

STATE OF NORTH CAROLINA)
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COUNTY OF COLUMBUS)

PROTECTIVE COVENANTS OF
SECTION I OF WATERFALL ESTATES,
PLAT BOOK 71, PAGES 89 and 90,
COLUMBUS COUNTY REGISTRY

KNOW ALL MEN BY THESE PRESENTS: That WATERFALL ESTATES, INC., does hereby covenant and agree with all persons, firms, corporations, or entities, now owning or hereafter acquiring any property in the area hereinafter described, that those lots shown on a Map of the Section I of WATERFALL ESTATES, recorded in the Office of the Register of Deeds of Columbus County in Plat Book 71, Pages 89 and 90, are hereby subjected to the following restrictions as to use thereof, running with said property by whomever owned, to wit:

1. Said land shall be part of an exclusively residential area and shall be used for residential purposes only and not for any business or commercial use or for any use other than residential. No buildings shall be erected, altered or permitted to remain on any lot other than one detached single-family dwelling and a private garage for not more than three cars. One utility building may be permitted if such utility building is constructed of material similar to the home and provided said building is no more than 150 square feet in size and with the same exterior material of the home.
2. No dwelling shall be permitted on any lot unless the ground floor area of the main structure, exclusive of open porches and garages, shall contain heated floor space of not less than 2,000 square feet in case of one story and, if a one and one-half dwelling or, two story dwelling, the ground floor living area must have a minimum of 1,500 square feet (together with the 2,000 square foot minimum total).
3. No building or any part of the home shall be located on any lot any nearer to the lake front line than 25 feet or nearer to any street line than 20 feet, or nearer to a lot line than 10 feet.
4. Only one dwelling shall be erected or placed on any one lot. All dwellings must be conventional in design and all plans for such buildings must be submitted to the Board of Directors of WATERFALL ESTATES INC., the developer, or its assigns, for approval prior to any construction on said lots.
5. No obnoxious or offensive activity shall be conducted or permitted on any lot, and nothing shall be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which may detract from the exclusively residential character of the subdivision.
6. No structure of a temporary character, basement, tent, shack, garage, garage apartment, barn, trailer, mobile home or other outbuildings shall be used on any lot at any time as a residence, either temporarily or permanently. No existing building of any type, including modular, (on or off frame), may be moved onto any lot from another location without the approval of the Board of Directors of WATERFALL INC. and a majority of the homeowners. No Recreational Vehicles are allowed to be parked openly. Recreational Vehicles and Recreational Facilities must be stored off site and out of the subdivision.
7. The foundation of each and every dwelling located within the area shall be of solid masonry or block piers with brick exterior. No dwelling shall be erected, altered, placed or permitted to remain on any lot within the said area if the exterior walls of same are of concrete or cinder block (unless neatly stuccoed), artificial brick, or roll siding. It is the intent and purpose of these restrictions that the outside walls of all buildings located within said area shall be finished in an attractive manner, with such material as brick, masonite siding, wooden shingles, perm-a-stone, or equivalent, redwood, horizontal aluminum, concrete or blocks (only if neatly stuccoed), wooden siding 4-6 inches wide, or field stone, so as to maintain an attractive appearance through the entire area and so that all premises will be kept and maintained so as to harmonize with the neighborhood and produce a well kept and attractive appearance. Nothing will be done or permitted on the respective lots in the subdivision contrary to said purpose and intention.

