

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values, amenities and the desirability and attractiveness of the real property within Silver Fox Cove subdivision; and for the continued maintenance, operation and use of the Driveway Easement.

Page 1 of 8 NOW THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property herein described, that said property shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land, which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

ARTICLE I PROPERTIES SUBJECT TO THIS DECLARATION

Section 1. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Buncombe, State of North Carolina, and is more particularly described as being all of that property shown on plat of Survey recorded in Plat Book 194, Page 108 of the Buncombe County Registry, plus all the utility and access easements as shown on the aforesaid plat. The Declarant hereby identifies the heretofore described property as "Silver Fox Cove" and subjects said property to this Declaration.

ARTICLE II DEFINITIONS

Section 1. "Subdivision" shall mean each and every Lot located within the property known as Silver Fox Cove.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Subdivision.

Section 4. "Lot" shall mean and refer to any numbered plot or parcel of land shown upon the recorded plat of Survey recorded at Plat Book 194, Page 108 in the Buncombe County Registry, with the exception of any designated common open space.

Section 5. "Declarant" shall mean and refer to the Shirlee Mae Menefee Schultz Trust, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Driveway Easement" shall mean the 30 foot-wide proposed Driveway Easement as identified and located upon the plat of Survey of Silver Fox Cove, recorded at Plat Book 194, Page 108 of the Buncombe County Registry.

Section 7. "Common Expense" shall mean and include: (a) Expenses for the administration, maintenance, repair, or replacement of the Driveway Easement; (b) Expenses declared to be common expenses by the provisions of this Declaration; (c) Hazard, liability, or such other

insurance premiums as the Declaration may require the Lot owners to purchase; (d) Ad valorem taxes and public assessment charges lawfully levied against common areas; and (e) Expenses agreed by a majority of the Lot Owners to be common expenses.

ARTICLE III PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Driveway Easement for access, ingress, egress, regress and utilities from and to his respective Lot to any public streets, walkways and parking areas and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Delegation of Use. Any owner may delegate his right of enjoyment to the Driveway Easement to the members of his family, his tenants who reside on the property and friends, guests or service/materialmen contractors who may utilize the Driveway Easement for benefit of the Lot owner.

Section 3. Parking Rights. Temporary parking within the Driveway Easement may be allowed (not to exceed twelve hours consecutive). At no time shall any parking of boats, trailers, recreational vehicles, junk cars and/or other such items be allowed on the Driveway Easement.

ARTICLE IV DRIVEWAY EASEMENT AGREEMENT

Section 1. Vehicle and Pedestrian Access Easement. The Driveway Easement shall be subject to a perpetual, nonexclusive easement for ingress, egress, regress and utilities granting access to all Lot owners and their occupants, agents, employees, guests, services and emergency vehicles.

Section 2. Utility Easement. The Driveway Easement shall be subject to a perpetual, nonexclusive public utility easement for the purpose of permitting above and/or below ground public utilities to be installed and maintained in and along the Driveway Easement.

Section 3. Lot Owners Responsibilities. All Lot owners shall be responsible for monitoring the condition of the road surface within the Driveway Easement and initiating Road Maintenance as needed to maintain the minimum road surface standards. If any Lot owner performs improvements, maintenance, repairs or replacements without the approval of the other Lot owners prior to performing such work, the Lot owner performing such work shall become liable for the entire cost thereof, unless such work is deemed an emergency. However, where emergency repairs are necessary as more particularly noted in Section No. 11 of this Article, neither a majority vote of the Lot owners nor prior approval is necessary before making such improvements or undertaking such maintenance.

Section 4. Road Maintenance. Driveway Easement road maintenance and road improvements will be undertaken and made whenever necessary to maintain the road in good operating condition at all times and to insure the provision of safe access by emergency vehicles. A majority vote of Lot owners is required for any road improvements and to accept the bid for any road improvement contract. Before authorizing expenditures for future road improvements, Lot owners will be informed of the cost estimates. Section 5. Parking. For the safety of the residents, no machinery, trailers, vehicles, junk cars, boats, recreational vehicles or other property may be stored or parked upon the Driveway Easement except parking of vehicles for limited periods of time (not to exceed twelve hours).

