 190, Page 393; Deed Book 284, Page 776; Deed Book 409, Page 749; Deed Book 477, Page 688 and in Yancey County Registry in Deed Book 139, Page 143, in Deed Book 228, Page 48; Deed Book 228, page 48; Deed Book 404, page 562; Deed Book 601, Page

705, and elsewhere; and while this Amended Declaration presents some new ideas, processes, and procedures, it generally incorporates and retains pertinent language and intent from the original Declaration on October 31, 1966, and the Amendments of January 10, 1991, and July 26, 2002, and any other amendments, and

WHEREAS, the Board of Directors of the Association has determined that it is in the best interests of the Association and of all property owners within Wolf Laurel that the prior Amended and Restated Declaration of 2002 be amended and the prior amendments be combined in certain particulars, to reflect the Association as the new owner of certain property within Wolf Laurel Resort and as the successor in interest to all declarant rights, title, and interest of the BMDC, exclusive of any liability, but specifically including the rights, powers, and authority to set and enforce all protective covenants, restrictions, and reservations that BMDC had, and to enforce those protective covenants, restrictions and reservations in this Declaration, or as may be later amended or adopted by the Association; and seeking to include, merge, and to clarify any ambiguity regarding the voting requirements for special assessments, and to simplify any prior protective covenants and reservations incorporating any needed and beneficial changes to protect and preserve the interests of property owners in Wolf Laurel and to maintain the natural and unspoiled beauty of Wolf Laurel, and

WHEREAS, this Declaration shall be effective when signed and recorded and shall apply to all property, property transactions, building permits, and other specified and related actions, and whereby the Association desires that all current and future owners at Wolf Laurel be bound by these restrictions, and

WHEREAS, all current and future owners at Wolf Laurel shall be bound by this Declaration;

NOW, THEREFORE, for the purpose of protection of all the property owners in Wolf Laurel and for the purposes above set forth, the Association does hereby declare that the real property described in Articles II and III is and shall hereafter be subject to this Declaration as well as the Architectural Guidelines, which by reference are adopted and incorporated herein; and this Declaration and Architectural Guidelines shall be considered to be included in and binding upon all real property therein, and conveyances, transfers, and leases of all and any part of such real property and property owners in Wolf Laurel whether or not specifically mentioned therein, unless specifically exempted herein.

ARTICLE I

DEFINITIONS

For the purpose of this Declaration, the following terms will have the meanings and definitions set forth below:

- 1.1. "Annual Road Assessment" shall mean those funds regularly collected from Lot Owners and Owners to be used for the improvement, paving, drainage, maintenance, and repair of Common Roads; directional signage (both on and off of Wolf Laurel); the establishment of a maintenance and repair reserve account; payment of taxes, insurance, legal, accounting, and clerical expenses; and other reasonable and necessary expenses associated with the foregoing; and for other purposes and obligations of the Association as are necessary or required to carry out the purposes herein or permitted in this Declaration; and as may be permitted by the laws of the State of North Carolina.
- 1.2. "Annual Security Assessment" shall mean those funds regularly collected from Lot Owners and Owners to be used for the operation of security at Wolf Laurel Resort. This includes, but is not limited to, the guard house(s), gates, improvement, maintenance, and repair of the existing Wolf Laurel Resort entrance area at the guard house and establishment of a maintenance, repair and reserve account. The Annual Security Assessment is also for the payment of taxes, insurance, legal, accounting and clerical expenses and other reasonable and necessary expenses associated with the foregoing, and as may be permitted by the laws of the State of North Carolina. Security shall be provided by a twenty-four hour security system by the use of one or more gates and guard houses manned or electronically monitored, and such other measures as may be adopted by the Board.
- 1.3. "Architectural Guidelines" shall mean the Architectural Guidelines approved by the Board which set forth in more complete detail portions of the covenants, restrictions, reservations, and requirements of this Declaration. and any amendments thereto.
- 1.4. "Architectural Review Board" or "ARB" is an agency of the Association charged with such duties to maintain and enforce all covenants, restrictions, and reservations as may be assigned to it by the Board, which duties may include those duties set forth in the Architectural Guidelines.

- 1.5. "The Association" shall mean Wolf Laurel Road Maintenance and Security Homeowner's Association, Inc., a North Carolina non-profit corporation with its principal place of business presently located at 63 Village Lane, Mars Hill, Madison County, North Carolina and any successors or assigns of said Association.
- 1.6. "Common Roads" shall mean and refer to the roads depicted on any plat of the property recorded by Bald Mountain Development Corporation and its successors, including Wolf Laurel Road Maintenance & Security Homeowner's Association, Inc., that provide ingress and egress to any Lot. Common Roads do not include easement lanes to specific lots that are not intended for community access. Driveways are not common roads.
- 1.7. "Declaration" shall mean this Amended and Restated Declaration of Protective Covenants, Restrictions, and Reservations, and includes, to the extent not inconsistent with this Declaration, the prior declarations of protective covenants, restrictions and reservations that have been previously recorded in the offices of the Register of Deeds of Madison County, North Carolina and/or the Register of Deeds of Yancey County, North Carolina, and all amendments thereto.
- 1.8. "Driveway" shall mean a roadway which only serves one residence or group of residences or lots which is not shown within an area depicted as a Common Road on a recorded plat.
- 1.9. "Golf Course" shall mean the property used by WLCC as a golf course which is a permitted use under the "Sports Area" classification in paragraph 3.8 herein.
- 1.10. "Lot" shall mean a parcel of land which is shown upon a recorded plat or described in a recorded deed, or other recorded document as a lot or parcel of land, or area, unit, or a space or an interest in a premises as shown by the records in the offices of the Register of Deeds of Madison County, North Carolina and/or the Register of Deeds of Yancey County, North Carolina, which is (1) owned, used for or intended or designated for use for residential or dwelling purposes only, or (2) owned, used or intended to be used by a non-profit club, non-profit membership entity, or non-profit homeowners' association or similar organization, or (3) is owned or used by the Association.

- 1.11. "Lot Owner" shall mean and refer to the owner or owners of record title to any Lot or parcel of land, or area, unit, or a space or interest in a premises covered by this Declaration situated in Wolf Laurel Resort containing a single-family residence or a Lot which is limited to development of a single family residence. The dwelling unit may be any single-family residential dwelling constructed on or within a Lot or Lots, whether attached or detached.

"Lot Owner" shall not include a person or a corporation taking title as security for the payment of money or the performance of any obligation.

- 1.12. "Majority Vote by Lot Owners" as used in this Declaration shall mean approval by the vote of a majority of the Lot Owners who cast a vote. To be eligible to vote, a Lot Owner must be fully current in payment of all assessments.

Each eligible Lot Owner shall be entitled to two votes for each separate Lot or combination of Lots, if combined for assessment purposes, that contains a residential dwelling.

Each eligible Lot Owner shall be entitled to one vote for each separate Lot or combination of Lots, if combined for assessment purposes, that does not contain a residential dwelling.

If a Lot Owner owns Lot(s) that are fully current in payment of all assessments and also Lot(s) that are delinquent in payment of any assessments, the Lot Owner is permitted to vote for each separate Lot or combination of Lots that is fully current in payment of all assessments. A Lot Owner shall have no vote for the delinquent Lot(s).

- 1.13. "Owner" as used in this Declaration shall be an all inclusive term embracing "Lot Owner" and any Owner of a "Lot" as defined in paragraph 1.10 above.

