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Union County, Monroe North Carolina

Prepared by and Return to: PERRY, BUNDY, PLYLER & LONG, L.L.P.
NORTH CAROLINA
UNION COUNTY

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
COUNTRY MANOR II

THIS DECLARATION is made this 15th day of July, 2002, by
PHOENIX BUILDING CO., INC., a North Carolina corporation, referred to in this instrument as
"Developer."

STATEMENT OF PURPOSE

Developer is the owner of that certain parcel of land, which is known as Country Manor II located in Union County, North Carolina, more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Submitted Property"); and further described in Plat Cabinet G, File 988.

It is in the best interest of Developer, as well as to the benefit, interest and advantage of each person or other entity later acquiring any property in Country Manor II that certain covenants, conditions, easements, and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land.

Developer desires to provide for the preservation of the values and attractiveness of the real property in Country Manor II.

In consideration of the premises and for the purposes stated, Developer hereby declares that all of the Submitted Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions (all of which are collectively referred to in this instrument as "restrictions"), which restrictions shall be construed as covenants running with the land and shall be binding upon all parties having any right, title or interest in the described real

property or any part thereof, and to their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I: PROPERTY SUBJECT TO THIS DECLARATION

(1.1) The Submitted Property shall be held, transferred, sold, conveyed and occupied subject to this Declaration. Only the Submitted Property is hereby made subject to this Declaration.

ARTICLE II: USE RESTRICTIONS

(2.2) Use of Lots. Each Lot now or hereafter subjected to this Declaration are subjected to the following restrictions as to the use thereof running with said property by whomsoever owned:

(a) Residential Lots Only. All lots in the tract shall be known and described as residential lots and shall be used only for residential purposes. No structure shall be erected, altered, placed or permitted to remain on any lot other than a single-family dwelling. No business or commercial building may be erected on any lot and no business, other than customary home occupation as referred to in Union County or Unionville zoning ordinance, may be conducted on any part thereof. No dwelling, building or other improvement shall be erected upon any lot without prior Developer approval thereof as elsewhere herein provided. In order to assure, however, that location of the dwellings will be staggered where practical and appropriate, and that all structures will be located with regard to the topography of each individual lot, taking into consideration the elevation contours of the lot and the location of large trees, Developer reserves unto itself, its successors and assigns, the right to absolute control and to solely decide the precise site and location of any dwelling, structure or improvement and the location of utilities upon all lots within Country Manor II; provided, however, such location shall be determined only after reasonable opportunity is afforded the Lot Owner to recommend a specific site and, in any event, all buildings shall be constructed within the minimum set back lines designated on the recorded map of the subdivision. No lot shall be divided or subdivided unless (i) it is to adjust the property lines to allocate sufficient area for nitrification fields for each lot, or (ii) to permit the flow of storm water in a more natural course, or (iii) unless each divided or subdivided portion thereof is consolidated with one or more contiguous lots under one ownership, which combination shall require the approval of the Developer. In the event that one or more lots are developed as a unit, the provisions of these covenants and restrictions shall apply thereto as a single lot. The Developer reserves the sole right to re-subdivide any portion or all of the subdivision owned by the Developer. All such re-subdivision or combination of lots shall be subject to the easements provisions contained in Paragraph 3.2, supra.

(b) Setbacks. No building shall be located nearer to the front property line or any side street line than the building setback line as shown on the recorded map. No building shall be located nearer any side lot than the applicable zoning ordinance shall allow. All measurements shall be to the base of the dwelling. In the event of the

unintentional violation of any minimum setback requirements herein set forth, Developer, for itself and for its successors and assigns, reserves the right, by and with the mutual consent of the owner of the lot in question, to change the restrictions set forth in this instrument, provided, however, that such changes shall not exceed ten percent (10%) of the marginal requirements of such restrictions.

(c) Minimum Square Footage. The total heated area of each dwelling unit shall be as specified in Exhibit "B".

(d) Limitation of Subdivision of Lots. No Lot shall be subdivided so as to increase the total number of lots shown on said recorded plat.

(e) Driveway. Any driveway constructed or used in or on any lot in the subdivision shall be constructed of gravel, concrete, or asphalt, which driveway shall be kept and maintained in good condition and repair. Plans for and installation of driveways are subject to approval of the Developer.

