Prepared by:
Donald E. Jordan

DECLARATION OF
PROTECTIVE COVENANTS FOR 000442 513
STEEL CREEK

These Protective Covenants shall apply to the Steel Creek development, as acquired by Line Runner, a Partnership, by Deed recorded in Book 436, Page 376, of the Transylvania County Registry. These Covenants shall apply to all lots shown on plats within the Development, and shall run with the title to the lots even if not specifically referenced in Deeds.

1. **LAND USE AND BUILDING TYPE.** No lot shall be used except for private residential purposes, and no buildings shall be erected or brought onto any lot except the following: One single-family dwelling, one detached garage, one guest house, one barn, and one storage building (not exceeding 100 square feet in size). Businesses may be operated from the home as long as there is no signage and only occasional vendor and customer traffic. Modular homes will be allowed, subject to strict architectural control scrutiny. Mobile homes shall not be allowed. Lots may be partially cleared to create pastures, lawns, or gardens. Vegetable gardens shall not exceed ½ acre in size.

2. **DWELLING SIZE.** The principal dwelling on each lot shall have at least 1,500 square feet of enclosed and heated floor area on the ground floor, or 1,200 square feet for a dwelling of more than one story. A guest dwelling shall have at least 800 square feet of enclosed and heated space. No structure shall be more than 2½ stories in height on any side; and no part of a structure (or attachments to it) shall be more than 35 feet high, measured from the highest point where the structure contacts the ground.

3. **BUILDING LOCATION.** No building shall be located any nearer than forty feet from the lot line fronting on a road, nor nearer than twenty feet from the rear lot line, nor nearer than twenty feet from the side lot lines. Barns and storage buildings shall be located at least one hundred feet back from the road.

4. **LOT SIZE.** Lots may be re-subdivided into smaller lots, or consolidated into larger lots, or boundaries may be adjusted by adjoining owners, as long as no lot is created which is less than three acres in area. A lot containing a guest house shall not be subdivided so as to separate the guest house from the principal residence, unless the guest house meets the size requirements for a principal residence.

5. **ARCHITECTURAL CONTROL.** No building shall be erected or brought onto any lot until the construction plans and specifications have been approved by the Developer (or a property owners association) as to materials, harmony of external design with existing structures, location with resect to topography, and final grade elevation. No fence or wall shall be built unless similarly approved.

6. **PROPERTY OWNERS ASSOCIATION.** When the Developer has sold 70% of the lots in the Development (or sooner at Developer's discretion), responsibility for road maintenance and architectural control shall be turned over to an association of property owners. All property owners shall be members of the association upon its formation.

7. **APPROVAL OF PLANS.** All construction plans shall be submitted in writing in the form of drawings or blueprints. The approval or disapproval shall be in writing. Disapproval shall be specific and shall relate to the goal of maintaining harmony

of design in the Development. If plans are not approved within 30 days after submission, approval shall be deemed to have been given, and construction may proceed.

8. **EASEMENTS.** Easements for utility lines and for drainage facilities are reserved within the road rights-of-way to be shown on any recorded plats, and along 10-foot wide strips lying five feet on each side of all side and rear lot lines.

9. **NUISANCES.** No noxious or offensive activity shall be carried on upon any lot. "Noxious or offensive" means anything the sight, smell or noise of which would offend neighbors of ordinary sensitivities, or unreasonably diminish their use and enjoyment of their own lots. Operation of loud motorbikes, trash outside of containers, junk cars and prolonged dog barking are all nuisances by this definition. These examples are intended to illustrate, rather than limit, the definition of nuisances.

10. **SIGNS.** Except for a single professionally made sign of not more than one square foot identifying the lot owner, or a single sign or nor more than five square feet advertising the property for sale, there shall not be any signs of any kind displayed to the public view on any lot.

11. **ANIMALS.** Except for horses or household pets, no animal of any sort shall be raised or kept on any lot. No animals shall be kept or raised for commercial purposes. Horses must be kept in a securely fenced area of at least one acre per horse.

12. **ROAD USE.** All roads within Steel Creek are private, for the use of the Developer and of the owners of the various lots in Steel Creek. All lot owners shall have the appurtenant right to use the roads within Steel Creek and their continuation to Highway 276 for ingress and egress, and for the location of utilities. Except for the roadway connecting Steel Creek to Highway 276, none of the roads or lots may be used to access property outside of Steel Creek except with the written permission of the Developer.

13. **ROAD MAINTENANCE FEES.** Each lot owner shall be responsible for a pro-rata share of the cost of maintaining the roads within Steel Creek and their continuation to Highway 276, and for the cost of carrying out the lawful purposes of the Property Owners Association. The pro-ration shall be calculated according to the number of platted lots in Steel Creek. The share of a vacant lot shall be one-half the rate for an improved lot. The Developer, after road construction has been completed, will pay a road maintenance fee based on the number of platted lots unsold. The minimum and initial annual fee is $300. During any period in which the Association undertakes primary responsibility for maintaining the continuation of the access road through the adjoining Springbrook Subdivision, the Association shall collect from the property owners in Springbrook an equitable share of those costs. The contribution from each Springbrook property owner should be at least one third of the then prevailing per lot assessment in Steel Creek. The road maintenance fee shall be paid in advance for each year on the first day of January, and shall become overdue on the first day of March. Unpaid assessments shall bear interest at the legal rate, and shall be a lien upon the lot, which may be filed and enforced in the same manner as is provided by law for mortgages. In any litigation arising under these Covenants, the prevailing party shall recover from the other party all expenses incurred, including reasonable attorneys fees, calculated without regard to the amount in controversy.

14. **TERM.** These covenants are to run with the land, and shall be binding to and until August 31, 2028, after which date these covenants shall continue in effect unless an instrument executed by a majority of the owners of the lots is recorded, agreeing to

abolish these Covenants in whole or in part. These Covenants may be amended at any time by an instrument signed by all owners of unplatted property and by the owners of a majority of the lots then platted within the Development.

The Developer has signed these Covenants on January 7, 1999.

LINE RUNNER, A North Carolina General Partnership

MRM, Inc., General Partner

By: _____
Mike R. Meany, President

Attest: Peggy B. Bowers
Secretary

STATE OF NORTH CAROLINA
TRANSYLVANIA COUNTY

I, Donald E. Jordan, a Notary Public of said State and County, certify that Peggy B. Bowers personally appeared before me this day and acknowledged that (s)he is Ass't. Secretary of MRM, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, as General Partner in Line Runner, the foregoing instrument was signed in the corporate name by its President, sealed with its corporate seal, and attested by its Ass't. Secretary.

Witness my hand and official seal this 7 day of January, 1999.

_____
Notary Public

My Commission expires: 11/22/99

The foregoing certificate of Donald E Jordan, Notary Public, is certified to be correct. Let the instrument with the certificate be recorded. This instrument was presented for recording in the office of the Register of Deeds of Transylvania County, North Carolina, and recorded in Deed Book 442, Page 513, this the 7 day of January, ~~1998~~ 1999, at 1:00p.M.

_____
Register of Deeds
Transylvania County, North Carolina

By: _____
Deputy