- 1.14. "Parcel Assessment" shall mean any assessment charged to an Owner pursuant to this Declaration for services and costs that relate solely to that Owner's property.

- 1.15. "Right of Way" shall be the area on Common Roads that extends 30 feet on each side of the centerline of a platted and recorded roadway, unless shown differently on maps or plats or such.

- 1.16. "Special Roads or Security Assessment" shall mean those funds collected from Owners to be used for the improvement, paving, maintenance, drainage, or repairing of Common Roads that have deteriorated, due in part, to usage and age. The funds may also be used for extraordinary or major expenses or emergencies arising from a sudden or unanticipated catastrophe reasonably

related to the security of Owners and other property owners or the ability of Owners and other property owners to access their property along the Common Roads. Funds raised by a special assessment must be used specifically for the declared need for the special assessment.

- 1.17. "WLCC" shall mean The Wolf Laurel Country Club, Inc., a North Carolina non-profit corporation with its principal place of business presently located at 2608 Wolf Laurel Road, Mars Hill, North Carolina, and any successors or assigns of said WLCC and all property owned by it in Wolf Laurel.
- 1.18. "WLPOA" shall mean Wolf Laurel Property Owners Association, Inc., a North Carolina non-profit corporation with its principal place of business presently located at 91 Village Lane, Mars Hill, Madison County, North Carolina and any successors or assigns of said WLPOA and all property owned by it in Wolf Laurel.
- 1.19. "Wolf Laurel Resort", "Wolf Laurel", or "Wolf Laurel Development" may be used interchangeably in this Declaration and shall mean the property which is described in Articles II and III. The boundaries thereof are generally described in paragraph 2.1, and any other recorded inclusions with the exception of that property that may have been exempted from coverage of the Declarations in subsequent deeds from BMDC or its successor.
- 1.20. "Wolf Laurel Road Maintenance and Security" or "RMS" shall mean Wolf Laurel Road Maintenance and Security Homeowner's Association, Inc., a North Carolina non-profit corporation with its principal place of business presently located at 63 Village Lane, Mars Hill, Madison County, North Carolina and any agents, successors or assigns of said Association. The Wolf Laurel Road Maintenance and Security Homeowner's Association Board of Directors hereafter may be referred to as the "Board" of the Association.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION, CLASSIFICATION OF LAND

- 2.1. The real property that is and shall be subject to the protective covenants, restrictions, and reservations contained in this Declaration is situated in the State of North Carolina. The boundaries thereof are described and set forth in Schedule A and Amended Schedule A which are attached and incorporated in the original Declarations recorded in Madison Country Registry of Deeds,

Deed Book 97, Page 344 and amended at Deed Book 98, Page 412 and recorded in Yancey County Registry of Deeds at Deed Book 139, Page 120 and amended at Deed Book 139, Page 143, and elsewhere. The real property subjected to this Declaration may also be shown in Yancey County Registry Map Book 1, Pages 6A, 87, 88, 125, 127, 128, 129, 130, 131, 132, 133, 134, 135, 190, 200, 201, 202, 203 and Map Book 2 Pages 3, 13A, 39A, 51A, 52A, 53A, 54A, 55A, 56A, 57A, 58A, 59A, 60A, 70A, 152A, 156A, 161A, 162A, 190, 191A, 193A, 195A, 196A, 197A, 12B, 14B, 49B, 71B, 81B, 99B, 102B, 103B, 112B, 152B, 156B, and 161B and Madison County Registry Map Book 2, Pages 14, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 82, 83, 85, 87, 89, 90, 91, 93, 95, 97, 99, 103, 107, 108, 109, 111, 113, 119, 120, 121, 138, 142, 182, 188, 190, 197, 199, 200, 203, 211 and Map Book 3, Pages 10, 11, 28, 30, 31, 32, 33, 42, 43, 45, 51, 52, 75, 78, 109, 110, 114, 116, 119, 120, 123, 130, 132, 148, 151, 154, 158, 169, 173, 179, 180, 181, 185, 189, 210, 211, 255, 263, 337, 352, 354, 383, 410, 609, and 933, and elsewhere. Only in the event that any property set forth on a Schedule A or Amendment has been specifically exempted from coverage by BMDC or the Association, its successors and assigns, shall this Declaration not be binding on a specific lot or parcel. In addition, if the owner(s) of real property, not presently contained in a Schedule A or Amendment, and the Association jointly agree to include that real property in Wolf Laurel Resort, Schedule A shall be deemed amended when such an amendment signed by such owner and the Association is recorded in the applicable county in North Carolina.

- 2.2. The Association declares that the real property including all real property described in paragraph 2.1 above, heretofore owned by BMDC as encompassed within the Wolf Laurel Development as shown on plats of the subdivision of record in Madison and Yancey Counties, North Carolina, has been and is subject to this Declaration and the protective covenants restrictions, and reservations herein and shall hereafter be subject to the same unless specifically exempted. All such protective covenants, restrictions, and reservations shall be considered to be included in all conveyances, transfers, and leases of any part of such real property whether or not they may be specifically mentioned therein. This Declaration shall be imposed upon and shall apply to any property, parcels, or Lots within Wolf Laurel resold by Owners by specific reference to recorded plats or deeds showing the property intended whether or not restricted.
- 2.3. Within Wolf Laurel Resort, the various lots, parcels, and strips of land are hereby set aside, established and classified for the general purposes described in Article III and otherwise. Such designations include the following:

Common Roads, private residential area lots, Common Parks, lodging, Sports Area, utility line areas, properties having a non-residential use such as private recreational, athletic and social clubs, premises of property owners' associations, the Village and other parcels owned by WLPOA for its related activities, and the parcels owned by WLCC for its related activities.

ARTICLE III

PROTECTIVE RESTRICTIONS FOR PARTICULAR AREAS

Application of these Protective Covenants, Restrictions, and Reservations may vary according to definitions provided in Article I and designations or classifications of land provided in Article II. The particular uses to which certain land classifications may be put and the protective covenants, restrictions, and reservations which apply thereto are as follows:

3.1. Use of Common Roads.

A. The Association recognizes that (1) development, repair, and maintenance of the road system within Wolf Laurel Resort is a necessity for the safety and welfare of the community and a significant factor in promoting the property values of all Owners, (2) vehicles from outside Wolf Laurel Resort may be permitted to use the Common Roads of Wolf Laurel Resort for access to lots in Wolf Laurel Resort and also for access to neighboring developments and groups of property owners, and (3) vehicle traffic inevitably damages the Common Roads in Wolf Laurel Resort. Accordingly, the Association reserves the right to impose impact fees, storm water damage fees, ditch maintenance fees, use fees, capital reserve fees, and any other reasonable fees as may be determined by the Board from time to time.

B. It is the intent of the Association that with regard to the Common Roads in Wolf Laurel Resort owned or controlled by the Association, persons using the Common Roads for any purpose shall pay an appropriate and reasonable amount for the establishment, continued upkeep, maintenance, and repair of the Common Roads irrespective of whether the person is an Owner or not. Owners shall pay in accordance with the assessment provisions in Article XI. All others shall be charged fees as may be determined by the Board.

C. Within the areas designated as Common Roads, all Lot Owners and their guests, unless specifically excluded herein, shall have the right to travel in vehicles at speeds set forth in paragraph 3.3.

D. Use of the Common Roads by persons not having easement rights for use thereof shall require the agreement of the Association, its successors and assigns.