(f) Maintenance. Exterior maintenance, upkeep and repair to the yard, fence, walkways, shrubbery, dwelling and other improvements on each lot shall be the sole responsibility and expense of the owner of the lot. The owner of each lot shall maintain his lot or lots in a neat and clean condition, free of all trash, debris, weeds and vines. The yard, grounds, shrubbery and trees shall be maintained in a neat and trim condition at all times.

(g) Nuisances. No obnoxious or offensive trade or activity shall be carried on or upon any lot nor shall anything be done thereof which may be or become an annoyance or nuisances to the neighborhood. Examples of such offensive activities, shall include but not be limited to, the origination or emission of any loud or disturbing noise or vibrations, the maintenance of an auto repair site, the maintenance of unsightly outdoor storage of personal property (including toys or motorcycles), or other unsightly activity not in keeping with the aesthetic character of Country Manor II.

(h) Other Structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. No above-ground swimming pools shall be permitted on any lot. No accessory structure shall be moved onto any lot unless it shall conform to and be in harmony with the existing structures in the tract as to design and color. No metal buildings shall be allowed to remain on any lot and all accessory structures must be situated on a permanent foundation. Nothing contained herein shall prevent a construction trailer or sales trailer from being located temporarily on a lot during the construction of improvements within the subdivision.

(i) Utility and Drainage Easements. A perpetual easement is reserved over fifteen (15) feet of the perimeter of the subdivision and the rear of each lot for utility installation and maintenance, and public drainage, and/or as shown on the recorded map.

A perpetual easement is reserved over the side seven and one-half (7½) feet of each lot line for utility installation, and/or as shown on the recorded map. All easement areas shall be kept free and clear of all obstructions. Each owner of lots in the subdivision shall be responsible for the control of erosion and sedimentation on each lot owned and shall take such steps as may be required to avoid damage to erosion and sedimentation control installations of the Developer. Any damage to such installations caused by any failure of any owner of any lot(s) shall be repaired by that owner who shall Developer harmless from any loss or liability whatsoever on account thereof.

(j) Signs. No sign of any kind shall be displayed to the public view on any lot except one sign of not more than six (6) square feet advertising the property for sale or rent, or a sign used by a builder or Developer to advertise the property during the construction and sales period. Developer shall have the right to place permanent signs for Country Manor II within the development.

(k) Animals and Pets. Except as provided herein, no animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any lot, except household pets (dogs or cats) which may be kept thereon for the sole pleasure and use of the occupants, but not for any commercial use or purpose and no more than two (2) pets over the age of six (6) months which stay primarily outside the residence shall be permitted at any time. Every person owning or having possession, charge, care custody or control of a pet shall keep such pet exclusively upon his lot; provided, that such pet may be off the owners' lot if it is under the control of a capable person and restrained by a chain, leash or other means of adequate physical control. Owners are expressly responsible for cleaning up after their pet on the property of other owners and the common areas. Horses are allowed on any lot of adequate size as set forth in the Union County or Unionville zoning ordinances.

(l) Clotheslines, Garbage Cans, Etc. All garbage cans, lawnmowers and similar equipment shall be kept in an enclosed structure or screened by adequate planting or fencing as to conceal same from the view of neighboring owners and streets. Clotheslines shall not be used nor permitted to be erected or placed on any lot.

(m) Radio and Television Antennas. No freestanding radio or television transmission or reception towers, antennas, dishes or discs shall be erected on a lot. Only one radio and one television antenna attached to the residence not exceeding five (5) feet in height above the roofline of the residence and only one (1) dish attached to the house not exceeding two (2) feet in diameter not visible from the street in front of the residence shall be permitted.

(n) Commercial Vehicles, Buses, Boats, Etc. No commercial vehicle including but not limited to school buses, shall be parked within the property shown on the above-described recorded plat. In addition, no farm implements, boats, campers, trailers, tagless or junk vehicles shall be placed, parked or stored upon any lot, except within an enclosed garage. No maintenance or repair of any vehicle or trailer may be performed upon any lot except within the garage and totally isolated from public view.

(o) Basketball Goals Within Road Right-of-Way. No basketball goal shall be erected or allowed to remain within the right-of-way of any street located within the Submitted Property.

