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Drawn by: Grover Shugart, Jr.

(Suite 2C)

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Mail to: Hubbard Realty, 2110 Cloverdale Avenue, Winston Salem, NC 27103

NORTH CAROLINA

RESTRICTIVE COVENANTS FOR SPRING CREEK, SECTION 2

DAVIDSON COUNTY

KNOW ALL MEN BY THESE PRESENTS, That SHUGART ENTERPRISES, LLC., (Developer) a North Carolina limited liability company, does hereby covenant and agree to and with all persons, firms and corporations now owning or hereafter acquiring any numbered lot in SPRING CREEK, SECTION 2, Arcadia Township, Davidson County, North Carolina as recorded in Plat Book 27, page 59, in the Office of the Register of Deeds of Davidson County, North Carolina, that the numbered lots shown thereon are hereby subjected to the following obligations, easements and use restrictions which shall run with the title to said lots by whomsoever owned, subject to the right reserved in paragraph 18, to wit:

- LAND USE AND BUILDING TYPE: No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family residence and its customary accessory buildings and uses.
- 2. SUBDIVISION OF LOTS: No residence shall be erected on less than one lot and no lot shall be subdivided except that two owners may subdivide a lot between them, but only one residence shall be built on the combined original and subdivided portions of any lots. Developer reserves the right to subdivided and replat a lot or lots.
- 3. DWELLING SIZE RESTRICTIONS: No single-family dwelling shall be built, erected, altered or used unless it shall contain at least 1100 square feet of floor space if the structure is a one-story dwelling; a split foyer and split level dwelling shall contain 1100 square feet on the main or upper level or levels; a two-story dwelling shall contain at least 1400 square feet of floor space; a one and one-half story dwelling shall contain at least 1100 square feet, with not less than 800 square feet of such floor space on the first floor. All such floor space shall be heated and finished, shall be measured from the exterior wall lines and shall be exclusive of porches, garages, terraces and basement areas.
- 4. BUILDING SETBACK RESTRICTIONS: As to each lot, there shall be a total minimum side yard of not less than 25 feet in width, no one of which shall be less than 10 feet in width. No building or part of building other than steps, open porches, overhanging eaves or cornices shall extend nearer the front property line than 30, nor nearer the rear property line than 34 feet. In the case of a corner lot, no building or part of a building, other than steps, overhanging eaves or cornices shall extend nearer the side property line adjacent to the street than as shown on the recorded plat or 20 feet, whichever is greater.
- 5. FENCING: No chain-link or other restraining type fence may be erected nearer the front property line than the rear foundation wall of the single-family dwelling thereon. In the case of a corner lot, no chain link fence or other restraining type fence may be erected nearer the side street than 35 feet.
- 6. EASEMENTS: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within theses easements, no structures, planting other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easement. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot except for those improvements for which a public authority or utility company is responsible. Developer reserves the

right to create and impose additional easements or rights-of-way over any unsold lot or lots for street, drainage, and utility installations purposes by the recording of appropriate instruments and shall not be construed to invalidate any of these covenants.

- FOUNDATIONS: No bare concrete or cinder block construction shall be permitted to show above the ground level of any house.
 - 8. DRIVEWAYS: All driveways shall be paved with asphalt or concrete.
- 9. ANIMALS: No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats, or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes and provided they are not permitted to become a nuisance to the neighborhood. Allowing any animal to roam free shall constitute a nuisance.
- 10. GARBAGE AND REFUSE DISPOSAL: No lot shall be used or maintained as a dumping ground for refuse of 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.
- 11. **TEMPORARY STRUCTURES**: No structure or a temporary character, trailer, mobile home, camper, 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.
- 12. SIGNS: No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or for rent, or signs used by a builders to advertise the property during the construction and sales period.
- 13. NUISANCES: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- 14. PARKING: The parking on the streets of boats, campers, large trucks or unregistered unlicensed automobiles for more than twenty-four (24) hours shall not be permitted.
- 15. SCREENING: The erection of clothes lines, satellite dishes, the maintenance of exterior garbage cans, the storage of boats, campers, and trailers in a clear view of a public street shall not be permitted unless stored in a screened enclosure, whether man-made or natural, to the rear of the dwelling.
- 16. STREETS: All streets in this development haven been constructed as public streets, meeting the standards of North Carolina Department of Transportation (NCDOT) for subdivision streets. The developer has dedicated a right-of-way having a width of at least fifty (50) feet. As of the date of the recording of the plat, the streets have been inspected by the District Engineer of the NCDOT and certified as having been planned and constructed according to the NCDOT standards, including those relating to grading, roadbed, paving and drainage.

The streets may be accepted by the NCDOT for addition to the State Highway System as State maintained roads upon petition by affected lot owners when a sufficient percentage of the lots are individually owned and when there are a sufficient number of occupied dwellings for each applicable segment of the street. Reference is made to the Regulations of the NCDOT for a more complete discussion of procedures regulating the admission of street to the State system.