- 3.2. Vehicle Definition. Vehicle is defined as an automobile, truck, van, or other motorized method of transportation with at least 4 wheels, and trailers, which requires a license to operate on the public roads. The following modes of transportation are not considered vehicles and are not permitted on Common Roads or rights-of-way at Wolf Laurel Resort: motor bicycles, all-terrain vehicles (ATV's) of any type, go-carts, snowmobiles, or similar modes. Motor homes, travel trailers, and motorcycles may be permitted on the Common Roads or rights-of-way to and from a private residence or parking space approved by the Association but not on a daily basis. Such use requires a special permit or permission from the Association and/ or security personnel on duty at the security gate.
- 3.3. Speed Limits and Traffic Control Signs. "Reasonable speeds" shall be the speeds as posted for the Common Roads. In the absence of posted speeds, no Vehicle shall exceed a speed of 25 mph on paved roads, 20 mph on main gravel roads, and 15 mph on one-lane feeder gravel roads. All persons who use Wolf Laurel Resort Common Roads shall obey all posted traffic control signs and devices. Special care shall be used at locations where the Common Road intersects with golf course traffic.
- 3.4. Parking on Common Roads. Parking or placing any object such as a vehicle, trailer, container, construction materials, or any similar transport or storage device on any Common Road or right-of-way shall not be permitted. Under special or emergency circumstances, permission may be granted to park or place an object as above, temporarily on a Common Road when adequate space to pass is available (example: when a vehicle has mechanical problems). The Association reserves the right, either itself or by the use of private contractors, to move or remove any object parked or placed in violation of this section after due notice to the property owner, owner or lessee of the object. Objects may be moved to a designated impound area with removal costs and storage fees assessed to the owner and/or lessee. "Due notice" is defined as written notice to remove the object which shall be attached to the windshield or body of the said object, or to the main entrance door of the owner's and/or lessee's residence or other building. Verbal notification to a person reasonably understood to be the owner and/or lessee of the object shall also constitute due notice. Attempts to give notice by any one of the aforementioned methods shall constitute sufficient notice to

remove the offending object. Any offending object may be moved without notice should exigent or emergency circumstances exist.

- 3.5. Encroachment on Common Roads. The building, replacing, planting, or maintaining of signs, fences, berms, ditches, rocks, trees, plants, shrubs, or any driveway entrance features such as rock posts or lights, or anything that encroaches into the Common Roads or right of way shall not be permitted except by prior approval from the Association or the ARB. The Association and ARB shall not be responsible for any damages involving its road equipment, machinery, or vehicles, such as road graders, snowplows, etc. where there is any encroachment. The owner of such property assumes all risk and responsibility for such damage to his or her property and to the property of the Association, whether approval was granted or not.
- 3.6. Skier Restrictions. The roads in Wolf Laurel Resort are for the use of Lot Owners and Owners and their guests. Day skiers [those who do not spend the night in accommodations in Wolf Laurel] shall not be permitted on roads other than directly to and from the ski area. Skiers, not a Lot Owner's guest or invitee, who spend the night at any residence in Wolf Laurel Resort are only permitted to traverse those roads directly to and from the ski area, the residence, and the gate.
- 3.7. Common Parks. Within the areas designated as Common Parks, there shall be permitted such gardens, trees, and general park facilities as may from time to time be determined by the Association. Buildings for common use by Lot Owners may be erected in such areas upon application to and approval by both the ARB and the Board.
- 3.8. Sports Areas. Within the areas designated as Sports Areas, there shall be permitted the same type facilities as are permitted in Common Parks, together with such tennis courts, golf course, swimming pools, and other recreational facilities as may be approved by the Association. Such areas are subject to this Declaration and the Architectural Guidelines unless specifically exempted.
- A. The Golf Course. The Golf Course is generally subject to this Declaration. However, the Golf Course is exempted from any of the provisions that would adversely impact the playability, maintenance or safety of the golf course and its associated activities except as provided herein. In addition, the course is exempted from:

(1). The ARB tree requirements regarding tree trimming, cutting, and clearing to the extent that the work is necessary for the normal upkeep and safety of the course, in which case the work does not require review, approval, permitting, and fees by ARB.

In the event that the planned work exceeds the above exception or could be perceived as “clear cutting” to an adjacent Owner’s property line, the tree removal provisions of paragraphs 4.2 and 4.3 of Article IV and paragraph 6.9 of Article VI herein and the applicable sections of the Architectural Guidelines shall apply.

(2). Golf Course improvements shall not require review, approval, permitting, and other fees by ARB however impact and road fees will still apply.

3.9. Property Owned by Non-profit Clubs and Membership Groups Classification.

In general, the restrictions and architectural standards shall apply to insure that appropriate standards are maintained to protect the integrity of Wolf Laurel Resort. These restrictions and standards are necessary to protect property values and to insure that exterior designs and landscaping are compatible with surrounding structures, along with the immediate neighborhood as well as the entire Wolf Laurel Resort property with its natural features and topography.

A. Use of Property Owned by the Wolf Laurel Country Club.

In conjunction with the provisions of 3.8A above, the property owned by WLCC is subject to this Declaration, but may be exempted by the Board from certain covenants, provisions, and restrictions and has the specific exceptions as stated below:

(1). Other than impact and road fees, the ARB provisions shall not apply to constructions, renovations, and modifications occurring in the interior of the existing Clubhouse structure.

(2). In the event that buildings or structures of any nature are to be constructed on the Golf Course that could significantly affect an adjacent Lot Owner’s view or physically impact an adjacent Lot, the provisions of Article IV herein shall apply. Some examples are storage buildings, maintenance facilities relating to the golf course equipment and operations.

B. Use of Property Owned by The Wolf Laurel Property Owners Association, Inc.

The property owned by WLPOA is subject to this Declaration but may be exempted by the Board from certain covenants provisions and restrictions.

- 3.10. Private Residential Areas. Within the areas designated as private residential areas or dwelling unit areas, the following restrictions and architectural standards shall apply to insure that appropriate standards are maintained to protect the integrity of Wolf Laurel Resort. These restrictions and standards are necessary to protect property values and to insure that exterior designs and landscaping are compatible with surrounding structures, along with the immediate neighborhood as well as the entire Wolf Laurel Resort property with its natural features and topography.

A. Use of Residential Lots and the protective covenants, restrictions and reservations that apply thereto.

- (1). Lots shall be used only for residential non-commercial purposes and are restricted to one family residing in a single-family dwelling. No multiple family dwellings shall be permitted such as duplexes, triplexes, etc. unless a special exception is obtained from the Association.
- (2). No residence may be used as or operated as a bed and breakfast (B&B), rooming, boarding house, or eatery. No use requiring any occupational license shall be permitted.
- (3). No Lot, parcel or building shall be used for a commercial purpose.

B. Building Size and Type limitations applicable to residential lots.

The following are requirements applicable to all construction and binding upon all Lot Owners covered by this Declaration:

- (1). Limits on Structure Types. No building shall be erected, altered, placed, or permitted to remain on any residential Lot other than:

- (a). Dwellings. One single-family dwelling not to exceed two and one-half floors in height and a maximum thirty-five feet from the finished floor level or crawl space to the peak of the roof, and,
- (b). Garages and Storage Buildings. A private garage for not more than three cars and/or an outside storage building meeting local building construction regulations and ARB rules.