Section 6. Cost Sharing. Driveway Easement maintenance, snowplowing and Driveway Easement improvement costs shall be shared on a pro-rata basis between the Lot owners sharing access to the Driveway Easement. Each Lot owner shall share equally in the costs.

Section 7. Assessments. All Lot owners shall be subject to assessments for the costs of maintenance of the Driveway Easement. Any assessment must be approved by a majority of all Lot owners and the Declarant. All assessments shall be shared equally by the Lot owners.

Section 8. Driveway Easement Account. The Lot owners shall establish and maintain a bank checking account with a local bank, and will prepare and distribute to the Lot owners an annual income and expense report and a balance sheet, accounting for all funds received and disbursed.

Section 9. Prepayment and Payment of Assessments. Prepayment of maintenance, snowplowing and improvement costs will be made to the designated Driveway Easement Account by each property owner. Annually, on or before a January 31 of each year each Lot owner will contribute their pro-rated share of the estimated annual cost for road maintenance, road improvements, and annual snow removal. Payments of assessments shall be made to the designated Driveway Easement accounts within sixty (60) days of the date of assessment, or upon such schedule as approved by the majority of the Lot owners.

Section 10. Snow Plowing. The Driveway Easement shall be snowplowed so as to permit year round access. The cost shall be shared by the Lot owners as indicated in Section No. 7 of this Article. Individual driveway snow plowing beyond the Driveway easement, if desired, will be invoiced to the Lot owners directly by the snow plow contractor.

Section 11. Emergency Repairs. A Lot owner has the authority to make emergency repairs as needed without further notification to other Lot owners. In such cases, the Lot owners will be notified after the repair of the cost and amount due from the other Lot owners, as well as the reasons for making the emergency repairs. A repair is considered an Emergency Repair, if and only if, without such repair access to or from a Lot Owner's residence to the public road by way of the Driveway Easement is cut off.

Section 12. Voting Rights. All Lot Owners, with the exception of the Declarant, shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall have a right of interest in the vote. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited. The Declarant shall be entitled to three (3) votes for each Lot owned by the Declarant. The Declarant's voting rights shall cease on the happening of the following events, whichever occurs earlier: (a) when the Declarant has conveyed all Lots to third parties; or (b) on December 31, 2050.

Section 13. Binding Agreement. This Driveway Easement Agreement shall be binding upon any Lot owner, the Declarant, their respective heirs, executors, administrators and assigns. Section 14. Amendment. This Driveway Easement Agreement may be amended only by a two-thirds majority consent of all Lot owners and the Declarant.

Section 15. Driveway Easement Disputes. If a dispute arises over any aspect of this Article IV, a third-party arbitrator shall be appointed to resolve the dispute. The decision of the arbitrator shall be final and binding on all of the Lot owners. In selecting a third-party arbitrator, each Lot shall be entitled to one vote, and the nominee receiving a majority of the votes shall be the arbitrator. All Lot owners shall share equally in the cost of any arbitration.

ARTICLE V ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration

therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by a majority of the Lot owners and the Declarant. In the event Lot owners and the Declarant fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI USE RESTRICTIONS

Section 1. Rules and Regulations. The Declarant and/or any Lot owner shall have the power to enforce this Declaration. The covenants, conditions and restrictions herein may provide for imposition of fines or penalties for the violation thereof.

Section 2. Use of Properties. No portion of the Properties (except for temporary offices of the Declarant and/or any model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Buildings. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family dwelling not to exceed two and one-half (2 ½) stories in height and a private garage for not more than three (3) cars, but not less than two (2), and one accessory building or structure for storage or other appropriate use, not in excess of two hundred fifty (250) square feet in area.

Section 4. Single-family Dwelling and Accessory Structure Specifications. No single-family dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, heated and finished, exclusive of open porches and decks, of less than One Thousand Five Hundred (1,500) heated square feet. All garages and accessory buildings must conform to the same architectural style as the residence located on the same lot. No garage or accessory building may be constructed or permitted to remain on the lot in the absence of the construction of the single-family residential dwelling. All yard and setback requirements shall comply with the County of Buncombe setback regulations. No building or other structure shall be erected within the Driveway Easement. Section 5. Unfinished Structures, Construction Time Periods. No structure with an unfinished exterior shall be permitted to remain on any Lot for a period exceeding six months from the date of commencement of the construction of said structure. The construction of any structure or building shall be completed within one (1) year of the date of issuance of building permit or within one year of the date of initiation of construction; whichever occurs first.

