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J. LEE WARREN JR.
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

Prepared By/Return To: Joel S. Jenkins, Jr., Attorney

NORTH CAROLINA

CUMBERLAND COUNTY

RESTRICTIVE COVENANTS
STONE CREEK, SECTION TWO,
PART ONE

THIS DECLARATION, made this 27th day of March, 2006, by STONE CREEK OF EASTOVER, LLC, a North Carolina limited liability company, hereinafter referred to as "Developer", and CAVINESS AND CATES DEVELOPMENT, INC., a North Carolina corporation.

WITNESSETH:

WHEREAS, Developer is the owner of certain property in Cumberland County, North Carolina, which is known as STONE CREEK, SECTION TWO, PART ONE, per plat of same duly recorded in Plat Book 116, Page 103, Cumberland County, North Carolina, Registry; and

WHEREAS, Caviness and Cates Development, Inc. heretofore has purchased certain lots from the Developer in the said STONE CREEK, SECTION TWO, PART ONE; and

WHEREAS, both the Developer and Caviness and Cates Development, Inc. desire that STONE CREEK, SECTION TWO, PART ONE, be uniform in its development and the restrictions applicable thereto;

NOW, THEREFORE, Developer and Caviness and Cates Development, Inc. hereby declare that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described as STONE CREEK, SECTION TWO, PART ONE, according to the plat of the same duly recorded in Plat Book 116, Page 103, Cumberland County, North Carolina, Registry.

Section 3. "Lot" shall mean and refer to any of the Lots as shown on the plat recording in Plat Book 116, Page 103, Cumberland County, North Carolina, Registry.

ARTICLE II
USE RESTRICTIONS

Section 1. All Lots shall be used for residential purposes only and shall not be used for any business or commercial purposes; provided, however, that Developer reserves the right to use any Lot and any improvements thereon owned by Developer as a model home with sales office. Group family homes are prohibited.

Section 2. All Lots shall be residential lots, and no structure shall be erected, altered, placed, or permitted to remain on any of said lots except one detached single family dwelling of not more than two and one-half stories in height, a private garage for not more than three cars, and other outbuildings in the rear of the dwelling house which may be incidental to normal residential use in subdivisions of similar category. Any such outbuildings shall be constructed in the same manner and with the same materials as the single family dwelling located on the Lot. Manufactured metal buildings may not be placed on any Lot in the subdivision.

Section 3. No dwelling shall be erected or allowed to remain on any of the said Lots which shall contain a ground floor heated-area living space of less than one thousand seven hundred (1,700) square feet for a one-story single family dwelling and not less than nine hundred (900) for a two-story single family residential dwelling. Heated-area living space shall mean the ordinary living space in a house which is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, carports, and porches shall not be counted. No residence or other building, and no fence, wall, utility yard, driveway, swimming pool or other structure or improvement, regardless of size or purposes, whether attached to or detached from the main residence, shall be commenced, placed, erected, or allowed to remain on any building lot, nor shall any addition to or

exterior change or alteration thereto be made, unless and until building plans and specifications covering the same, showing the nature, kind, shape, height, size, materials, floor plans, exterior color schemes with paint samples, location and orientation on the building lot and approximate square footage, construction schedule, on-site sewage and water facilities, and such other information as the Developer shall require, including, if so required, plans for the grading and landscaping of the building lot showing any changes proposed to be made in the elevation of surface contours of the land, have been submitted to and approved in writing by the Developer and until a copy of all such plans and specifications, as finally approved by the Developer, have been lodged permanently with the Developer. The Developer shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons connected with future development plans of the Developer of said land and contiguous lands. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Developer may take into consideration the suitability and desirability of the proposed construction and of the materials of which the same are proposed to be built to the building lot upon which the owner proposes to erect the same, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such construction as viewed from neighboring properties. In the event the Developer fails to approve or disapprove such building plans and specifications within thirty (30) days after the same have been fully submitted to it as required above, or the foundation of the building has been completed and approved by the local building inspection department, the approval of the Developer shall be presumed, and the provisions of this paragraph shall be deemed to have been complied with. However, no residence or other building, structure, or improvement which violates any of the covenants and restrictions herein contained or which is not in harmony with the surrounding neighborhood and the existing structures therein shall be erected or allowed to remain on any part of a lot. All driveways shall be constructed of concrete.

