Mount Shaddai Homeowners' Association

www.myelshaddai.org

October 13, 2007

Greetings,

This package contains a list of amendments to the Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges of El Shaddai Estate Subdivision II & III. This list of changes was recommended to the El Shaddai Board of Directors (BOD) by the Covenants Rewrite Committee. The Rewrite Committee was composed of the following members: Jimmy Godsey (Chairman) Gloria Mays and Jeff Burger. In addition, they received input from other members of the Association. The recommended changes were reviewed by the BOD and our Association attorney and are being presented to all Association members for a vote.

I would like to offer special thanks to the members of the Rewrite Committee for their hard work. The Committee approached this effort with an open mind and agreed to write every change in a way that serves all Association members equally and fairly. The goal of these proposed updates and additions was first to help simplify the management of our Association. In addition, they wanted to update some sections that have become outdated. Finally, they wanted to bring more clarity to some of the restrictions in an effort to remove subjectivity. I am very pleased with this list of updates and I urge all Association members to carefully read each one and talk about them with other Association members. You are welcome to contact me, as well as any of the other Board members if you have questions about a specific change (contact information is below).

The voting process is very simple. The included document lists the original sections and the proposed updates. Once you have read and understand each update, use the voting ballot provided to complete your vote. A "Yes" vote means you agree with the covenants amendment change. A "No" votes means you do not agree with the covenants amendment change. If you vote "No" we would like you to provide additional feedback that will help us with future efforts to update our Association Covenants. Once you have finished your vote, I have supplied a self-addressed stamped envelope to send your ballot back. All ballots must be returned by January 31, 2008. Ballots not returned by January 31, 2008 will not be counted. I realize this is a lot of time but I am asking everyone to return their ballots as soon as possible. We want 100% participation of all owners as this is the only way we will know how you feel about each one of these issues. In order to ratify each one of these changes they must have the consent of 75% of all Association members. Any change up for vote that does not receive 75% consent of all owners will not become part of our official Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges of El Shaddai Estate Subdivision II & III document.

Once again in order for a change to pass it must receive 75% consent of all owners. We have made every effort to make process as easy as we can. Please take the time to return your completed ballots. Thank you very much for your cooperation.

Sincerely,

Michael Effre

El Shaddai Board of Director President

Proposed Covenants Changes

II Principal Uses

Minimum Use

Summary of change:

• This change modifies the minimum square feet of heated floor space requirement from 600 Sq. ft. to 1000 Sq. ft.

Original requirement:

No residence shall be permitted on any lot containing less than six hundred (600) square feet of heated floor space.

Necessary parking shall be provided by each individual lot owner in a manner that will not obstruct road traffic.

Changed to:

No residence shall be permitted on any lot containing less than one thousand (1000) square feet of heated floor space.

Necessary parking shall be provided by each individual lot owner in a manner that will not obstruct road traffic.

Refuse Disposal and Concealment of Fuel Storage Tanks Trash Receptacles

Summary of change:

• This change modifies the wording from "render it invisible" to "Maintain the beauty of the neighborhood...".

Original requirement:

Owners shall enclose any fuel storage tank on any lot so as to render it invisible from any street, adjoining water, or other common area, if any, within the subdivision.

Owners shall not allow accumulation of refuse of garbage on any lot except in a concealed receptacle.

Changed to:

Owners shall place any fuel storage tank on their lot so as to maintain the beauty of the neighborhood as a whole, and shall conform to approved practices of the appropriate county or state agency having jurisdiction over such matters.

Owners shall not allow accumulation of refuse of garbage on any lot except in a concealed receptacle.

Burning Permits

Summary of change:

 This basic change modifies the wording from "with approved camp stoves or fireboxes." to "within a proper prepared fire circle in accordance...".
 In addition a note with guidance from the National Forest Service was added.

Original requirement:

No open fires shall be permitted without a burning permit secured from the appropriate governmental agency. Any fire shall be contained with approved camp stoves or fireboxes.

Changed to:

No open fires shall be permitted without a burning permit secured from the appropriate governmental agency. Any fire shall be contained within a proper prepared fire circle in accordance with safe fire practice.

Note: Safe fire practices are fires built in camp stoves, fireboxes, or an area around the fire cleared of debris. Scrape away litter, duff, and any burnable material within at least a 5-foot-diameter circle. Make sure that it is far enough away from buildings and trees, and close enough to a water supply in case it gets out of control. A fire should never be left un-attended. These safe practices were taken from the National Forest Service.

Tree Maintenance

Summary of change:

- The requirement to have approval from the Homeowners Association to remove any tree having a diameter of ten (10) inches or more was removed.
- Tree removal is permitted to enhance a view however, caution is given about taking too many trees out as that will cause erosion issue.
- NC law reference is made on the penalty for defacing another's property.
 Please respect the property of the National Forest Service and your El Shaddai neighbors.

Original requirement:

No tree on any lot having a diameter of ten (10) inches or more shall be severed from the lot without the prior written approval of the Developer and the Homeowners' Association; provided that Developer, his heirs and/or successors and assigns in interest reserve an easement and right-of-way to cut and maintain any view or vista so as to enhance the view from any lot of any scenic view.

Provided, however, before cutting any trees on a lot, the Developer or Association shall first notify the owner of that lot, in writing, by certified mail.

Thereafter said lot owners shall have 120 days to respond before any trees are cut. The said lot owner shall have the right to meet on the lot with the Developer or Association representative for the purpose of marking the trees to be cut with ribbons. All cut trees and debris shall be removed from the lot by the Developer or Association.