Section 6. Lot Subdividing. No numerical Lot shall be subdivided.

Section 7. Easements and right of ways are hereby reserved unto the Lot owners within Silver Fox Cove and the Declarant, as set forth within the plat of Survey for construction, installation and maintenance of any and all utilities, gas lines, drains, sewers, roads, water supply lines, telephone and telegraph lines or the like, necessary or desirable for the public health and welfare.

Section 8. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on or upon the properties, nor shall anything be done which may be or become a nuisance or annoyance to other Lot owners.

Section 9. Animals. No animals, livestock, horses, swine, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs (limited to two per lot), cats (limited

to two per lot) or other common household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 10. Temporary Structures. Except as hereinbefore set forth, no trailer, tent, shack, barn or other out building shall be erected or placed on any lot covered by these covenants. No detached garage or accessory building shall at any time be used for human habitation, either temporarily or permanently.

Section 11. Fences and Signs. No metal fence or metal fencing-type barrier of any kind shall be visible from the front (or the front and the side, in the case of a corner lot) of any building located on a lot having such type of fencing. In no event shall hog wire fencing be utilized. No signs shall be erected or allowed to remain on any lot.

Section 12. Boats, Trailers other Personal Property. No outside clothes lines, motorcycles, supplies, tractors, boats, trucks (other than one pick-up truck rated one-half ton or less), trailers, vans (other than one noncommercial van owned and operated on a regular daily basis by the owner-occupant of the lot), campers or other equipment or vehicles, except for operative licensed automobiles, shall be regularly parked or stored in any area on a lot except inside an enclosed building. Garbage and refuse containers, gas tanks, transformers, air conditioning and other mechanical equipment, including solar and other alternative energy devises shall either be concealed behind screening, buried or integrated into the building design so as to be inconspicuous. All outdoor equipment and accessories on a lot, such as play structures, benches, sculptures, etc., shall be concealed by approved screening and shall be constructed in a manner compatible and harmonious with the surroundings.

Section 13. Rentals. Only rental of a Lot owner's residential dwelling, excepting that garages and accessory buildings may be a component of the rental of the Lot owner's residential dwelling, is allowed. An owner may let or rent his entire residential dwelling unit for a lease term of NOT LESS than six (6) months, consecutively. No portion of any dwelling unit shall be leased separately from the rest of the dwelling unit. No rental of any type is allowed for a term of less than six months. All short-term rentals, similar or equivalent to Air BnB rentals, residential swaps or exchanges are prohibited. Fines for any violation of this Section shall be set at two times the per day value of the prohibited rental or the rental proceeds received from such prohibited rental.

ARTICLE VII EASEMENTS

Section 1. An easement is hereby established over the Driveway Easement for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, firefighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 2. Water and Sewer. Each Lot owner shall be responsible for their own water and sewer and shall maintain the same in strict accordance with the applicable rules, regulations and laws of Buncombe County and the State of North Carolina.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Enforcement. Any Lot Owner or the Declarant shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by any Lot owner or Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by: (a) an instrument signed by the Declarant, who at the time of the amendment continues to own two (2) or more lots; (b) an instrument signed by a majority of Lot owners and the Declarant; or an instrument signed by a majority of Lot owners upon the Declarant's conveyance out of all of its interest in the Properties.

Section 4. Management and Contract Rights. Declarant may contract with a Management or Realty company for the purposes of providing any or all elements of the operation, care, supervision, sales or management of the property. No such contract shall be binding upon Lot owners except through express adoption, or ratification of the terms of such contract. Any contract entered into by Declarant while Declarant is in control of the Property shall contain a provision allowing the Lot owners to terminate such contract without justification or penalty after Declarant has conveyed all lots to third parties. ARTICLE IX ELECTRICAL SERVICE

Section 1. Declarant reserves the right to subject the above-described Property to a contract with the appropriate electrical utility company and/or its approved electrical contractor for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to the electrical utility which shall be shared equally by the owner of each Lot within said Property.