DECLARATION OF RESTRICTIVE COVENANTS ENGLISH HILLS SUBDIVISION COVENANTS

STATE OF NORTH CAROLINA COUNTY OF HENDERSON

THIS DECLARATION, made and executed this ______ day of _____, 2010, by the English Hills Homeowners Association herein called the "Association" and WHEREAS the Association intends all lots located within the English Hills Subdivision herein called the "Property", as reindexed in plat Cabinet C, Slide 262A, Henderson County Registry, to compete its development, and sustain its maintenance, is now desirous of amendments to certain covenants, easements, restrictions, and conditions for the subdivision. Said Declaration shall be binding on all parties and all persons claiming under them from the date as entered by the Association and shall amend in whole or part the Declaration of Restrictive Covenants made and recorded heretofore in Book 521, Page 307, on the 28th of June, 1974, by Donald Thompson and wife Carol M. Thompson, County of Henderson, State of North Carolina.

WITNESSETH:

NOW, THEREFORE, the parties do hereby make the following declaration amendments as to rights, applicability, uses and restrictions to which all lots in described Property shall be put:

Part A - Organizational Authority and Jurisdiction

1) Definitions: The "Association" is the English Hills Homeowners Association, a North Carolina nonprofit corporation, managed by a Board of Directors, of which every property owner and/or lot owner in the Property shall be a member. "Structure" is any permanent type construction in or on the ground.

2) Membership: Each lot owner of Property as platted shall be a member of the Association. Membership shall be deemed to and may not be separated from ownership of any lot.

3) Voting Rights: The Association shall have a single class of voting membership with all owners being entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The one vote for such lot shall be exercised as they themselves determine. Proxy votes shall be permitted if returned by date and location as noted by a notification for a vote to any changes to this Declaration.

4) Annual Assessment: The amount of the annual assessment to be used for maintenance, safety, and welfare of residents living in the Property shall be determined by a membership vote. The assessment must be fixed at a uniform rate for all residents of the Property. Exempted from such annual assessments are owners of lots without a residence. The annual assessment shall be paid to the Association as determined by the Board of Directors.

5) Special Assessments: The Association may also impose special or emergency assessments as agreed to by a vote of the majority members for the improvement and maintenance of any common Property area or items. Exempted from such special assessments are owners of lots without a residence.

6) Creation of the lien and personal obligations of assessments: Each owner of any lot within the Property by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to this

Declaration and agrees to pay the Association: 1) an annual assessment, and 2) any special assessments for capital improvements. Such assessments are to be established and collected as heretofore provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the lot and shall be subject to a lien upon the lot against which each such assessment is made. Each such assessment shall be the obligation of the owner of such property at the time when the assessment fell due. The obligation for delinquent assessments shall remain part of the lot until satisfied.

7) Duration: This Declaration shall run with the land and be binding on all persons claiming under them from the care of recording for a period of twenty five (25) years, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless amended as herewith noted.

8) Changes: Said Declaration shall be considered for amendment, in whole, in part, or for termination when so requested by a majority of the Property owners. Any amendment to this Declaration shall be by a two-thirds majority vote of the Property owners at a duly called meeting for this purpose. A written notification for a meeting for a vote by owners shall be delivered by the Association. No amendments shall be effective until placed in writing and recorded in the Henderson County Register of Deeds. The signatures for such amended Declaration by individual owners of lots shall be recorded for verification or certification.

9) Notices: Any notice required to be sent to owners under the provisions of this Declaration shall be deemed to have been properly sent when delivered to the address of the owner on record at the County Tax Office at the time of deliverance. A meeting notice shall be sent no less than two weeks nor more than 30 days prior to the scheduled meeting date.

10) Severability: If any paragraph or part of this Declaration be declared invalid, illegal, or inoperative for any reason by judgment or court order, remaining parts shall in no way be affected and shall remain fully effective and operative.

11) Enforceability: If the parties concerned, or the heirs, or assignees shall violate or attempt to violate any part of the covenants herein, it shall be lawful for the Association or any other person or persons owning any real property situated in said Property to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any part of the Declaration, or to prevent him or them from so doing, and to recover damages or other dues for such violation. Failure of the Association to enforce any provision of this Declaration shall not constitute a waiver of the right to do so thereafter.

Part B – Binding Property Stipulations

1) Designation: The entire Property shall be known and designated as residential. No more than a single family residence shall be built on any one lot and no detached buildings of any kind shall be erected on any one lot except a separate garage for housing of personal car(s) and then only by approval of the Association. The Association shall respond within seven days to a submitted request for approval by the Association heretofore defined.

2) Lot Size: Lot owners may acquire adjacent lot land for purposes of increasing the size of their lot. However, no lot within the Property may be subdivided, reduced in size, or replatted to any tract smaller than restrictions imposed by R-40 Henderson County Zoning.