Section 4. All structures shall comply with (i) a front set-back of fifty (50) feet, a side yard setback of ten (10) feet, and a rear yard setback of thirty-five (35) feet, (ii) the Cumberland County, NC, ordinances with regard to all set-back requirements, and (iii) set-back requirements as are set forth on the plat of STONE CREEK, SECTION ONE, recorded in Cumberland County, North Carolina in Plat Book 115, Page 177. For the purposes of this covenants, eaves, steps, overhangs and chimneys shall not be considered as a part of the building, provided however, that this shall not be construed to permit any portion of an improvement on a Lot to encroach upon another Lot. When consistent with the zoning ordinance, the building line set back as provided for in this paragraph may be varied by (i) the Developer so long as the Developer owns any Lot in the subdivision herein described, or (ii) as much as ten (10) percent with the express written consent of the Developer, which said consent document need not be on record in the Office of the Register of Deeds of Cumberland County, North Carolina.

Section 5. No chain link fences shall be permitted on any Lot, and no solid panel (privacy) fences shall be permitted on any Lot that backs up to Baywood or

Murphy roads. No fence shall be erected closer to any street line than the rear corner, closest to the street, of the single family residential dwelling located on the Lot. No fence shall exceed six (6) feet in height. Only ornamental fences (e.g., split rail fences, or fences through which there is at least 75% visibility) not to exceed three (3) feet in height may be erected between the house and the street lines. For those Lots which are corner lots, no such fencing may be placed or erected on an improved corner lot any closer to the street than the back rear corner of the principal dwelling structure closest to the street and, on vacant lots, closer to any street than the setback line, and in no event closer than thirty (30) feet to any street.

Section 6. Television satellite or dish antennae having a diameter in excess of twenty-two (22) inches are prohibited. All allowable satellite dishes or antennae are to be placed or installed on the rear of the house or the rear corner.

Section 7. No sign or signs other than a "For Sale" or "For Rent" sign shall be displayed on any Lot.

Section 8. No automobile or motor vehicle may be dismantled or stored on said property, and no mechanically defective automobile, motor vehicle, mechanical machine, or machinery shall be placed or allowed to remain on said property for over thirty-five (35) days. Notwithstanding the above, these restrictions shall not apply if such vehicle is kept in an enclosed garage and out of sight from the street. Commercial vehicles, camper trailers, trailers, and/or boats shall be stored at the rear of the residence and shall be within the yard set-backs. If more than two (2) of the above non-private vehicles, trailers or boats are stored on any lot, they shall be screened from view of other lots.

Section 9. No trailer, tent, shack, garage, barn or similar type outbuilding shall be placed, erected, or allowed to remain on any Lot without the written consent of the Developer, its successors and assigns. No structure of a temporary character shall be used as a residence temporarily, permanently, or otherwise.

Section 10. Only break-away mailboxes may be constructed in the subdivision, it being the intention of the Developer to preclude the erection of permanently constructed mailboxes in the North Carolina right-of-way areas.

Section 11. It is understood and agreed that these restrictions are made for the mutual benefit of the grantors and grantees and any and all subsequent grantees, and all such parties shall be deemed to have a vested interest in these restrictions and the right to enforce same.

Section 12. The invalidation of any one or more or any part of any one or more of the covenants and conditions set forth herein shall not affect or invalidate the remaining covenants and conditions or portions thereof.

