

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

RESOLUTION OF THE BOARD OF DIRECTORS

COMBINING LOTS POLICY

Adopted December 30, 1999

The following resolution has been adopted by the Fairfield Mountains Property Owners Association, Inc., Board of Directors pursuant to the powers bestowed on the Board of Directors of the Association as outlined and stated in the Declaration of Covenants and Restrictions dated and recorded July 14, 1977.

RECITALS

Under certain conditions, the Board of Directors will allow combining of lots. It is the desire of the Board of Directors to only combine lots that are unbuildable and when joined with another or others will produce a suitable building site. It is the purpose of this policy to generate the most revenues possible for the Association while encouraging and enhancing building growth of the Fairfield Mountains Community.

The Board of Directors defines unbuildable as a lot that will not hold a septic system and/or meet the minimum square footage and setback requirements of the Association as outlined in the policies and procedures handbook of the Architectural Control Committee ("ACC"). The Board of Directors agrees that consideration of all septic systems available at the time of the combination request should be researched with documentation of this research attached to the combination request. It is the intent of the Board of Directors to ensure that all septic systems available are investigated by the property owner and not just the conventional septic system prior to requesting any lot combination.

It is further agreed by the Board of Directors that the Developer and/or sub-developers of any sub-division currently a part of the POA or any sub-division that may be added in the future to the POA are not allowed to combine lots once the preliminary plat of the sub-division is approved by the ACC. Developers and/or sub-developers must make a plat revision application to the ACC and receive the Board of Directors approval of the plat changes.

NOW, THEREFORE, BE IT RESOLVED that the ASSOCIATION does hereby adopt the following procedures and policies for the combining of lots:

1. Two (2) unbuildable lots may be combined to make one (1) buildable lot. Annual assessments and fees for both properties will be due and payable to the Association until application of the combination request is made and approved by the POA Board of Directors and the owner of such property is ready to build and has building plans approved by the ACC. After the combination request has been approved by the POA Board of Directors, annual assessments and fees at the rate of one hundred (100%) shall be paid to the Association by the owner of the property. The same procedure shall be followed regarding any capital improvement assessment.
2. One (1) unbuildable lot may be combined with one (1) buildable lot with or without a house. Annual assessments and fees for both properties will be due and payable to the Association until application of the combination request is made and approved by the POA Board of Directors. After the combination request has been approved by the POA board of Directors, annual assessments and fees at the rate of one (100%) plus fifty (50%) shall be paid (total of 150% to be paid to the Association by the owner of the property). The same procedure shall be followed regarding any capital improvement assessment.
3. Two (2) or more contiguous lots, with no construction, may be combined to make a suitable site for building. Annual assessments and fees for all properties will be due and payable to the Association until application of the combination request is made and approved by the POA Board of Directors and the owner of such property is ready to build and has building plans approved by the ACC. A maximum of two (2)

lots may be combined, totaling no more than three fourths (3/4) of an acre after the combination of the two (2) lots, resulting in the payment of one annual assessment and fees. The combination of more than two (2) lots will require the payment of annual assessments and fees on all lots in excess of the combined two (2) lots. The same procedure will be followed regarding any capital improvement.

4. The lot combinations described in one(1) through three (3) must be surveyed and platted as one (1) lot or in any multiple lot request to conform to the combination request being made. Lot evaluation tests, as described in paragraph 2 under "Recitals", must be performed and approval of the appropriate County Health Official stamp affixed or printed thereon. All fees and costs associated with these procedures are to be paid by the property owner.
5. The plat presented to the Board of Directors must meet all North Carolina statues, laws and as well as all Local and County requirements to be recorded in the County Deed Records office. The plat must also indicate the new or surviving lot number for the property.
6. If the POA Board of Directors approves the combination request and the conditions of one (1) through (3) are met, the property owner and the Board must enter into a written agreement subjecting the property to different annual assessment and fees and capital improvement assessment structure. This agreement together with the new plat of survey must be recorded in the Deed Records of Rutherford County, North Carolina, and any or all subsequent conveyances of this property must specifically refer to this agreement and plat as well as the Covenants and Restrictions of the Fairfield Mountains Property Owners Association, Inc.
7. All paperwork must be properly completed and submitted prior to August 31st of each year in order for the combination approved to have an effect on the annual assessment and fees for the coming year. The annual assessment and fees shall be paid through the following year on the lot(s) status as of October 31st. All paperwork consists of:
 1. Written statement from owner requesting the consolidation and completed Application Form from owner.
 2. For unbuildable lots, documentation of research indicating that all septic systems available at the time of the combination request have been considered.
 3. Written statement from appropriate County Health official.
 4. Two (2) copies of the re-platted survey showing the surviving lot(s) plus a copy of the septic evaluation from the Rutherford County Health Department.
 5. Signed and notarized Agreement between the owner of the property combined and the POA Board of Directors regarding the annual assessment and fee structure.
 6. A check payable to the Rutherford County Clerk of Court for the recording fees for the revised survey/plat and annual assessment and fee agreement.
8. Where two (2) or more owners of lots each wish to combine part of a jointly owned lot which lies between them, the intervening lot may be divided and each part combined with their adjacent contiguous lot. The lot division shall be accomplished with no loss of revenue to the POA and all legal requirements shall be completed by the requesting parties, including the survey, platting, filing of deeds, and a signed agreement with the POA on equitable payment for their acquired lot portion, and all requirements of "Combining of Lots". The two (2) or more property owners that sub-divide any lot adjacent to their lot shall each pay their portion of the total of one hundred (100%) of the annual assessment and fee on the lot that was sub-divided. The same procedure shall be followed regarding any capital improvement assessment. The POA may then bill each owner accordingly.
9. The POA Board of directors may approve other lot combinations.

10. Once the combination of two or more lots has been approved by the POA Board of Directors these lots cannot be subdivided in the future, subject to the terms and conditions of the Subdividing Lots Policy adopted by the Board of Directions.

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