(c). Building Size. Each one-story dwelling unit must exceed one thousand two hundred (1,200) square feet of heated living area. Each multi-story dwelling unit must have a minimum of one thousand (1,000) square feet of heated living area on the first floor.

(d). Set Back restrictions. No building shall be located on any residence lot nearer to the front lot line, or side line, or rear line than the following minimum building setback lines:

Front.....20 Feet

Sides.....25 Feet

Rear.....25 Feet

For the purpose of this paragraph, the front lot line is the longest lot line that abuts upon a common road or right-of-way.

(e). Parking Areas. Adequate improved off-street parking shall be provided for each Lot. This shall include spaces sufficient for the owner and other persons regularly residing in the dwelling.

C. Combining of Lots. The Board shall establish and publish a consistent policy with regard to combining of lots for assessment purposes.

3.11. Commercial Use. No property, Lot or parcel covered by this Declaration shall be used for a commercial purpose unless specifically permitted by the Board.

ARTICLE IV

ARCHITECTURAL REVIEW BOARD

All Lot Owners, and Owners and their contractors, unless specifically exempted or limited herein, are bound by the Architectural Guidelines adopted and approved in June, 2013, and as amended from time to time, that set forth in more detail the requirements for construction of and maintenance of all structures and property. The Architectural Guidelines are available at the office of the Association. Certain classifications of property may be specifically exempted from selected ARB provisions as may be set forth herein.

4.1. Architectural Review Board. The Architectural Review Board (ARB) shall consist of no less than five (5) persons appointed by the Board of the Association or designees of the Association. Members shall serve at the pleasure of the Board. Additional members may be appointed should the need

arise. The ARB shall establish, subject to the approval of the Board, bonds and fees as provided in 4.6 of this Declaration. Meetings shall be held when necessary to expedite business of the ARB. If so delegated by the Board, the ARB shall maintain and enforce all restrictions, reservations, and Architectural Guidelines in this Declaration, serving as the agents of the Association.

- 4.2. Plan Submission - No building, sign, facility, road, driveway, wall, or fence structure shall be constructed, erected, or excavated upon any property or Lot except in accord with specifications which have been approved in advance in writing by the ARB. Prior approval shall also be necessary for repairs, upgrades, or modifications that change the dimensions, the external appearance, or access to any existing building. Prior approval is necessary for modifications to an existing driveway, wall, or property that includes excavation, tree removal, or use of heavy equipment. All plans and changes thereto must be submitted in writing; certain forms of electronic submission may be deemed acceptable.
- 4.3. Construction, Building, and Tree Removal Plans. Plans and specifications for all buildings, walls, and construction must set forth in reasonable detail the type and quality of materials, a plot plan showing location of improvements to, or proposed improvements on the lot, drainage specifications, location of driveway, location of culverts and other drainage features, as well as a building plan showing pertinent dimensions and exterior appearance of projects when completed, a proposed tree removal plan as provided in Section 6.9 of this Declaration, and such other details as may be reasonably requested by the ARB. All applicable requirements of law must be followed.
- 4.4. Special Types of Construction. Structures which include pre-fabricated sections or components, component type or partially constructed type structures, including log homes, shall be permitted, provided plans for such structures are approved by the ARB, the structures are affixed on a permanent foundation, and are constructed to meet North Carolina and county building codes. The plans must include a detailed plan for delivery to the site and a detailed plan for placement and storage of the sections or components. All applicable requirements of law must be followed.
- 4.5. Review Process. ARB will use its best efforts to promptly review, as circumstances permit, all plans and specifications submitted. The ARB, and any persons authorized by the ARB, shall have the right to enter upon the subject property at any time for the purpose of conducting this review. The Owner should receive written approval, disapproval, or request for further information from ARB within thirty (30) days after submission of plans and

specifications. The ARB may require plan application fees, compliance/damage deposits, and the like. Additional fees may be imposed for proposed changes after the original submission.

- 4.6. Construction Bond or Fees. To protect private and common properties during construction and to repair damages attributable to a particular construction project, technique, or process related to the Owner's property, the ARB and/or Board is authorized to impose bonds and fees as set forth in the Architectural Guidelines
- 4.7. Permission to Proceed. Under no circumstances shall any clearing, construction, or other work proceed until after approval of plans and payment of all fees. The work shall be performed in conformance with the approved plans. Either alone, or in coordination with local building authorities, the ARB and/or Board shall have authority to issue a "stop work" order for any project which is deemed to be in "non-compliance" with approved permits, plans, or other regulations. Specific fines may be prescribed and imposed for violation of this section.
- 4.8. Special Conditions. Subject to Board approval, the ARB may impose additional restrictions, conditions, reservations, or requirements that may apply to a particular building or land use technique or process, property, or area.
- 4.9. Variances. The ARB and the Board shall have the authority to grant written variances for good cause upon the written application of any owner. Notice of the application for a variance shall be given to adjacent property owners providing them an opportunity to comment prior to the ARB or Board reaching a decision on the application.
- 4.10. Approval in Good Faith. Approval of plans by the ARB or the Board shall not constitute or be deemed a representation or warranty by the ARB or Board relating to the quality of materials, sufficiency of design, sufficiency or adequacy of engineering or construction techniques, adequacy of methodology, safety, good practice, compliance with requirements of law, or any other matter related to the improvements to be made in accordance with the plans. It is understood that approval of plans is for the limited purpose of ensuring compliance with this Declaration and nothing more.
- 4.11. Board and ARB Liability. Except for acts of gross negligence or willful misconduct, all protections under North Carolina law shall protect the Association, its Board, the ARB, its individual members, its agents,

independent contractors, and other persons entitled to perform the responsibilities of ARB or the Board hereunder; and they shall have no liability for damages or otherwise, or be subject to any claim or cause of action for damages, or any equitable relief from an Owner or any other person or entity. With respect to liability for gross negligence or willful misconduct, liability, and damages if any, shall be solely limited to actual, direct damages and shall not include liability for indirect, non-economic, consequential, speculative, or punitive damages. The Association will provide or pay for any attorney's fees and costs incurred by any past, present, or future director of the Association and the individual members of the ARB in the event any suit is brought in which such person is named as a party, relating to such person's action or inaction as a member of the Board or ARB.

- 4.12. Conflict between Covenants and Restrictions. In case of any conflict between this Declaration and the Architectural Guidelines adopted by the ARB, this Declaration shall govern.
- 4.13. Appeal or Review Procedure. The Board shall establish procedures for appeal to the Board from all decisions of the ARB. In addition, on its own initiative, the Board shall have the right to review any actions and decisions of the ARB.

ARTICLE V

UTILITY LINE AREA, OTHER STRUCTURES AND CELL PHONE TOWERS

- 5.1. Structures other than those permitted by this Declaration shall not be permitted.
- 5.2. Cell phone towers and similar structures shall not be permitted.
- 5.3. "Utility Lines" shall mean all water and sewer pipe lines which lie beneath the surface of the ground and also electric, telephone, and other wire, coaxial, or fiber optic lines with poles and other necessary appurtenances which run above or below the surface of the ground.

