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PATSY T. MCDONALD
REGISTER OF DEEDS
RICHMOND CO., NC

NORTH CAROLINA

RESTRICTIVE COVENANTS OF
CAROLINA HILLS SECTION 2

RICHMOND COUNTY

KNOW ALL MEN BY THESE PRESENTS that Carolina Hills, LLC, owner and developer of all of the lots in CAROLINA HILLS SECTION 2, a subdivision, as shown on the plat of survey as recorded in the office of the Register of Deeds for Richmond County at Plat Slide 727-H, does hereby impose on each and every lot, as shown thereon, restrictions to their use which will run with the land and which will be binding upon and enforceable by and against all purchasers of lots in said development from the date of recording of this instrument forward. Said restrictions are as follows:

1. FULLY PROTECTED RESIDENTIAL AREA. The residential area covenants contained herein in their entirety shall apply to all lots.
 2. LAND USE AND BUILDING TYPE. No lot or lots shall be used except for single-family residential purposes and no building shall be erected, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height. No duplex or two-family dwelling may be built on any lot.
 3. TEMPORARY STRUCTURES. No structure of a temporary or transient character, trailer, mobile home, basement, tent, shack, garage, barn, or other out building shall be used on any lot at any time as a residence, either temporarily or permanently.
 4. DWELLING AND OUTBUILDING QUALITY AND SIZE. The purchaser or owner of any lot shall submit plans and specifications of the same to the developer, its successors or assigns, or its authorized agent, prior to the beginning of any construction, grading, or excavation for approval of the proposed construction on said lot. Such examinations shall ensure that all dwellings and outbuildings constructed in the subdivision are of similar quality, size, and workmanship. The enclosed heated ground floor area of the main floor shall not be less than 1800 square feet for a one story dwelling, and not less than 1050 square feet for a dwelling of more than one story. Dwellings of more than one story
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shall contain no less than 1800 square feet of total heated floor space. All dwellings must have a garage large enough to accommodate at least two automobiles constructed on the side or rear of the dwelling, and such garage shall have only a rear or side entrance unless approved otherwise in writing by developer prior to construction. Outbuildings, including those built to house garbage or animals as permitted by these covenants, shall be of similar materials and construction as the dwelling on said lot.

5. BUILDING LOCATION. No building or outbuilding shall be located on any lot nearer than 65 feet to the front lot line, 15 feet to an interior lot line, or 45 feet on any side abutting a street. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Due to the elevation of the terrain of some of the lots in the subdivision, the distance of setback of 65 feet to the front property line may be waived by the developer, its successors or assigns, or its authorized agent, in writing, but may not be less than as required by the Richmond County Zoning Setback Requirements.

6. HARMONY OF CONSTRUCTION. All buildings, fences, or other improvements constructed on the lots in this subdivision shall be in architectural harmony with other improvements in said subdivision. All references to approval by the developer, its successors or assigns, or its authorized agent, shall refer to approval based on harmony with other existing improvements, and such matters shall be in the sole discretion of the developer, its successors or assigns, or its authorized agent.

7. SIGNS. No sign of any kind shall be displayed on any lot except one professional sign of not more than 2 feet by 3 feet in size advertising the property for sale or for rent, or signs used by a builder to advertise the property during the construction and sales period.

8. DRIVEWAY CONNECTION. All plans for driveway connections shall be reviewed and subject to approval by the developer of this subdivision, its successors or assigns, or its authorized agent.

9. LOT AND AREA WIDTH. No lot in this subdivision may be subdivided into smaller lots unless the developer, its successors or assigns, or its authorized agent, gives written approval. No lot shall be used for ingress or egress for adjoining property or properties without the written consent of the developer, its successors or assigns, or its authorized agent.

10. EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. There shall also be preserved utility and drainage easements across the property at such locations as are necessary to adequately and properly handle the flow of running water from the street and other parcels of property and to adequately provide space for utilities to be situated upon the property. The developer of the lots in this subdivision shall not be required to obtain any further easement to carry out the intent of this section.

