

NORTH CAROLINA
MOORE COUNTY

DECLARATION OF RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS that SANDHILLS MARKETING GROUP, INC., owner of the property hereinafter described, its successors or assigns, hereinafter referred to as "The Developer", does hereby covenant and agree with all persons, firms, or corporations, who may become owners of any lot or parcel of the property hereinafter described, said property lying and being in Sandhills Township, Moore County, North Carolina, more particularly described on Exhibit "A" hereto attached.

W I T N E S S E T H:

THAT Developer plans to subdivide into tracts or lots the property herein referred to, to be known as "Pinehurst Meadows" and to that end does desire to impose upon said property or parcels thereof certain restrictions and conditions regarding the use thereof;

NOW, THEREFORE, said parcels of land are hereby impressed with and made subject to the following restrictions and conditions, which are hereby made covenants and restrictions running with said land by whomsoever owned or hereafter acquired to wit:

1. Said lots or tracts shall be used exclusively for residential purposes except that the owner of any parcel of land who resides thereon may conduct a trade or practice a profession thereof which conduct is contained completely within the confines of owners dwelling and shall consist of such business as crafts, handiwork or other personal endeavor of the owner and does not involve the employment at any one time of more than two (2) persons other than the owner.

2. No activity shall be conducted on any of said lots which creates any offensive noise, odor, or view to any other property owner.

3. No owner of said property shall display or erect any lighted or neon sign or advertisement or sign of any kind containing a display side of more than two (2) square feet per side.

4. No house trailers, mobile homes, campers, tents, canopies, metal buildings or similar structures shall be erected, moved to or placed upon any lot and all buildings placed upon said lot shall be built on site. All construction shall be completed within six (6) months after its commencement and shall have no exposed concrete block.

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5. All residences shall have at least 1400 square feet heated area and all two (2) story residences shall have no less than 1000 square feet heated area in its main floor level provided that 50% of the total square footage of screened in porch and/or enclosed garage not to exceed the maximum of 200 square feet credit shall be considered in computing the total square footage of heated area. No dwelling shall consist of more than two (2) stories, above the basement.

6. No foundation, eave, porch, overhang or projection of any building shall extend nearer than 40 feet from the right-of-way of any roads, nor nearer than 15 feet from the side line of any abutting property owner or side street line.

7. No outside toilets shall be allowed on the premises except portable units to be used during construction period. Each residential dwelling shall have an individual septic sewage disposal system that complies in all respects of requirements of the Moore County Health Department or other legal authority.

8. All installations of television satellite dishes or short wave towers shall be erected within the set back lines hereinabove described and be set completely to the rear of any dwelling.

9. All clotheslines, garbage cans, lawn equipment or tools, wood piles and storage piles shall be kept in the rear yard of the dwelling and fenced or concealed from view by plantings. All junk cars, rubbish, trash or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.

10. The developer retains the sole and exclusive right to re-plat or subdivide or to approve in writing the re-plat or subdivision of any of the property herein described and these restrictions shall apply to any re-plated or subdivided lots.

11. No lot or parcel of land shall be used in an obnoxious or offensive manner so as to become an annoyance or nuisance to the neighborhood. No animals or fowl shall be kept or maintained on said lot except customary household pets and horses. No habitually barking dogs shall be maintained on the property and all dogs shall be kept penned or chained and not allowed to run loose.

12. Developer reserves for itself and its licensees or assigns a 20 foot wide easement along all road rights-of-way for the purposes of installing, operating and maintaining water, gas, electric, cable television or other utility lines or mains and reserves the right to trim or cut trees and brush from said rights-of-way where it deems necessary.

13. The Developer shall be responsible for maintenance and upkeep of the private road connecting the property with the public road until such time as the developer determines, in its sole calculation, that 40% of the footage fronting on said road has

been sold and at that time the developer and the owners of said lots shall share the annual cost of maintaining said road based upon their pro-rata share of the front footage, said cost to be assessed by the developer and billed to the owner which shall be paid within 30 days after billing and shall be a just and legal debt.

14. After the sale of at least 50% of the total acreage within the development has been complete, the Developer reserves the right to create and establish a landowners association in the form of a non-profit corporation and each property owner subject to these covenants agrees to become a member of and adibe by the By-Laws of said association and to pay the dues thereof as may be determined from time to time by the vote of the members, such dues to pay the expenses of the association, pay for the maintenance of the roads and any common areas.