- 5.4. Utility Easement. Utility line areas shall consist of strips of land twenty feet in width, or such other width as shown on the plat plan, the center line of which is designated upon the plot plan as "water", "sewer", "proposed water", "proposed sewer", "utility", or, "proposed utility". Within such strips of land, the Association and its agents, successors and assigns shall have an easement for the purpose of installing, maintaining, and repairing utility lines, facilities, and services, which may include but are not limited to those necessary for water, sewer, electricity, gas, telephone, and cable TV services.
- 5.5. Utility Encroachment Prohibited. No buildings, structure, tree, or other object shall be built or maintained which shall encroach upon any utility line or easement area; and the Association shall have the right to remove all such buildings, structures, trees and objects from such areas and/or require the responsible party or Owner to do so.
- 5.6. Access to Utility Equipment. Access to utility easement areas shall be available to permitted and authorized persons seeking to install, maintain, and repair utility lines and facilities of all sorts, whether above or below the surface of the ground, and for the purposes of such access, installation, maintenance, and repair to reasonably enter upon any other property not designated as utility easements if necessary to effect such installations, maintenance, and repair.

ARTICLE VI

GENERAL PROTECTIVE RESTRICTIONS

- 6.1. Application. The following restrictions shall apply to and within all areas covered by this Declaration regardless of property classification, unless specifically exempted within this Declaration. All references to Owner in this Article shall include members of the Lot Owner's family and all Owner's guests, visitors, invitees, lessees, tenants, licensees, agents, employees, contractors, workers, and business guests. All such persons shall be subject to and shall obey all protective covenants and restrictions while on the property.
- 6.2. Knowledge of Restrictions. Each Owner is deemed to have knowledge of the contents of this Declaration and the Architectural Guidelines and is responsible for adherence to same.

- 6.3. Access to Document. This document has been filed in the official public records at the Madison and Yancey County Courthouses. One copy shall be provided at no charge to each Owner of record upon request; otherwise, standard fees for additional duplication may be imposed. The Association shall provide reasonable access for Owners to review a copy.
- 6.4. Exceptions to Restrictions. Temporary or permanent exceptions may be granted by the Association and its successors or assigns, but only after proper written application as required herein and approval thereof by the Board or its agents, successors or assigns.
- 6.5. Enforcement. The Association, its agents, successors, or assigns, shall have the authority to enforce any and all provisions of this Declaration and any amendments thereto and shall handle all actions concerning any charge of alleged violations of this Declaration, and shall establish and publish procedures for notification of violations of this Declaration, procedures for hearings, and establishment and enforcement of fines and penalties.
- 6.6. Continuing Liability of an Owner. The granting of a waiver of, or exception to, any restriction, covenant, or reservation either temporary or permanent by the ARB or the Association, their agents, or any other authoritative body, shall not relieve the Owner from liability for any negligent or intentional damage to the person or property of any other Owner.
- 6.7. Release from Liability. No liability or responsibility of the Association, or the ARB, their directors, officers, members, and employees shall result from granting any waiver, or granting any exception from enforcing the provisions of this Declaration and any subsequent amendments thereto.
- 6.8. Use of Private Property. Except as specified in this Declaration, the right to safe and secure use of one's private property shall not be abused or violated. Trespassing on private property is not permitted.
- 6.9. Trees, Foliage, and Fines. Every effort shall be made to maintain and save as many trees as reasonably possible to preserve the forest canopy, preserve the health of the tree, maintain the stability of the soil, and protect the watershed. There shall be no clear cutting of any lot or area. No land disturbance or tree cutting is permitted within the building setback areas. Trees eight (8) inches or greater in diameter at three (3) feet above the adjacent ground, located inside a thirty (30) foot perimeter of the footprint of a house (existing or proposed) may be limbed, topped, trimmed, or cut down without prior written approval of the ARB, unless any such tree is also located within the building setback, in

which case ARB approval is required. No trees eight (8) inches or greater in diameter at three (3) feet above the adjacent ground located outside a thirty (30) foot perimeter of the footprint of a house (existing or proposed) may be limbed, topped, trimmed, or cut down without prior written approval of the ARB.

Since it is impossible to restore a tree once it has been limbed, topped, trimmed, or cut down, specific fines for violation of the restrictions herein may be assessed in aggregate for a Lot (or Lots) or on a per tree basis. Fines may be doubled or trebled (if permitted by applicable law) for repeated violations by an Owner, his family, guests, agents, visitors, lessees, contractors, employees, or workers. In addition, the ARB may set specific additional fines or other actions for violations of this section by an Owner, his family, guests, agents, visitors, lessees, tenants, licensees, contractors, employees, or workers who are repeat offenders.

6.10. Public Safety. Fires, Fireworks, Firearms, and Hunting.

- A. Fires. Fires are a great hazard to all Owners in Wolf Laurel which if not properly controlled can have catastrophic results. Outdoor fires shall be controlled and are the responsibility of the Owner of the Lot where the fire is located. Permission must be obtained from the appropriate governmental authority, fire authorities and the Association or its designee prior to igniting any outdoor fire, other than a fire contained within an approved fireplace, fire pit, or similar structure. No outdoor fire may be left unattended. Obtaining burning permits is the responsibility of the Owner.
- B. Fireworks. Due to the danger of a forest fire, the possession, ignition, or displays of fireworks are not permitted in Wolf Laurel Resort unless under the supervision of a licensed operator and approved by the applicable fire control authorities and upon the written application to and approval by the Board.
- C. Firearms and Hunting. Firearms shall not be discharged on any property in Wolf Laurel, regardless of classification. Hunting is not permitted in Wolf Laurel Resort except upon written application to and approval by the Association.

6.11. Nuisances and Responsibilities of Owners, Tenants, or Guests. There shall be no obnoxious or offensive activities conducted on any property or in any area. No unsightly objects shall be displayed upon any property or in any area, nor any activity that is or may become an annoyance or nuisance or tends to endanger the health of any Owner shall be allowed. Owners shall be

responsible for any violations of this Declaration committed by those mentioned in paragraph 6.1 above. The following are specifically restricted or prohibited:

- A. Laundry. Maintenance of any outdoor laundry and drying areas and laundry equipment is prohibited.
- B. Lighting. Outside lighting can detract from the natural and wooded atmosphere at Wolf Laurel. Spotlights, area lights similar to street lights, lights on trees, and all lights, other than motion sensitive security lights which are automatically operated, shall be turned off by 11:00 p.m. No outdoor lights other than motion sensitive lights that are attached to a dwelling unit shall be installed without prior approval of the ARB.
- C. Livestock, Poultry, and Pets. No animals, including livestock or poultry of any kind, but excluding ordinary household pets, shall be raised, bred, or kept on any Lot. Dogs, cats, and other ordinary household pets may not be kept, bred, or maintained for any commercial purpose.
- D. Animal control. Owners are responsible for controlling their pets and animals at all times so that they shall not cause a disturbance or danger or be a nuisance or trespass on another Owner's property.
- E. Noise. Owners are entitled to the peaceful enjoyment of their property. Therefore, offensive loud noise or music is prohibited. Agents, visitors, guests, tenants, lessees, contractors, or employees of an Owner who do not comply with the requests of the Association or its security officer to reduce the volume of the offensive noise and music may be ejected or removed from the property to the extent permitted by law.
- F. Fences. Fences made or topped with razor, concertina, or barbed wire and fences topped or made of glass, screws, nails, or similar materials are prohibited. Chain link fences are prohibited when visible from a Common Road or along perimeter property lines. Electric or electrified fences are prohibited with the exception that invisible fences for pet control purposes are permitted.