11. NUISANCES. No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become any annoyance or nuisance to the neighborhood. No abandoned cars, trucks or other vehicles of any type may remain on the premises or parked or permitted to remain on any lot. It is expressly stated that no tractor-trailer type trucks may be parked on the subdivision streets or lots on a continuing basis. No commercial business activity or retail sales will be allowed to operate from a private residence, other than an individual office within a home where retail customers do not enter and exit the premises. No sign or device shall be displayed indicating the profession, business or trade of any person or advertising in any way, other than in connection with the sale of a lot upon which such sign is posted.

12. LIVESTOCK AND POULTRY. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that dogs and cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes. No owner may maintain more than two (2) dogs and two (2) cats upon the premises. No pets shall be allowed to run at large in the subdivision, but should be maintained solely on the owner's property. No pet shall become a nuisance to any other lot owner in this subdivision or any lot owner in any other phase of Carolina Hills yet to be developed.

13. FENCES. Fences will only be allowed at the rear portion of the dwellings. These fences may extend from a point even with the rear of the dwelling and continue around any rear portion of said lot. Fences so constructed may not be more than six (6) feet in height. Any fencing shall be constructed in such a manner and with such material that would blend well into a residential setting. In no event shall a fence of any type be located closer than twenty (20) foot from the shoreline of the Carolina Hills Lake nor shall any fence of any type encroach upon any utility easements.

14. GARBAGE AND REFUSE DISPOSAL. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and shall be located at rear areas of each lot. Should it be necessary for any container to be kept in the front area of the lot, written permission must be obtained from the developer, its successors, its assigns, or its authorized agent, and such container, if approved, must be enclosed in a shelter comparable with the construction in the neighborhood so that the container is not visible from the outside of the shelter.

15. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any lot unless such system is located, constructed and equipped in accordance with standards which substantially equal or exceed the minimum requirements for such systems as issued by the North Carolina State Board of Health and/or the Federal Housing Administration in connection with the insurance of mortgages covering property in this state and in effect on the date such system is constructed. Approval of the system shall be obtained from the health authority having jurisdiction.

16. ENVIRONMENTAL MAINTENANCE. In order to preserve the character of the development, no owner of any individual parcel shall be permitted to cut more than forty (40) percent of the trees situated upon each individual lot without the express written permission of the developer, its successors or assigns, or its authorized agent.

17. LANDSCAPING. The landscaping of the property shall be of a design that will enhance the value of the owner's home, as well as that of the community.

18. FUEL TANKS. Fuel tanks shall be placed underground or maintained in such a manner as not to create a nuisance or to be visible in any manner from any lot line. Fuel tanks must be placed underground unless prohibited by supplier.

19. ANTENNA OR SATELLITE DISH. No antennas of any kind or satellite communication dish or equipment may be installed on any lot other than behind the main dwelling structure. None of the above may extend twenty (20) feet above the average natural ground level of the lot upon which it is installed. This restriction shall not apply to television antennae attached to the dwelling structure.

20. SWIMMING POOLS. The rim elevation of any swimming pool may not be over two (2) feet above the natural grade of the site unless integrated into terraced construction approved by the developer, its successors or assigns, or its authorized agent. NO ABOVE GROUND POOLS ARE PERMITTED.

21. OWNER'S OBLIGATION TO REPAIR. Each owner shall, at his sole cost and expense repair and keep his residence in a condition comparable to the same state of its initial construction, excepting only normal wear and tear.

22. OWNER'S OBLIGATION TO REBUILD. If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the owner thereof, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within six months after the damage occurs, and shall be completed within 24 months after the damage occurs, unless prevented by causes beyond the control of the owner or owners. If the owner chooses not to reconstruct a dwelling upon a lot, then in that event all damaged and destroyed material must be removed, at owner's expense, from said lot within six months after the damage occurs.