Following such a petition, the streets will be reinspected by the NCDOT

to insure that they continue to meet all State standards, including right-of-way and drainage ditches and swales.

Nothing including, but not limited to, walls, fences, gates, timbers, trees or plants, shall be erected, placed or permitted to remain in any portion of the street a right-of-way or related sight or drainage easements as shown on the recorded map of this development. No drainage ditch or swale shall be filled, tiled or altered in any way except in accordance with the standards of the NCDOT.

17. SEWER SERVICE - OBLIGATION OF OWNER TO PAY: The dwellings in Spring Creek are serviced by a private sewerage treatment plant system under license from the North Carolina Utilities Commission (hereinafter called Commission). The rates charged for each lot user are set by the Commission and may be reviewed from time to time by the Commission for determination of any rate changes. The system has to be repaired and maintained by the owner of the system under the license. The sewerage system can be sold with approval of the Commission and it is anticipated that it will be transferred to a license owner/operator. Upon such transfer the sole obligation of the operation, maintenance and replacement of the system will be that of the transferee in accordance with the rules and regulations of the Commission and Shugart Enterprises, LLC. will not thereafter be associated with the sewerage system. The initial anticipated rate is estimated to be between \$35.00 and \$40.00, per month.

Each dwelling owner will be required to pay for sewer service and the obligation of payment is hereby imposed and will be an obligation running with the title to each of the lots. No owner may avoid the use of the sewer system and the charge therefore as set by the Commission from time to time. The operator/owner of the system and each lot owner will be subject to the rules and regulations of the Commission. Once connected to the sewerage system the sewerage fee as set by the Commission will be due and payable monthly or quarterly, as directed. Failure to pay for the service will result in the lot owner being disconnected from the service and will be reconnected upon the payment for the service and the costs of disconnection and reconnection in compliance with the rules and regulations of the Commission.

- 18. DEVELOPER'S RIGHT OF MODIFICATION: Shugart Enterprises, LLC. has developed this subdivision pursuant to a general plan or scheme of development. However, Shugart Enterprises, LLC. reserve the right to cancel, modify, or change any of these restrictions by written consent of Shugart Enterprises, LLC. which written consent shall be duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Davidson County, North Carolina, and which written consent may be given or withheld within the uncontrolled and sole discretion of Shugart Enterprises, LLC. Shugart Enterprises, LLC. may convey its right to remove, modify or change any restriction, conditions or covenant of this instrument to any person, firm or corporation by a instrument in writing specifically conveying such right and duly recorded in the Office of the Register of Deeds of Davidson County, North Carolina.
- 19. ENFORCEMENT: Enforcement shall be by proceeding at law or in equity against any person violating or attempting to violate any covenant whether to restrain violation, to recover damages or both.
- 20. APPLICABLE PERIOD: The foregoing covenants, restrictions and conditions shall remain in full force and effect, unless sooner changed in accordance with paragraph 18 herein, for a term of twenty (20) years from the date this Declaration is recorded, at which time covenants, restrictions and conditions shall be automatically extended for a successive period of five (5) years each unless by a vote of a majority of the then owners of the lots agreeing to change the said covenants in whole or in part is executed and recorded in the Office of the Davidson County Register of Deeds.

It is expressly understood and agreed between Shugart Enterprises, LLC. and all subsequent purchasers of the lots in the development known as Spring Creek, Section 2, that all conveyances of a lot or lots in said development are made subject to the foregoing covenants, conditions, and restrictions, and that they are for the protection and general welfare of the development and shall be covenants running with the land and binding upon all parties purchasing lots in said developments and their heirs, successor, and assigns, administrators or executors.

21. ADDITIONAL PROVISIONS: No captions or title in this Declaration or Restrictive Covenants shall be considered in the interpretation of any of the provisions hereof.

Invalidation of any of these covenants, restrictions and conditions by judgement or Court Order shall in no wise affect any of the other provision which shall remain in full force and effect.

In Witness whereof the duly authorized Manager Shugart Enterprises, LLC. signed has executed and sealed this instrument for and on behalf of the company this the 4th day of November, 1997.

SHUGART ENTERPRISES, LLC. (SEAL) Grover Shugart, Jr., Managen STATE OF NORTH CAROLINA - COUNTY OF FORSYTH On this 5th day of November, 1997, personally came before me, _ a Notary Public of the County of Forsy th of North Carolina, Grover Shugart, Jr., who, being by me duly sworn says that he is the Manager of Shugart Enterprises, LLC, a Limited Liability Company, and that the foregoing instrument was duly executed by him for and on behalf of the said Limited Liability Company. Witness my hand and official stamp or seal, this the 5th day of November, 1997. Notary Public My Commission expire OFFICIAL SEAL I II HALL L'arth C COUNTY 13-2000 DAVIDSON COUNTY STATE OF NORTH CAROLINA -The foregoing certificate of Down N. Hall a Notary Public of Jusith County, North Carolina is certified to be correct. This the ___ day of __ , 1997. Ronald W. Callbutt DAVIDSON COUNTY Register of Deed