(p) Garages. Garages shall be enclosed and attached to the main structures and shall be kept closed except when used for entering or exiting the structure so as to maintain a neat appearance.

(q) Construction Materials. All houses shall be constructed of materials as set forth in Exhibit "C".

(r) Limitations. It is distinctly understood and agreed that nothing herein contained shall be taken and construed as imposing any conditions or restrictions upon any land not specifically covered by these restrictions.

(s) Trees. No tree or shrub, the trunk of which exceeds two (2) inches in diameter at one foot above natural grade, shall be cut down or otherwise destroyed without the prior express written consent of the Developer.

(t) Artificial Vegetation. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any lot, unless approved by the Developer.

(u) Landscaping. A basic landscaping plan for each dwelling must be submitted to and approved by the Developer.

(v) Covenants Independent of One Another. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

(w) Necessary Exceptions for Development. Developer, or the agents of Developer, shall undertake the work of developing all lots included within the subdivision. The completion of that work and the sale, rent, or other disposition of residential units is essential to the establishment and welfare of the subdivision as an on-going residential community. In order that such work may be completed and the subdivision established as a fully-occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent the Developer, Developer's agents or transferees, or the employees, contractors of sub-contractors of Developer, from doing whatever Developer may determine to be reasonably necessary or advisable for the completion of the work and the establishment of the subdivision as a residential community. Lot Owners, upon commencement of construction of any residence, dwelling unit or other structure, which is not prohibited by this Declaration, shall pursue the performance of any construction diligently and continuously until completion of the structure involved. As used in this subparagraph, the words, "its transferees" specifically exclude purchasers of lots improved with completed residences.

(2.3) Permanent Architectural Control. After completion of the construction of the dwelling located on any Lot as approved by the Developer, no building, fence, wall, or other structure shall be commenced or maintained upon the lot, nor shall any exterior addition to or change or alteration to the dwelling be made, including the erection of antennas, aerials, awnings, the replacement of reflective or other material in the windows of a dwelling or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, and locations of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Developer. In the event the Developer fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval will not be required, and this paragraph will be deemed to have been fully complied with. Refusal or approval of plans, specifications, building or location may be based upon any grounds including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Developer shall be deemed sufficient.

ARTICLE III: EASEMENTS

(3.1) General. Each Lot now or hereafter subjected to this Declaration shall be subject to all easements shown or set forth on the recorded plat or plats of survey upon which such Lot is shown. No structure of any type shall be erected or placed upon any part of a Lot or the Common Area which shall interfere with rights and use of any and all easements shown on said recorded plat.

(3.2) Utility and Drainage. An Easement on each Lot is hereby reserved by Developer for itself and its successors and assigns along, over, under and upon a strip of land fifteen (15) feet in width along the rear lot lines of all Lots shown on the recorded plats, and easements seven and one-half (7½) feet in width along the front and side lot lines of all Lots shown on recorded plats, in addition to such other easements as may appear on a recorded subdivision plat for Country Manor II. The purposes of the easements shall be to provide, install, maintain, construct and operate utilities and drainlines to, from or for each of the Lots. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow or drainage channels in the easements except for party walls located on a portion of the side line or lines of a Lot. The easement area of each and all improvements in it shall be maintained continuously by Owner, except for those improvements for which a public authority or utility is responsible. With ten (10) days prior written notice to Owner, Developer may exercise the right to remove obstructions in such easements upon Owner's failure to do so. For the purpose of this covenant, Developer reserves the right to modify or extinguish the herein reserved easements along any Lot lines when in its sole discretion adequate reserved easements are otherwise available for the installation of drainage facilities and/or utility service lines. For the duration of these restrictions, no such utilities shall be permitted to occupy or otherwise encroach upon any of the easement areas reserved without first obtaining the prior written consent of Developer; provided, however, local service from utilities within easement areas to residences constructed upon any such lots may be established without first obtaining separate consents therefor from Developer.

(3.3) Emergency. There is hereby reserved without further assent or permit and to the extent allowed by law, a general easement to all firemen, ambulance personnel, policemen and security guards employed by Developer and all similar persons to enter upon the Properties or any portion thereof in the performance of their respective duties.

(3.4) Municipal Easement. A general easement of access is granted to all utility providers, into, over and through each Lot for the purpose of maintaining, repairing and servicing the utility lines located on said Lot and for providing municipal services to which said Lot is entitled.