23. LAKE ACCESS. Only owners of Lots 215 through and including 221 and 308 through and including 314 and their accompanied guests shall have the use and benefit of the lake. Piers, boathouses, or other structures are not allowed on the lakeshore or projecting into the lake. No gasoline motorboats or any other type of vehicle operated by a gasoline motor will be permitted on said lake. Boats driven by electric motors, sailboats, and paddleboats are permitted.

24. LANDOWNERS' ASSOCIATION. A landowners' association shall be formed for the entire subdivision. The association shall be formed for the purpose of maintaining the entrance way to said subdivision and for any other purpose that the association shall deem to be important for the proper maintenance of the subdivision. The owners of Lots 215 through and including 221 and Lots 308 through and including 314 shall have certain provisions particularly applied to them for the purpose of maintaining the lake and dam, which is a benefit to their properties.

25. RULES AND REGULATIONS OF THE ASSOCIATION. The association shall be established and it shall be named Carolina Hills Landowners' Association. The rules and regulations governing said association are set out as follows:

- a. By the acceptance of their deeds, all owners of lots in Carolina Hills Section #2 shall become members of the association.
- b. That the members of the association shall establish a Board of Directors, which shall consist of at least three (3) members, one of which must be an owner of a lot adjoining the lake located in the subdivision.
- c. The developer of the subdivision shall be responsible for the first six (6) months from the date of this instrument for the cost and maintenance of the entrance way.
- d. Each and every owner of lots, except the developer, shall be subject to assessments.
- e. The assessment may be paid monthly, quarterly, or annually as determined by the association and must be established by the members of the association. The initial annual assessment per lot will be \$100.00. This amount will be the assessment until January 1 of the year immediately following the conveyance of the first lot to an owner other than the developer. Even though Lots 215 through and including 221 and Lots 308 through and including 314 (hereinafter referred to as "lake lots") are members of the landowners' association, they will be subject to an additional annual assessment of \$100.00. The rules and regulations governing this special assessment for the lake lots shall be the same as those governing the overall landowners' association except that the lake lots will have an assessment in addition to the ordinary landowners' association assessment. Only those owners of lake lots shall have a vote as to the assessments governing the maintenance of the lake and dam.
- f. From and after January 1 of the year immediately following the conveyance of the first lot to an owner other than the developer, the maximum annual assessment shall not increase by more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership of the association. To increase the maximum annual assessment above the ten percent (10%) set out herein,

- there must be a vote approving same by at least two-thirds (2/3rds) of the members who are voting in person or by proxy, at a meeting duly called for this purpose.
- g. As set out above, the developer shall be exempt from any assessments or dues of the landowners' association. However, developer shall initially fund the association in the amount of \$1,000.00.
- h. The developer of the Carolina Hills Section 2 shall be a voting member of the association until such time as it has divested itself of all of its lots.
- i. Each lot owner shall be allowed one (1) vote for each lot owned.
- j. Each owner of any lot whether or not it is expressly set out in their deed is deemed to covenant and agree to pay assessments levied by the association in accordance with the rules set out in these Restrictive Covenants.
- k. The assessments levied on the lake lots by the association shall be used exclusively for the maintenance and the making of repairs to the lake and dam so as to promote the recreation, health, safety, and welfare of the owners of the lots in question.
- l. All monies collected by assessment shall be treated as separate property of the association to be used for the proper undertaking of all acts and duties imposed upon the association by these restrictions.
- m. All funds in the possession of the association and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the association. No member of the association shall have the right to assign, hypothecate, pledge, or in any manner transfer his membership interest therein, except as an appurtenance to his lot. When a lot owner shall cease to be a member of the association by reason of his divestment of ownership of his lot, by whatever means, the association shall not be required to account to such owner for any share of the funds or assets of the association, or funds which may have been paid to the association by such owner, as all monies which any owner has paid to the association shall be and constitute an asset of the association which may be used in the operation, maintenance, and repair of the lake and dam. Lot owners will not receive any refund from the association of any assessment paid upon divestment of ownership.
- n. In addition to the annual assessments authorized above, the owners of lake lots may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any project for the maintenance of the lake and the maintenance and repair of the dam. Any such assessment shall require the assent of two-