Section 13. No animals or poultry or any kind, except common pets, shall be placed or kept on any part of the premises. No breed of dogs that may be perceived by members of the general public as being dangerous or having a propensity for being dangerous, including, but not limited to, pit bulls, rottwilers, and Dobermans, nor any dog whose lineage includes any part of any of said breeds, nor any dog that has at any time bitten a person, nor any dog that has been trained as an attack dog, shall be permitted on the premises. There shall be a maximum of two (2) dogs and two (2) cats allowed per lot.

Section 14. Each lot owner covenants and agrees that he will control the noise level emanating from any activities on the lot at a reasonable level. The lot owner shall not allow the noise level to become a nuisance or to otherwise interfere with adjoining lot owners' reasonable use of their lots.

ARTICLE III UTILITIES AND UTILITY AND DRAINAGE EASEMENTS

Section 1. Developer reserves the right to subject the real property in this entire subdivision to a contract with public utility providers for the installation of overhead and/or underground electric cables or other utilities and/or for the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to such public utility provider by the owner of each improved Lot. Developer and its successors in title may devote any lot or portion thereof, not already sold, for any construction and uses which it, in its sole discretion, deems necessary in order to provide the subdivision with utilities.

Section 2. Easements for installation and maintenance of utilities and drainage facilities and signs are reserved as shown on the recorded plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage, or which may obstruct or retard the flow of water. All areas indicated as streets and easements on the recorded plat are hereby dedicated to public use for such uses forever except side yard easements which are for the use and benefit of those persons and lots as described herein.

ARTICLE IV HOMEOWNERS ASSOCIATION.

As a member of Stone Creek Homeowners Association, each Lot owner shall be liable for annual dues in an amount not less than \$150.00. Said dues will begin to accrue the first year following the conveyance by the Developer to any third party. In addition, each lot shall be assessed a one time or initial start up fee of \$75.00.

ARTICLE V GENERAL PROVISIONS

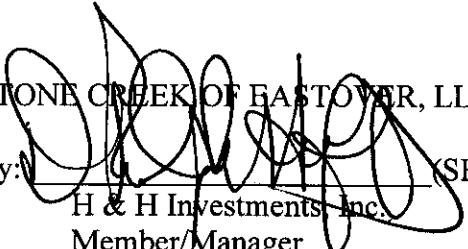
Section 1. Enforcement. So long as the Developer is an owner of a Lot shown on the plat hereinbefore referenced, Developer, or any Owner, shall have the right

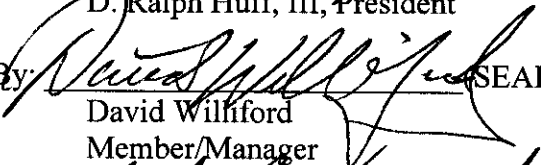
to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of these Restrictive Covenants. Failure by the Developer or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

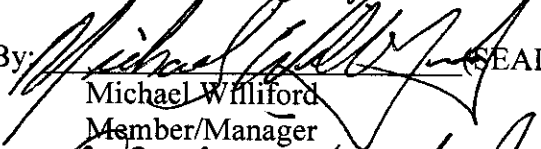
Section 2. Amendment. These Restrictive Covenants shall run with and bind the land and shall inure to the benefit of and be enforceable by the Owner of any Lot subject to these Restrictive Covenants, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date these Restrictive Covenants are recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years. These Restrictive Covenants may be amended by (i) a change being approved by a written recorded instrument signed by all of the owners of all lots requesting a change or modification and by the majority of the owners of the lots to both sides within one hundred (100) feet of any lot requesting the change or modification, or (ii) while the Developer continues to own any Lot in the subdivision, by the change being approved by the written consent of the Developer during the first twenty (20) year period.

