

RESTRICTIVE COVENANTS

WHEREAS, KGW Enterprises, a North Carolina general partnership, is the owner of a 116.548 acre parcel of land located in Providence Township, Randolph County, North Carolina and more particularly described in deed recorded at Book 1310, Page 122, Randolph County Registry; and

WHEREAS, said owner desires to place these restrictive covenants upon the aforesaid property in order to effect the well-classified, orderly, and proper development of said lands as a residential district with certain minimum standards as a part of a general scheme or plan of development for his benefit and for the mutual benefit of the owners of all lots to be conveyed from the aforesaid 116.548 acre parcel of land.

NOW, THEREFORE, said owner does hereby place the following restrictions upon the above described land:

1.

LAND USE. Subject to the exceptions provided in Paragraph 5, the aforesaid land and all lots derived therefrom shall be used for residential purposes only; shall not be divided into lots or parcels containing less than 1 acre each; and no more than one single-family dwelling shall be allowed to remain on any one lot. In addition to the dwelling and any attached garage, there shall be permitted on each lot an additional private garage and utility or storage building to be used in connection with the dwelling and which shall be compatible with the residence. For the purpose of this paragraph, all parents and children, irrespective of age, shall be considered one family unit.

2.

CONSTRUCTION TYPE, QUALITY AND SIZE. Only conventional stick built homes in full compliance with Randolph County's zoning ordinances and modular homes which are built in compliance with the North Carolina Uniform Residential Building Code shall be permitted. No mobile home shall be permitted or allowed to remain on any lot except for a period not exceeding twelve months during the construction of the dwelling. No dwelling of any type containing less than 1,400 square feet of heated floor space, exclusive of porches, carports, and garages, shall be permitted. All dwellings and other buildings shall be of brick, masonite, vinyl siding, or cedar siding quality, or better, and shall be kept and maintained in good repair. No cement block or cinder block shall be exposed to view. Once construction of any dwelling or building has begun, the exterior must be completed within twelve months.

3.

BUILDING LOCATION. No building of any type shall be located on any lot nearer than 35 feet from the front and back property lines, nor nearer than 20 feet from any side property line.

4.

MAINTENANCE OF LOTS. All lots shall at all times be maintained and kept in a neat and sanitary condition. Trash, garbage and other waste materials shall be stored in sanitary containers pending proper disposal. No motor vehicle without a license, trash dumps, including tires, paper, lumber, etc., junk yards, stale garbage, unsightly or unsanitary condition, or any condition prejudicial to the health and welfare of the owners of all lots shall be permitted on any lot.

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LIVESTOCK AND POULTRY. No swine or bees shall be permitted or kept on any lot; and no other animal, livestock, or poultry shall be raised, bred, kept, or allowed to remain on any lot for any commercial purpose. Household pets, poultry, and livestock other than swine shall be permitted for non-commercial purposes, provided they are maintained and kept on their owner's premises and provided further that said animals and their facilities are kept in a neat and sanitary condition and located in such a manner as to cause no objectionable or unsanitary condition affecting adjoining property owners whose title is derived from the aforesaid 116.548 acre parcel of land.

6.

NUISANCE. No activity or conduct which is noxious, offensive, annoying, or which constitutes a nuisance shall be permitted. An affidavit signed by the current owners of a majority of the lots derived from the aforesaid 116.548 acre parcel of land that an activity or conduct is in violation of this provision shall be conclusive evidence that a violation has occurred.

7.

TERM. These restrictive covenants shall run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty years from the date they are recorded, after which time they shall be automatically extended for successive periods of ten years each unless an instrument terminating or modifying the restrictive covenants is signed by the current owners of a majority of the lots and recorded.

8.

ENFORCEMENT. These restrictive covenants may be enforced by proceedings at law or in equity against any person or entity violating or attempting to violate any restriction, including injunctive relief and monetary damages; and the prevailing party in any such proceeding shall be entitled to recover from the other party, as a part of the court costs, reasonable attorney fees.

9.

SEVERABILITY. Invalidation of any one of these restrictions by judgment or court order shall in no way affect any of the other restrictions which shall remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands and affixed their seal, this the 20th day of November, 1991.

KGW Enterprises, a North Carolina
general partnership

By: Kenneth Wayne Murphy (Seal)
KENNETH WAYNE MURPHY, General Partner

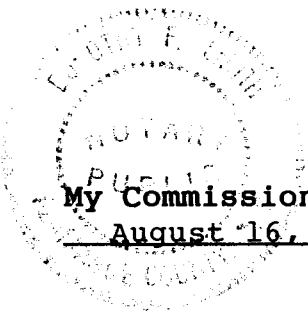
By: Garry Steven Murphy (SEAL)
GARRY STEVEN MURPHY, General Partner

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NORTH CAROLINA
RANDOLPH COUNTY

I, a Notary Public in and for said County and State, do hereby certify that KENNETH WAYNE MURPHY, general partner of KGW Enterprises, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and notarial seal, this 13th day of November, 1991.



Dorothy F. Smith
NOTARY PUBLIC

My Commission expires:
August 16, 1994

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NORTH CAROLINA
RANDOLPH COUNTY

I, a Notary Public in and for said County and State, do hereby certify that GARRY STEVEN MURPHY, general partner of KGW Enterprises, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and notarial seal, this 13th day of November, 1991.



Dorothy F. Smith
NOTARY PUBLIC

My Commission expires:
August 16, 1994

North Carolina - Guilford County

The certificate (s) of _____
Dorothy F. Smith

561397

RECORDED
KATHERINE LEE PAYNE
REGISTER OF DEEDS
GUILFORD COUNTY, NC

01/24/92
1 MISC DOCUMENT 561397

5.00

A Notary (Notaries) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time shown herein.

BOOK: 3932
PAGE(S): 0486 TO 0488

2 MISC DOC ADDN PGS
1 PROBATE FEE

4.00
1.00

KATHERINE LEE PAYNE, REGISTER OF DEEDS

01/24/1992 09:50:46

Sail H. Adams
Assistant/Deputy Register of Deeds

000488

NORTH CAROLINA — Randolph County

The foregoing certificate(s) of *Dorothy F. Smith NP*

is (are) certified to be correct. This instrument was presented for registration and recorded in this office at Book 1316, Page 1850, This 3 day of February, 1992 at 11:39 o'clock A M.

By *Debbie Green*, Deputy Register of Deeds
Ann Shaw, Register of Deeds