ARTICLE IV: ARCHITECTURAL CONTROL

TO PRESERVE THE BEAUTY, QUALITY AND VALUE OF THE NEIGHBORHOOD

(4.1) Necessity of Architectural Review and Approval. No dwelling, improvement or structure of any kind, including, without limitation, any building, fence, wall, swimming pool, tennis court, screen enclosure, sewer, drain, disposal system, decorative building, landscape device or object, or other improvement shall be commenced, erected, placed or maintained upon any lot, nor shall any addition, change or alteration therein or thereof be made, unless and until the plans, specifications and location of the same shall have been submitted to, and approved in writing by the Developer. Fences shall be of split rail, electrical tape wiring, or vinyl. No chain link or barbed wire fences are permitted.

ARTICLE V: GENERAL PROVISIONS

(5.1) Covenants Running with the Land. All provisions of this Declaration shall be construed to be covenants running with the land, and with every part thereof and interest therein, and every Owner or any other person or legal entity claiming an interest in any Lot, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration.

(5.2) Duration. The covenants, conditions and restrictions of this Declaration shall be binding for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive and additional periods of ten (10) years each.

(5.3) Amendment. This Declaration may be amended or terminated by an instrument signed by not less than seventy-five percent (75%) of the then owners of the lots shown on the recorded map; however, the Developer shall have the right to amend or terminate the same without the joinder of any lot owners for so long as Developer owns twenty-five percent (25%) of the lots shown on any map of the subdivision.

(5.4) Enforcement. If any Owner shall violate or attempt to violate any of these restrictions, failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by any aggrieved party owning a lot in the

subdivision, jointly or severally. Any failure by any other Owner to enforce any of the foregoing restrictions or other provisions shall in no event be deemed a waiver of their right to do so thereafter. Invalidation of any covenant, condition or restriction or other provision of this Declaration shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

(5.5) Headings. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer.

(5.6) Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Developer or its successors reserves the right (by and with the mutual written consent of the then Owner or Owners of such Lot) to change, amend or release any of the foregoing restrictions as the same may apply to that particular Lot.

(5.7) Severability. The provisions of this Declaration are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

IN WITNESS WHEREOF the Developer has caused this Declaration to be executed under seal on the day and year first above written.

The foregoing certificate(s) of
Irene M. Streater

PHOENIX BUILDING CO., INC.

Notary (less Public
to be correct. Is/are certified

By: Fred W. Kimmer (SEAL)

NORTH CAROLINA REGISTER OF DEEDS
BY Moussa M. Abdou
ASST. CLERK
UNION COUNTY.

I, Irene M. Streater, a Notary Public of the County and State aforesaid, certify that Fred W. Kimmer, personally came before me this day and acknowledged that he is President of Phoenix Building Co., Inc., a North Carolina corporation, and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 15th day of July, 2002.

My Commission Expires: 7/26/2002

Irene M. Streater
Notary Public

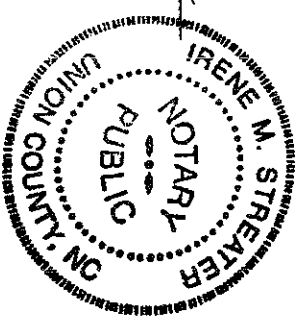


EXHIBIT "A"
TO
DECLARATION OF COVENANTS, COMMONS AND RESTRICTIONS
FOR
COUNTRY MANOR II
SUBMITTED PROPERTY

Being all of the lots, common area and other property in Country Manor II as shown on a map thereof recorded in Plat Cabinet G, at File 988 in the Union County Public Registry.

EXHIBIT "B"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COUNTRY MANOR II

SQUARE FOOTAGE IN SUBDIVISION

One story residence 1,400 heated square feet, plus one or two car garage

Split level residence 1,500 heated square feet, plus two car garage

Two story residence 1,600 square feet, plus two car garage

Garages and basements shall not be used in calculation of heated square footage.

EXHIBIT "C"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COUNTRY MANOR II
BUILDING MATERIALS

All dwellings in Country Manor II shall be of brick veneer, or a brick veneer front with sides and rear of vinyl wood, wood or stone.

No hardy plank, wonderboard, or other such material shall be used in the construction of any dwelling.