6.12. Vehicles Permitted, Parking, Storage.

- A. Parking and Storage. Each Owner shall provide for parking of personal vehicles within the bounds of the Owner's property. Motor homes, utility trailers (either with or without wheels), tractors, trailers, semi-trucks, trucks (other than pick-up trucks), construction equipment, lawn equipment,

commercial vehicles of any type, recreational vehicles or travel trailers, boat or personal watercraft and their trailers, motorcycles or motorized go-carts, golf-carts, or similar forms of transportation devices may not be parked or stored on an Owner's Lot unless they are (a) inside a fully enclosed garage or other building permitted hereunder, or (b) in an area which is screened from public view.

B. Vehicle Repair or Restoration. Except in an emergency, Owners shall not repair or restore any vehicle upon any Lot or area except within an enclosed garage or workshop.

- 6.13. Structures Prohibited. Structures of temporary character such as trailers, mobile homes, doublewide mobile homes, or park homes shall not be erected or maintained within Wolf Laurel. In addition, tents, shacks, garages, barns, and other outbuildings shall not be maintained or used at any time as either a temporary or permanent residence on any Lot within Wolf Laurel.
- 6.14. Signs, Posts, and Receptacles Prohibited. Signs, posts, and receptacles of any kind shall not be displayed to the public view on any Lot, area, Common Road or right of way by any Owner without the prior written consent of the Board except that one sign of not more than two square feet showing the E911 dwelling number, the lot number, name of Owner or Owners, and the name of the premises shall be permitted upon any Lot. Signs advertising property for sale or rent shall not be permitted. Projecting signs, overhanging signs, neon, or self-lighted signs shall not be permitted on any Lot. Commercial advertisement signs, cards, and notices are not permitted at the postal stations except on the designated bulletin boards maintained by the Association and in accordance with the rules and regulations of the Association.
- 6.15. Garbage and Refuse Disposal. No Lot or premises shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. Household garbage, trash, and other waste shall be kept in closed containers and shall be disposed of as necessary. Equipment for the storage or disposal of such material including incinerators shall be kept in a clean and sanitary condition in an area that is screened from public view.
- 6.16. Sewage Disposal. No individual sewage disposal system shall be permitted on any Lot unless a sewage disposal system servicing multiple Lots or properties is not available for such Lot. All sewage disposal systems must be constructed and maintained in working order in accordance with applicable law, public regulations or ordinance.

- 6.17. Natural Drainage. Since the area covered by this Declaration is situated in mountainous terrain, there will be substantial amount of natural surface water drainage and runoff that requires special consideration and the following restrictions:
- A. No Interference. Owners and other persons shall not interfere with or direct the natural course of drainage and runoff so as to alter its natural flow onto or across Common Property, Common Roads, or the land of another Owner.
 - B. No Damage. Owners shall not disturb or modify their property so that surface drainage from such property causes damage to Common Property, Common Roads, or the land of another Owner.
 - C. Common Area Drainage Ditches. Owners and/or other persons shall not interfere with, impede, or disturb the natural course of drainage through ditches that are natural or maintained alongside the common roadways.

ARTICLE VII

FAILURE TO MAINTAIN PROPERTY; ASSESSMENTS, FINES, AND LIENS.

- 7.1. Property Maintenance. Every Owner shall keep his entire Lot and all building exteriors in good order and repair, and free of debris. This mandate includes, but is not limited to, demolition and removal of burned out houses or other structures (or portions thereof), and removal of visible construction debris. Every Owner shall generally maintain his grounds and property in accordance with the standards established by or pursuant to this Declaration.
- 7.2. Authority to Enforce. The Board and its agents (including the ARB) shall have the authority to enforce the provisions of this Declaration..
- 7.3. Appeal Procedure. The Board shall establish the procedures for appeal including hearings and notification requirements
- 7.4. Remediation Required. If an Owner is found in violation of any provision of this Declaration, the Owner may voluntarily remedy the violation or submit to the ARB a plan to rectify the violation within a specific time frame as may be specified by the Board or ARB. If neither case pertains, or if the violation continues for thirty (30) days past the date specified for compliance, the

Board or ARB may take such action as is necessary to remediate or effect compliance. Remediation includes, but is not limited to, the right to enter upon such Lot to remove trash or debris, remove offending structures/vehicles, repair any necessary damage, and/or generally clean up the property; or take such other action as is necessary to bring the offending property into compliance.

- 7.5. Parcel Assessment. All costs related to such remediation may be assessed by the Association or ARB against the Lot and the Owner.
- 7.6. Full Payment. Full payment of any parcel assessment shall be paid by the Owner not later than thirty (30) days after notification that the remediation is complete. Failure to pay this assessment within thirty (30) days shall result in interest accruing from the notification due date at eighteen percent (18.0%) simple annual percentage rate or any other legal rate as determined by the Association's Board consistent with applicable law.
- 7.7. Collection Agencies and Liens. If payment is not received within the prescribed time, the Association may do any or all of the following: submit the account to a collection agency, or an attorney, or file a lien or claim of lien upon the Lot in accordance with the applicable statutes of the State of North Carolina for the assessment, together with fees, costs, accrued interest, and attorney's fees. Such lien or claim of lien shall be effective upon recording in the public records of the county in which the Lot is located. All costs and fees incurred in filing a lien or claim of lien, retaining an attorney, or employing a collection agency shall also be assessed against the offending Owner.
- 7.8. Administrative Remedies, Fines. In the event of an assertion that a violation of any of the provisions of this Declaration has occurred, the Owner or person charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision by the Board or ARB. Upon a determination of violation, an Owner, or his guests, tenants, lessees, licensees, invitees, agents, contractors, workers, employees, or members of his family may be subject to the following administrative penalties.
- A. A fine not to exceed \$100.00 per occurrence may be imposed for the violation and without further hearing, for each day more than five days after the decision that the violation occurs. or any other increased reasonable amount consistent with North Carolina law.

- B. Suspend the use of the Common Areas by the Owner to the extent permitted by this Declaration;
- C. To the extent permitted by law, to bar specific family members, guests, tenants, renters or lessees, licensees, agents, contractors, employees and workers from entering Wolf Laurel Resort either temporarily or permanently;
- D. Confine, remove, and/or bar specific animals or pets that create a nuisance from the Wolf Laurel Resort premises;
- E. Issue written reprimands or warnings for violations that are not considered major or intentional.

ARTICLE VIII

MEMBERSHIP IN THE WLPOA

- 8.1. The Association finds that the WLPOA promotes the general welfare of all Lots and Lot Owners, supports harmonious living, endorses enforcement of covenants, restrictions, reservations and architectural guidelines, and seeks to assure the protection of Wolf Laurel's natural features for the aesthetic enjoyment of the residents.
- 8.2. The Association finds that mandatory membership in the WLPOA for all Lot Owners and Owners of Lots intended or designated to be developed with dwelling units is in the best interests of the community.
- 8.3. As authorized by this Declaration and prior recorded declarations and amendments, the Association declares that membership in the WLPOA, or its successor organizations, is mandatory for all persons who became or will become Lot Owners after the date of the adoption of the prior declarations in 2002.