Changed to:

Caution should be taken when removing trees from your lot so that it will not cause a problem with erosion on your property or the subdivision roads.

Before cutting, topping, or trimming any trees on lots other than your own, you must obtain written permission from the owner of the lot.

Note: Statute GS-14-135 Amends GS 14-135 to change the criminal penalty for cutting down, injuring, or removing another's tree or log from a Class 1 misdemeanor to a Class I felony. Effective for offenses committed on or after December 1, 2007.

Lot Combination

Summary of change:

• This change allows lot owners to combine their contiguous lots into one lot, thereby reducing the liability for assessments. As a condition to the combination of lots, lot owners would be restricted from ever subdividing their newly combined lot. Owners must submit a written request to the BOD to begin the process of combining their lots. The owner will be required to sign a letter of agreement to be filed with the Association secretary.

Original requirement:

I. Definitions.....

"Lot" means any numbered lot of parcel of land within the Development as shown on a registered plat of survey.

II. Principal Uses...

Lot Subdivision

Owner of a lot shall have no right to subdivide a lot that has been transferred from Developer to himself or his predecessors in title.

Changed to:

I. Definitions....

"Lot" means any numbered parcel within the Development as shown on the any of the Plats recorded on any of the Subdivision Plats recorded in the Office of the Register of Deeds for Macon County by the Developers or any 2 or more numbered parcels within the Development as shown on any of the Plats recorded on any of the Subdivision Plats recorded in the Office of the Register of Deeds for Macon County by the Developers which are contiguous and have been combined by their owner into one parcel.

II. Principal Uses...

Lot Subdivision

Owner of a lot shall have no right to subdivide a lot.

Water System

Summary of change:

The updates in this section were written to simply remove some of the outof-date requirements. It talks about well system construction cost, which is no longer relevant considering our well is seventeen years old. All the references to Developer were removed. This change does not modify the over all meaning of this requirement it mainly simplifies it by removing some of the details.

Original requirement:

Developer or the Association, or their successors or assigns, will install a central water system and a connecting water main to all lots in said subdivision. Developer has set aside a water easement and will construct a well, storage tank, pump house, water pump and water system for use by the lot owners; provided, however, that the cost to construct and install the system shall be borne by the lot owners, from a fund formed by contributions from each lot owner that will use the system. It is understood that the water system shall not be constructed until such time as there is sufficient funds to cover the cost thereof, and that the system may be constructed in phases. developer does hereby covenant that each and every lot owner who may now have or who may hereafter acquire a lot in said subdivision shall have the right to take water from said water system and to hook into the existing water pipeline; but only upon payment of an equitable share of the initial construction costs; said rights, privileges and easements to be used in common with said developer, their heirs, successors and assigns, and all other who now have or who may hereafter acquire the right to use the same. This covenant and grant is conditioned however, upon each property owner (whether using the above-described water system as a primary or stand-by source of water), his heirs, successors and assigns paying a proportionate share of the costs of maintenance

and upkeep of said water system. It is further expressly understood and agreed that the developers make no warranties as to the quality or quantity of water from said water system, and that they shall have no liability therefore, and said lot owners who may now have or who may hereafter acquire a lot in said subdivision, by their acceptance of these covenants, do herby agree for themselves, their heirs, successors and assigns, to pay their proportional share of the cost of maintenance and up keep of said well, storage tank, pump house, water pump and water system (whether being used as a primary or standby source of water), said amount to be paid unto the developers when assessed or to their successors in interest (The Association), and to hold the developers harmless as to the quality and quantity of water from said water system. It is further expressly agreed and understood that no septic tank or septic field lines or buildings shall be constructed within on hundred (100) feet of the water well, or within 50 feet of the boundary lines of any lot. Each lot owner shall have the right and option to drill a well on his or her lot, and shall not be required to use the community water system, provided, however that no well shall be drilled within 50 feet of the boundary lines of any lot.

Changed to:

The cost of constructing and the maintenance of the system shall be borne by the lot owners belonging to the water system. It is understood that further assessments may be necessary for required additional phases of the system. Lots joining the water system at a later date will be assessed an equitable share of the expense for construction of the system and fees thereof, or a fee set by the association. Lot owners belonging to the water system agrees to pay their proportional share of the cost of maintenance and up keep of said well, storage tank, pump house, water pump and water system (whether being used as a primary or standby source of water), said amount to be paid unto the home owner association), It is further expressly agreed and understood that no septic tank or septic field lines or buildings shall be constructed within on hundred (100) feet of the community water well. Each lot owner shall have the right and option to drill a well on his or her lot, and shall not be required to use the community water system, provided, however that no well shall be drilled within 50 feet of the boundary lines of any lot.

IV. Property Owners' Association

Section Four-A: Impact Fee

Summary of addition:

• This issue was originally discussed and voted on during the 2005 Home Owners Association meeting. The legality of the impact fee ruling was challenged during the 2006 Home Owners meeting and we agreed to consult the Association attorney. We were advised by our legal team to have the Impact fee added to our Home Owner Association Covenants. As a result we are adding this to the Covenants voting ballot.

New Requirement:

In addition to Annual Assessments and Special Assessments, an impact fee will be assessed to the lot owner for all new home construction. This fee is being assessed to off-set the increased wear and tear on all roads by the added construction traffic. The amount of the fee and the timing of collection will be determined by the Association.

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