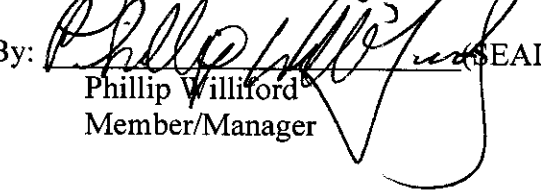
Section 3. Conflict. In the event of any conflict between the provisions of these Covenants and any applicable provisions of the Cumberland County ordinances and codes, the provisions of the Cumberland County ordinances and codes shall control.

IN WITNESS WHEREOF, Stone Creek of Eastover, LLC, the Developer herein, and Caviness and Cates Development, Inc. each has caused this Declaration to be signed in its name the day and year first above written.

STONE CREEK OF EASTOVER, LLC
By:  (SEAL)
H & H Investments, Inc.
Member/Manager,
D. Ralph Huff, III, President

By:  (SEAL)
David Williford
Member/Manager

By:  (SEAL)
Michael Williford
Member/Manager

By:  (SEAL)
Phillip Williford
Member/Manager

CAVINESS AND CATES
DEVELOPMENT, INC.

By: [Signature] (SEAL)
Watson Caviness, President

State of North Carolina
County of Cumberland

I, the undersigned notary public for the above stated county and state, do hereby that D. Ralph Huff III, President of H & H Investments, Inc., a North Carolina corporation, member/manager of Stone Creek of Eastover, LLC, a limited liability company, personally appeared before me this day and, being first duly sworn, acknowledged the due execution of the foregoing instrument for the purposes therein stated individually and, where applicable, on behalf of the corporation with authority duly given and as the act of the corporation in his capacity as an officer of the corporation.

Witness my hand and notarial stamp or seal this 28 day of March, 2006

[Signature]
Notary Public

My commission expires:

9-29-07

State of North Carolina
County of Cumberland

I, the undersigned notary public for the above stated county and state, do hereby that David Williford, member/manager of Stone Creek of Eastover, LLC, a limited liability company, personally appeared before me this day and, being first duly sworn, acknowledged the due execution of the foregoing instrument for the purposes therein stated individually and, where applicable, on behalf of the corporation with authority duly given and as the act of the corporation in his capacity as an officer of the corporation.

Witness my hand and notarial stamp or seal this 28 day of March, 2006.

Laram Blain
Notary Public

My commission expires:

9-29-07

State of North Carolina
County of Cumberland

I, the undersigned notary public for the above stated county and state, do hereby that Michael Williford, member/manager of Stone Creek of Eastover, LLC, a limited liability company, personally appeared before me this day and, being first duly sworn, acknowledged the due execution of the foregoing instrument for the purposes therein stated individually and, where applicable, on behalf of the corporation with authority duly given and as the act of the corporation in his capacity as an officer of the corporation.

Witness my hand and notarial stamp or seal this 28 day of March, 2006.

Laram Blain
Notary Public

My commission expires:

9-29-07

State of North Carolina
County of Cumberland

I, the undersigned notary public for the above stated county and state, do hereby that Phillip Williford, member/manager of Stone Creek of Eastover, LLC, a limited liability company, personally appeared before me this day and, being first duly sworn, acknowledged the due execution of the foregoing instrument for the purposes therein

stated individually and, where applicable, on behalf of the corporation with authority duly given and as the act of the corporation in his capacity as an officer of the corporation.

Witness my hand and notarial stamp or seal this 28 day of March, 2006.

Laura M. Blair
Notary Public

My commission expires:
9-29-07

State of North Carolina
County of Cherokee

I, the undersigned notary public for the above stated county and state, do hereby that Watson Caviness personally appeared before me this day and, being first duly sworn, acknowledged that he is President of Caviness and Cates Development, Inc., a North Carolina corporation, and that by authority duly given, and as the act of the corporation, he executed the foregoing instrument in the corporate name on its behalf as its act and deed.

Witness my hand and notarial stamp or seal this 28 day of March, 2006.

Laura M. Blair
Notary Public

My commission expires:
9-29-07