8. Driveway tiles and entrances must have masonry header walls only to match house foundation and cannot exceed a height of 12" above finished elevation of yard, if desired by the homeowner.
9. Any dwelling placed on a lot shall be connected to a septic tank meeting the requirements of the North Carolina State Board of Health. The water for WATERFALL ESTATES will be a private community well system serving until County water becomes available. The installation engineers for county water have assured developer that water will be available by 2004. The well and water system will ultimately belong to the Homeowners Association and each lot will share the pro-rated costs of maintaining and servicing the said well and H2O system. The well system will be totally self supported, including its own electrical panel, to be paid from bills or assessments from the Homeowners Association to the lot owners until such time as the well and water system is turned over to the Homeowners Association, said system shall be controlled and maintained by the Developer at Homeowners Association's expense.
10. No cattle, swine, goats, mules or other livestock shall be kept on any of the lots in said area, except dogs, cats and other small pets may be kept thereon for the personal use and pleasure of the lot owner. All cats and dogs are to be in-door/in-house pets. No kennels, fences, or enclosures of any kind for raising pets for profit or pleasure will be allowed. No animal shall be kept under circumstances that constitutes a nuisance, annoyance, or menace to the neighborhood.
11. Each property owner shall be required to keep his yard and lot free of any unsightly debris, abandoned cars, (cars that are not licensed or insured), refrigerators, stoves, or anything that would detract from the appearance of the lot and the subdivision.
12. All fencing must be approved by the Board of Directors and/or the Home Owners Association and all such fencing must be compatible with the architecture of the neighborhood. Any homeowner who maintains an in house pet will be required to purchase and install an underground electrical pet retaining fence.
13. No lot within WATERFALL ESTATES may be sub-divided or conveyed unless such lot becomes part of an adjoining lot.
14. No satellite dishes will be permitted in the front yard of any lot. Any homeowner that installs a satellite dish must make certain that the satellite dish is not visible from the street and that the satellite dish does not exceed a measurement of 18" in width. Cable services will be available.
15. No overhead utilities of any kind will be permitted.
16. No pier or floating structure will be permitted or constructed.
17. Property owners will be responsible for and shall maintain liability insurance coverage for accidents occurring to or by invitees, guests, or family members. Proof of Insurance shall be in effect at closing and shall be continually maintained thereafter. Such liability insurance shall insure the owners, guests and developer, WATERFALL ESTATES, INC. All homeowners insurance policies will be required to cover any accidents that may occur on the homeowner's lot.
18. All property owners and guests may use all water areas, providing the adjoining property owners privileges are not interfered with.
19. Fishing from the ponds or lakes in WATERFALL ESTATES is restricted to property owners and their guests only. All guests of property owners must be accompanied by the owner or an immediate family member while fishing. No property owner will have the right to grant fishing privileges to anyone at any time without said property owners immediate supervision. Any person observed fishing in WATERFALL ESTATES without the attendance of a current property owner will be requested to leave,

and upon failure to do so, will or may be reported to the Wildlife Commission immediately by any property owner.

20. All fishing from lakes will be by pole or rod and reel. No traps, nets or other commercial devices can be used under penalty of law. All violators may be reported to the Wildlife Commission by any property owner of Waterfall Estates.

21. Access for boats will not be allowed in the reserved areas to be deeded to the Homeowners Association. No boats, gasoline engines, or jet skis are to be allowed on the lake at any time.

22. All variances and changes to these Protective Covenants are subject to the approval of the Board of Directors of Waterfall Estates, Inc., and the majority of the property owners, or the Homeowners Association upon its formation and acceptance of authority.

23. Any construction, including a dwelling unit, must be completed within 180 days of commencement of construction. Any extensive delay without reasonable justification will subject said lot to an Impact Fee, not to exceed Ten Dollars (\$10.00) per day, to be assessed by and paid to the Homeowners Association.

24. All streets in WATERFALL ESTATES are considered private. The maintenance and up-keep of said streets will be the sole responsibility of the Homeowners Association and lot owners, with each lot owner being obligated to pay his pro-rata share in advance on an annual basis. Yearly assessments shall be handled by Waterfall Estates, Inc., until Homeowners Association is formed.

25. The developer reserves the right to subject the real property in this sub-division to a contract with CP&L for the installation of street lighting which would require a continuing monthly payment to CP&L by each residential electrical customer. This continuing monthly payment to CP&L will be added to each monthly bill for each residential customer.

26. These restrictive covenants may be enforced either at law or equity by any property owner within the sub-division, by the Homeowners Association, or by the Developer, or its assigns.

IN TESTIMONY WHEREOF, WATERFALL ESTATES, INC., has caused this instrument to be signed in its corporate name by its President, its corporate seal affixed, and attested by its Secretary, all by order of its Board of Directors, on this the 3 day of May, 2002.

WATERFALL ESTATES, INC.

By: _____

Luis E. Donayre
President

STATE OF NORTH CAROLINA

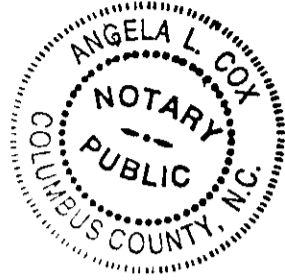
COUNTY OF COLUMBUS

I, Angela R. Cox, Notary Public, certify that LUIS E. DONAYRE personally came before me this day and acknowledged that he is President of WATERFALL ESTATES, INC., a corporation, and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official seal, this the 3rd day of May, 2002.

Angela L. Cox
Notary Public

My Commission Expires: 1/26/2003



NORTH CAROLINA COLUMBUS COUNTY

The foregoing instrument is certified to be correct of
Angela L. Cox

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 thereof.

Woodance H. Whitfield Register of Deeds

By: Jeannette Dianne Stokes
Ass/Deputy Register of Deeds

Ret: Becki