3) Improvements: No building or structure shall be constructed, placed or altered on any lot until the plans and specifications have been submitted to and approved in writing by the Association. All such plans must show the location of all alterations to be placed or erected on said lot. This alteration consideration includes an owner's intention to put in place a swimming pool. The Association shall require, as one of the conditions for granting its approval, that all residences shall be constructed of at least twenty-five (25) percent brick, brick-veneer, or stone-veneer, that no concrete or cinder blocks be used on any exposed

surfaces. Reference to this power of the Association to make such a requirement shall not be interpreted as limiting its power and authority to make other requirements concerning such plans. A residence main structure ground floor area, exclusive or garage, decks and porches, shall have a minimum of 1200 square feet of living area. Except a house with more than one level may have 950 square feet on the main floor. Garage areas shall be provided for each residence with a minimum of 240 square feet and a maximum of 1000 square feet. All construction shall be in accordance with the Henderson County Building Codes.

4) Waste Disposal: All plumbing, lavatories, and sanitary devices must be built indoors. All sewage systems shall be connected with city sewage or with outside septic tanks located and constructed in accordance with the Henderson County Health Department requirements.

5) Set Backs: No building shall be placed nearer to any street than the minimum building or setback lines. The front structural wall of any residence shall be build no closer than 60 feet from the center of the street. No residence shall be built closer than 35 feet to either side or back lot lines.

6) Easements: The North Carolina State Department of Transportation and the Public Utilities Companies have 30 feet right of way, 15 feet from the center of the street to build, repair and maintain street and utilities. Eight feet in width are reserved along rear and side lot lines for the installation and maintenance of public utility services, i.e. telephone, television, electric, water and drainage facilities. No other easements, rights of way or rights of access shall be deeded, granted or in any way given to any person, firm or corporation through and over any lot within this Property. No lot or part of a lot may be used for a street to adjoining land or thoroughfare.

7) Specialty Structures: No mobile homes, tower structures, tent, shed, barn or other accessory structures shall be erected on any lot; neither shall any structures of temporary character be used as a residence unless approved by the Association.

8) Fencing: No electronic fences shall be permitted above ground. No fences or walls shall be erected or otherwise placed on property separating English Hills property lots without the permission of the Association. Any Association approved fence or wall built on any lot shall be maintained in a good and attractive manner at all times. Property lines which are adjacent to lands other than lots of this Declaration are exempted.

9) Utility Units: All external furnaces, air conditioners, heat pumps, fuel storage units or devices of similar nature shall be screened from public view by foliage or appropriate screening devices.

10) Leases: No owner may lease less than the entire lot and improvements for periods less than six months. Any lease agreement shall be in writing and shall provide that the terms of the lease be subject to the provisions of this Declaration. Failure by the lease-holder to comply with these covenants shall be considered a default by the leasing lot owner.

11) Business: No business enterprises, including self-employed businesses where the public is invited shall be permitted. No noxious or offensive trade shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance, nuisance, or health issue to the neighborhood.

12) Signs: No signs of any kind shall be displayed to the public view on any lot, except one sign of not more than four square feet advertising the property for sale or lease. Exception: Permanent entrance signs, designated to be located at the entrance of the Property, which are considered common property of said Association.

13) Pets and Animals: Property owners shall restrict all pets within the owners' property at all times except when on a leash under the owners' control. No animals or fowl shall be kept nor maintained except bona-fide domestic pets provided they are not kept, bred or maintained for commercial purpose.

14) Vehicles: No trailer or truck of any size rating in excess of three quarter (3/4) ton shall be parked on any lot or on any road within the subdivision except for service vehicles which are located there on a temporary basis performing a service for a resident or lot owner. Recreational vehicles may be temporarily parked no more than forty-eight hours on any street within the Property. No trucks, boats, boat trailers, utility trailers, travel trailers, or recreational vehicles shall be maintained on a lot unless they are enclosed in a structure or are not visible from front or side streets.

15) Antennas: No satellite dishes exceeding 24 inches in diameter shall be erected or maintained on any lot within the Property. No receiving or transmitting antenna, mounted on a structure, shall exceed seven (7) foot height above its building roof line. All transmitting devices shall be free from generating interference.

16) Lot Maintenance: No lot shall be used or maintained as a dumping ground for rubbish, trash, burning of garbage, stowing of junk or unlicensed automobile(s) or any other waste. All containers used for storage of waste material shall be kept in a clean and sanitary condition. All owners must keep and maintain their lot(s) in a neat and clean appearance.

Each lot shall be regularly mowed, as necessary, to keep the height of grass and weeds growing thereon at six inches or less. Upon failure to comply with this covenant, and after 30 days notice is given, the Association may perform such maintenance as is necessary and bill or assess the lot owner, as provided herein, for all incurred expenses. All Property residents shall be responsible for the preservation of drainage ditches and for maintenance of their boundaries. These waterways shall not be used as an area for dumping of trash, leaves, lawn clippings or any other debris.

IN WITNESS WHEREFORE, we have hereunto set our hands and seals, this _____ day of _____, 2010.

ENGLISH HILLS HOMEOWNERS ASSOCIATION

By:

President

Secretary

I ______, a Notary public of Henderson County, North Carolina, hereby certify that ______, President and ______, Secretary of English Hills Homeowners Association personally appeared before me and acknowledged the due execution by the foregoing instrument, this the _____ day of _____, 2010.

Notary Public, Henderson County, North Carolina

My Commission expires:_____