ARTICLE IX

GENERAL RESERVATION OF RIGHTS TO THE ASSOCIATION

The Association reserves to itself, its successors and assigns the following rights, privileges, and easements in regard to each Lot and area covered by this Declaration:

- 9.1. Right to Impose Fees. The right to impose building fees, permit fees, user fees, inspection fees, impact fees, storm water retention or damage fees, ditch maintenance fees, a capital reserve fee, and any other reasonable fees as may be determined by the Board from time to time.
- 9.2. Utility Easement. The right to maintain a six-foot permanent easement along, upon, or across any part of each Lot (except where a dwelling or any other building is to be erected) for the installation and maintenance of underground and other utilities, including but not limited to sewer, water, gas, drains, and drain pipes, telephone, coaxial or fiber cable, and electric cables. Such easement strips shall be located near the edges in front, side, and rear Lot lines where practicable. Access shall be permitted at any and all times to the easement strips for the purpose of installing, maintaining, and repairing such utilities. Said easement shall in no way prohibit the Owner of any Lot from making use of the easement area in a manner consistent with these easements.
- 9.3. Amendments. The right to make amendments to this Declaration and its protective covenants, restrictions, and reservations herein contained, to the extent that such amendments are deemed by the Association to be necessary or desirable and consistent with the general purposes of this Declaration.
- 9.4. Special Exceptions. The right to make special exceptions to the provisions contained in this Declaration and its protective covenants, restrictions, and reservations herein contained, as well as the Architectural Guidelines to the extent that such exceptions are deemed by the Association to be necessary, desirable, and consistent with the general purposes of this Declaration.
- 9.5. Extension. The right to extend the protective covenants, restrictions, and reservations in this Declaration to other areas now or hereafter owned by the Association or to owners and property outside Wolf Laurel Resort who seek to join and be included with Wolf Laurel Resort for the purposes of this Declaration and, thereby, to enlarge the size of the development covered by this Declaration.
- 9.6. Utility Connections and Fees. The right to require any Owner to use and tie into, at his own expense, all water, sewer, electrical, and other utility systems, which may be established by the Association or any person designated by the Association, provided such utility system has a pipe, wire, coaxial, or fiber cable abutting or adjacent to the Owner's Lot. The connecting lines that run between the Owner's building(s) and the main utility lines shall be maintained by the Owner. Specifications for the

construction of such tie-in lines shall be approved by the Association or ARB before the same are connected to the main line.

- 9.7. Common Parks. The right within portions designated as Common Areas or Parks to construct, plant, and maintain parks and general recreational facilities, gardens, shrubbery, trees, a village green, chapels, and other common use buildings, and additional common paths.
- 9.8. Sports Areas. The right within the areas designated as Sports Areas to construct, plant, and maintain anything permitted in a Common Park and also the right to construct and maintain tennis courts, skating rinks, swimming pools, golf course, ski slopes, and other recreational facilities.

ARTICLE X

ASSOCIATION'S OPTION OF FIRST PURCHASE

- 10.1. Purchase Option. For the protection of all Owners, the Association reserves the option of first purchase of all Lots and parcels or any part of parts thereof now and hereafter included in this Declaration, which option shall run with the land and shall operate as follows:
- 10.2. Notice. Any Owner who desires to sell or transfer all or any part of his Lot or any interest therein or desires to lease the same for more than a year and who has received a bona fide offer for its purchase or lease (or extension) on terms that are acceptable to him shall give notice in writing to the Association by registered or certified mail, duly signed, at least thirty (30) days before the contemplated sale, transfer or lease. Such notice shall set forth in detail the terms of the offer, the premises to be transferred or leased, and the name, residence, business address, and occupation of the proposed purchaser or lessee, if an individual; or the name, address, type of business, and principal officers and stockholders of the potential buyer or lessee, if other than an individual.
- 10.3. Acceptance or Refusal. Such written notice shall constitute an offer to sell or lease the same premises to the Association upon the same terms contained in the notice. Such offer shall be deemed to have been refused by the Association unless within twenty (20) days from receipt of such notice, the Association executes and mails, postage prepaid, to the Owner a written notice of acceptance. If accepted, within a further period of thirty (30) days thereafter and contemporaneously with the delivery of a proper warranty

deed or lease by the Lot Owner, the Association shall pay to the Owner the purchase price or the first installment of the rent stated in the Owner's notice to the Association.

- 10.4. Specific Required Deed Provisions. The Association requires specific language that must be included in any deed or lease regarding assessments and application of this Declaration before its refusal to purchase or lease acceptance will be effective. The specific provisions are available at the office of the Association.
- 10.5. Exclusions. The following transfers are not subject to the option of first purchase: (a) a bona fide gift or (b) the making of a bona fide mortgage and a bona fide foreclosure thereunder or (c) transfer under a will.
- 10.6. Alternate Offer. This option of first purchase shall be deemed to have been waived by the Association as to any conveyance made by a bona fide mortgagor to a bona fide mortgagee or such mortgagor's equity of redemption in the mortgaged premises, provided that, within thirty (30) days following such conveyance, the mortgagee offers the premises to the Association in writing at a price which is no greater than the total financial investment which the mortgagee then has in the premises, which investment shall include but not necessarily be limited to the amount of the outstanding mortgage principal balance due, the unpaid interest, taxes, insurance premiums advanced by mortgagee, and mortgagee's costs of acquisition of the premises. Upon such offer being made, the Association may accept in the same manner provided in 10.3 above.
- 10.7. Continuance. If the Association does not exercise its option of first purchase with respect to any particular sale, transfer, or lease, and if such particular transaction is thereafter not concluded, then the Association's option continues to attach to all succeeding offers of sale, transfer, or lease relating to the same property.

ARTICLE XI

ROADS AND SECURITY ASSESSMENTS, RESERVE FUND

- 11.1. Roads and Security Assessments. In order to maintain the roads and security at Wolf Laurel, for the operational and administrative expense thereof, and for all purposes permitted under the laws of the State of North Carolina, each Lot Owner and/or Owner shall pay annual assessments as defined in paragraphs

1.1 and 1.2 to the Association as provided in paragraphs 11.2 and 11.3 below. The Association shall establish the assessments on a reasonable basis.

- 11.2. Annual Road Assessment. This assessment shall be used to pay for those matters set forth in paragraph 1.2 including the improvement, maintenance, and repair of all Common Roads, establishment of a maintenance, repair, and reserve account for the common roads, and payment of taxes and insurance, and such other purposes and obligations of the Association as are required hereunder to carry out the actions permitted in this Declaration. The standard for said Common Roads shall be that all common roads shall be maintained so as to allow passage by ordinary passenger vehicles whenever possible.
- 11.3. Annual Security Assessment. This assessment shall be used to pay for those matters set forth in paragraph 1.2 including the operation of security at the Wolf Laurel Resort and the guard house, improvement, maintenance, and repair of the existing Wolf Laurel Resort entrance area at the guard house, establishment of a maintenance, repair and reserve account for security, and payment of taxes and insurance, and such other purposes and obligations of the Association as are required hereunder to carry out the actions permitted in this Declaration. Security shall be provided by a manned or electronic monitored security system by the use of one or more gates and guardhouses and by other means as may be determined by the Association.
- 11.4. Uniform Rate. With regard to (a) Lots containing a residence or dwelling unit and (b) Lots that are intended or designated for development to include a residence or dwelling, the Annual Road Assessment shall be fixed at the same rate for all Lots within a particular classification. However, the rate for Annual Security Assessments may differ between unimproved Lots and Lots with residences or dwelling units. Any increase in Road and Security Assessments must be applied equally to all lots and dwelling units within the same category.
It is permitted to have different assessment rates for Lots and parcels in separate classifications and designations as provided in paragraph 2.3 above.
- 11.5. Rate Adjustments. The Board shall fix the amount of the Annual Road Assessment and the Annual Security Assessment at least thirty (30) days in advance of each annual assessment period. Any annual assessment increase of more than five percent (5.00%) cumulative per annum from the preceding increase must be approved by a "Majority Vote by Lot Owners".