15. All building plans and specifications must be submitted to the developer or its designated agent, for any structure or improvement to be erected on or moved upon or to any lot, the proposed location thereof on said lot or lots, the construction material to be used, the roof and exterior color schemes, as well as all remodeling, reconstruction, repainting, alteration, or additions thereto on any lot shall be subject to and shall require the approval of said developer, or its duly authorized agent before any such work is commenced. Developer, or its designated agent shall locate the building on the lot and shall have the authority to disapprove the location thereon for any reason even if the desired location is within the restrictions herein set forth. Developer shall have the right to disapprove any plans, specifications, or details submitted to it in the event the same are not in accordance with all of the provisions of these restrictions or the rules and regulations promulgated by said developer or when (1) The design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lots or with the adjacent buildings or structures, (2) the plans and specifications submitted are incomplete or (3) Developers deem the plans, specifications or details or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property described herein, or the owners thereof. The decisions of developer shall be final. Neither developer or its agents shall be responsible for structural deficiencies, or any other defects in plans or specifications submitted, revised or approved in accordance with the foregoing provisions.

16. These restrictions shall be considered as covenants running with the land, and shall bind Developer and subsequent grantees of any of the property herein described, their heirs,

executors, administrators, successors or assigns. Upon violation or attempt to violate, any of the covenants or restrictions herein contained, it shall be lawful for the Developer, its successors and assigns, or any person, persons, or legal entity owning any of the land herein described to prosecute by proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions or restrain him or them from doing so, and to recover damages for such violations. The invalidation of any one or more of the covenants or restrictions herein contained by any court of competent jurisdiction in no way shall affect any of the other covenants or restrictions, but they shall remain in full force and effect.

17. These covenants, unless sooner terminated by some other method, shall terminate on January 1, 2010 unless a majority of the then existing owners of the property execute a renewal thereof, or of some other covenants of similar nature, and file same of record in Moore County Registry.

18. Developer may waive any of these covenants as to any part of the property if, in Developer's opinion, the application of such covenant is unreasonable or inappropriate in that particular case.

IN WITNESS WHEREOF, SANDHILLS MARKETING GROUP, INC. AND AARON M. BARBER AND WIFE, SARAH CATHERINE BARBER have caused this instrument to be executed this the 4th day of February, 1994 and Aaron M. Barber and wife, Sarah Catherine Barber have executed this document for the purpose of subjecting that portion of the property described in Exhibit "A" which they have previously purchased to the foregoing covenants.

SANDHILLS MARKETING GROUP, INC.

By: *Rene C. Moore*
President

ATTEST:

Thane Mac
Asst. Secretary



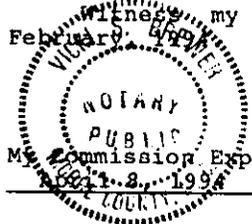
Aaron M. Barber (SEAL)
AARON M. BARBER

Sarah C. Barber (SEAL)
SARAH CATHERINE BARBER

STATE OF NORTH CAROLINA
COUNTY OF MOORE

I, the undersigned Notary Public in and for the aforesaid State and County, certify that Joanne F. Mace, personally came before me this day and acknowledged that she is Secretary of SANDHILLS MARKETING GROUP, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and notarial seal this the 4th day of February, 1994.



Vicki S. Brewer
Notary Public

NORTH CAROLINA
MOORE COUNTY

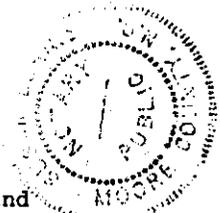
I, Susan Burris, a Notary Public of said County and State do hereby certify that AARON M. BARBER AND WIFE, SARAH CATHERINE BARBER, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal, this the 8th day of February, 1994.

Susan Burris
Notary Public

My Commission Expires:

October 3, 1995



North Carolina--Moore County

The foregoing certificate of Vicki S. Brewer and Susan Burris, Notaries Public, is certified to be correct. This 10th day of February, 1994.

Judith M. Adams, Register of Deeds
Judith M. Adams Assistant

EXHIBIT "A"

BEGINNING at a stake in the eastern right-of-way line of the Hoffman to West End Road, State Road #1004, said stake being the northwest corner of the property of Sandhills Marketing Group, Inc. described in Deed Book 745 at Page 549 and also being the southwest corner of the property formerly owned by Regal Paper Corporation as shown in Map Book 5, Page 31, Moore County Registry; running thence with Regal Paper Corporation's line South 76 degrees 42 minutes 25 seconds East 313.94 feet to a stake in said line; thence South 03 degrees 35 minutes 24 seconds West, parallel with the eastern line of State Road #1004, 183.00 feet to a stake; thence South 76 degrees 42 minutes 25 seconds West 313.94 feet to a stake in the eastern right-of-way line of the said State Road #1004; thence with said line of said road North 03 degrees 35 minutes 24 seconds East 183.00 feet to the beginning, and containing 1.30 acres, more or less.