- thirds (2/3rds) of the lake lot members who are voting in person or by proxy at a meeting duly called for this purpose.
- o. Written notice of any meeting for the purpose of taking any action authorized under these restrictions pertaining to the association shall be sent to all members not less than thirty (30) days, no more than sixty (60) days in advance of the meeting. The presence of members or of proxies entitled to cast two-thirds (2/3rds) of all votes of the membership of the association shall constitute a quorum. If a quorum is not present, another meeting may be called subject to the same notice requirements. However, the requirements of a quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- p. The annual assessments provided for herein shall commence as to each lot on the first day of the month following the month in which the lot is purchased. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment for every Owner subject thereto. The due dates shall be established by the Board of Directors. The association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified lot have been paid.
- q. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs and reasonable attorney's fees for representation of the association in such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the lake or dam or abandonment of his lot nor shall damage to or destruction of any improvements on any lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.
- r. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any lot shall not affect the assessment of the lien or liens provided for in the preceding sections.
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- s. The owners of Lots 215 and 308 will have the obligation to mow and generally maintain the dam area in such a manner so that it does not create a hazard or eyesore. The cost of this general esthetic upkeep shall be borne by the owners of Lots 215 and 308 and no portion of the assessed funds of the association shall be used for this purpose unless approved by a simple majority of the members of the association.
- t. Should there be significant repairs to be made to the dam, said repairs will be conducted in the easement areas as set out on the map recorded on Plat Slide 727H, Richmond County Registry.

26. TERMS OF RESTRICTIONS. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 25 years from the date these covenants are recorded, after which time the said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the owners of the parcels has been recorded agreeing to change the said covenants in whole or in part.

27. RESERVATION BY DEVELOPER OF RIGHT TO MODIFY RESTRICTIONS. Developer reserves the right to change or modify any or all of these restrictions so long as it is the owner of 50 percent or more of the lots.

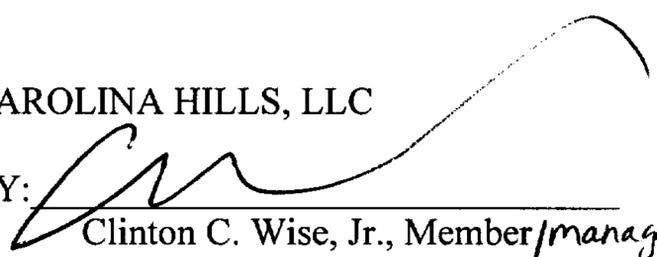
28. ENFORCEMENT. It is expressly understood and agreed that the restrictive covenants contained herein shall attach to and run with the land. Should the developer, its successors or assigns, or any owner or owners of lots in this subdivision, violate the restrictive covenants, then in that event any other owners of lots in said subdivision shall have those rights available to them in law or equity to enforce said restrictive covenants.

29. SEVERABILITY. Invalidation of anyone of these covenants by judgment or court order shall in no way effect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, said party has hereunto executed this instrument in its name, this the day and year first above written.

CAROLINA HILLS, LLC

BY:


Clinton C. Wise, Jr., Member/manager

NORTH CAROLINA, RICHMOND COUNTY

I, the undersigned Notary Public, do hereby certify that Clinton C. Wise, Jr., Member/*manager* personally appeared before me this day and acknowledged the due execution of the foregoing instrument, on behalf of Carolina Hills, LLC, for the purposes therein expressed.



Witness my hand and official seal, this the 29th day of July, 2005.

Rose S. Hawks
NOTARY PUBLIC

My commission expires: 5/24/10

NORTH CAROLINA-RICHMOND COUNTY
The foregoing Certificate of Rose S. Hawks, Notary Public

_____ is ~~are~~ certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

PATSY T. MCDONALD REGISTER OF DEEDS FOR RICHMOND COUNTY

By Barbara J. McNamee Deputy/~~Assistant~~ Register of Deeds.