Written notice of the annual assessment shall be sent to every Owner. The assessment shall be payable annually on or before February 1st (the “Due Date”), unless specifically changed by the Board. An annual report with an explanation of income and expenditures will be available to Owners upon request.

11.6. Late Charges, Penalties, and Liens. Any assessment not paid within thirty (30) days after the due date shall be subject to a late charge in the amount of \$20.00. Further, any assessment not paid within sixty (60) days after the Due Date shall bear interest from the Due Date at eighteen percent (18.0%) simple annual percentage or other interest rate as determined by the Board consistent with applicable law. The Annual Road and Security Assessments, and any Special Assessment, together with late fees, interest, costs, and reasonable attorneys fees, shall be a charge on the Lot, a personal obligation of the Owner, and shall be a continuing lien upon the Lot.

11.7. Special Assessments. From time to time, it may be necessary to impose a Special Assessment, proposed by the Board. Approval of a Special Assessment shall be by a “Majority Vote by Lot Owners”.

In the event of a Special Assessment, the assessment amount for each separate Lot or Lots, if combined for assessment purposes, not containing a residence or dwelling shall not exceed one-half the amount of the Special Assessment applicable to a separate Lot or Lots, if combined for assessment purposes, containing a residence or dwelling.

Funds raised by a Special Assessment must be used specifically for the declared need for the Special Assessment.

11.8. Reserve Fund. The Association shall establish and maintain a reserve fund for the periodic maintenance, repair, and replacement of property and improvements and a reserve of working capital and contingencies. This reserve fund shall constitute a portion of the annual budget.

ARTICLE XII

VIOLATIONS, DECLARED NUISANCES

12.1. Legal Actions. The violation or attempted violation of any provision of this Declaration, or any rule or regulation, or policy promulgated pursuant thereto, is declared a nuisance that may be remedied by any appropriate legal or equitable proceeding. Further, if any Owner violates, attempts to violate, or

permits any violation or attempted violation of any of the provisions of this Declaration, or any rule, regulation, policy promulgated pursuant thereto, the Board is empowered to pursue any proceedings at law or equity to obtain any remedy permitted by law or in equity, including but not limited to injunction, monetary damages, attorney's fees, and legal costs and fines. These proceedings may be maintained against any violator of any provision of this Declaration or any rule, regulation, or policy promulgated thereunder, irrespective of the waiver of any prior violation or attempt of violation by the same or other Owners.

- 12.2. A Waiver by the Association or ARB, BMDC or any other person of any particular provision of this Declaration or any particular restriction or reservation on any prior occasion shall not be construed as a waiver of the same or a similar restriction or reservation on any other occasion.

ARTICLE XIII

INVALIDATION, CHANGES, CONTROLLING AUTHORITY AND MISCELLANEOUS PROVISIONS

- 13.1. Invalidation. Invalidation of any provision of this Declaration by judgment or court order shall not affect any of the other provisions, which shall remain in full force and effect.
- 13.2. Controlling Authority. If there is a conflict among any prior declarations and any amendments thereto and this Declaration, this Declaration shall control.
- 13.3. Corrections. The Association may amend this Declaration to correct any obvious error or inconsistency in drafting, typing, reproduction, or to clarify any provision or provisions of this Declaration or as provided in paragraph 9.3.
- 13.4. Compliance. The Association shall have the right to amend this Declaration to conform to requirements of any law or governmental agency having legal jurisdiction including, without limitation, ecological controls, construction standards, aesthetics, matters affecting public health, safety, and general welfare.
- 13.5. Notification. The Association finds that there is no requirement to republish the entire document in the above circumstances and accepts no responsibility to notify Owners of these changes.

13.6. Rules of Construction.

A. Whenever the words “include,” “includes,” “or “including” are used in this Declaration, they shall be deemed to be followed by the words “without limitation.”

B. Whenever the word “or” is used in this Declaration, it shall not be deemed exclusive.

C. The words “hereof,” “herein,” and “hereunder” and words of similar import when used in this Declaration shall refer to this Declaration as a whole and not to any particular provision of this Declaration.

D. The definitions contained in this Declaration are applicable to the singular as well as to the plural forms of such terms and to masculine as well as to the feminine and neuter genders of such terms. Whenever the context permits or requires, any pronouns used herein shall include the corresponding masculine, feminine, or neuter forms.

E. “Person” shall be construed to mean any person, partnership, joint stock company, unincorporated association or society, or other corporation of any character whatsoever.

F. No specific provision shall limit the applicability of a more general provision. It is the intent of the Association that each covenant, restriction and provision contained in this Declaration shall be given full, separate, and independent effect and that such provisions are cumulative.

G. While this Declaration has been prepared by the Association, no presumption or burden of proof shall arise favoring or disfavoring the Association by virtue of its authorship of any provision of this Declaration.

H. The headings contained in this Declaration are for reference purposes only and shall not affect in any way the meanings or interpretation of this Declaration.

I. The rights and remedies of the Association and the ARB are cumulative and not alternatives.

J. This Declaration may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same.

K. If any provision of this Declaration is determined to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force so that the essential terms and provisions hereof continue to be valid and enforceable. Furthermore, in lieu of any such invalid or unenforceable terms or provisions, the Association may add as a part of this Declaration a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

L. This Declaration and the rights and obligations herein shall be construed and enforced in accordance with and are governed by the laws of the State of North Carolina.

M. The obligations of any Owner or Lot Owner or other person shall be joint and severable.

N. Any failure of the Association or the ARB to insist at any time upon the performance of any of the provisions of this Declaration or to exercise any rights herein shall not constitute or be construed as a waiver thereof or a relinquishment of such rights to require the future performance of any such provision and such provision with regard to the same shall continue in full force and effect.

ARTICLE XIV

DURATION OF DECLARATION

14.1. This Declaration shall continue for twenty-five years from the date hereof and thereafter it shall continue for successive ten-year periods unless and until it is terminated by the Majority Vote by Lot Owners. While this Declaration presents some new ideas, processes, and procedures, it generally incorporates and retains pertinent language and intent from the original Declaration on October 31, 1966, and the Amendments of January 10, 1991, and July 26, 2002, and other amendments of record.

14.2. The termination of this Declaration shall not terminate the property rights hereby and hereafter granted to Owners and others in the Common Roads, common paths, Common Parks, Sports Areas, and other common premises retained by the Association.

Approved and Adopted by the Board of Directors of the Wolf Laurel Road Maintenance and Security Homeowner's Association, Inc. on April 22, 2015.

IN WITNESS THEREOF, the Declarant has caused this instrument to be signed in its corporate name by its duly authorized officer by authority of its Board of Directors this 22nd day of April, 2015.

Wolf Laurel Road Maintenance and Security Homeowner's Association, Inc.

By: _____
T. Michael Kaney, President

SCHEDULE A

Property referenced in Article II is subject to these Declaration as well as that shown on other plats or deeds of record that apply to property lying within Wolf Laurel Resort and recorded in the Offices of the Madison and Yancey County, North Carolina Registry of Deeds.

Owners of other real property not presently mentioned may, by agreement with the Association, include their property within the scope of this Declaration and thereby be included in this Schedule.