

Prepared by and mail to:

HOMESTEAD LAND & TIMBER COMPANY
6831 Fairview Road, Suite D
Charlotte, North Carolina 28210

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

BONNIE E. REECE
REGISTER OF DEEDS

96 JUL -8 PM 3:41

CLEV. CO., NC
FILEDDECLARATION OF COVENANTS AND RESTRICTIONS
FOR KINGS CREST SUBDIVISION

WITNESSETH:

WHEREAS, HOMESTEAD LAND & TIMBER COMPANY, herein called the "Declarant", is the fee simple owner of certain real property located in Cleveland County, North Carolina, and desires to establish on a portion thereof a community consisting of residential dwellings to be known as KINGS CREST (hereinafter called "Kings Crest") and further desires that said property be used, developed, maintained and managed for the benefit and welfare of owners of property in Kings Crest.

NOW, THEREFORE, in consideration of the premises, the Declarant hereby declares that all of the property described on the map of Kings Crest recorded in Map Book 19, Page 103, Cleveland County Public Registry and that property that hereafter may be made subject to this Declaration of Covenants and Restrictions (hereinafter called the "Restrictions") is and shall be held, transferred, sold, conveyed, occupied and used subject to the restrictions and matters hereinafter set forth, said Restrictions and matters to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described property, or any part thereof, and which shall inure to the benefit of each owner thereof, for and during the time hereinafter specified.

RESTRICTIONS AND REQUIREMENTS

1. No tract shall be occupied or used except for single-family residential purposes. Only one residence is permitted on any tract.
2. Each one-story residential unit shall contain a minimum of 1,600 square feet of heated, enclosed living area, exclusive of patios, porches, garages and basements (finished or unfinished). Each

two-story dwelling shall contain a minimum of 1000 square feet of enclosed, heated living area on the first (main entry level) floor; however, this first floor area may be reduced to 800 square feet if the dwelling contains an attached two-car garage on the first floor. Once construction of a residence has commenced, the exterior thereof, including finished siding material shall be completed within six (6) months thereafter.

3. No building shall be constructed nearer than twenty-five (25) feet to any side property line nor any nearer than fifty (50) feet to the rear property lines. No building shall be constructed nearer than fifty (50) feet to the front property lines, as drawn on the plat.

4. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank sewage system constructed by the tract owner and approved by the appropriate governmental authority unless public sewage becomes available in the Subdivision.

5. No modular home, mobile home, house trailer, garage or the basement of a contemplated permanent dwelling shall be occupied as a residence, either on a permanent or temporary basis.

The terms "modular home" and "mobile home" are defined as follows:

Modular Home. A dwelling unit constructed in accordance with the standards set forth in The North Carolina State Building Code and composed of components substantially assembled in a manufacturing plant and transported to the building site for final assembly, whether on its own chassis or otherwise. The use of roof trusses or floor trusses on an otherwise conventionally constructed dwelling will not render such dwelling a modular home.

Mobile Home. A dwelling unit that: (i) is not constructed in accordance with the standards set forth in The North Carolina State Building Code, and (ii) is composed of one or more components, each of which was substantially assembled in a manufacturing plant and designed to be transported to the home site on its own chassis.

Special Document

6. Exterior construction material for all buildings, whether residential or auxiliary, shall be properly painted, stained or veneered with wood, brick, stone or stucco. If wood, vinyl, or hardboard material is used, it shall consist of individual boards each of which shall be no wider than twelve inches. No exposed concrete block is permitted. All chimneys must be made of brick, stone, stucco or siding material. Roof pitch shall be a minimum ratio of 6:12, except that screen porches, sun rooms and similar auxiliary rooms may have a roof pitch of 2:12. No walls or fences, except split rail fences not higher than five (5) feet, shall be permitted between the front wall of a dwelling and the street it faces. Walls or fences constructed on the remainder of the property cannot be higher than six (6) feet and shall be constructed of wood, chain link, brick or stucco covered concrete block.

7. No animals or livestock of any description, except the usual household pets, are permitted on any tract.

8. Any partially completed structures or improvements for which construction activity has ceased for 90 consecutive days, and the debris or remains of any structure damaged by wind, fire or other causes, shall constitute a nuisance and may be removed by the Declarant or the Association if the owner of the tract fails to abate such nuisance within 30 days after written notice thereof is given. All costs expended by the Declarant or the Association shall be paid by the owner and shall constitute a lien upon the tract until paid in full together with interest thereon at the rate of 8% per annum. No inoperable, stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or tract.

9. No noxious, offensive or illegal activities shall be carried on on any tract nor shall anything be done on any tract that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

10. No oil or natural gas drilling, refining, quarrying, mining or timbering operations of any kind shall be permitted upon or in any tract and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any tract.

11. All tracts, except tracts owned by Declarant, whether improved or unimproved, shall be kept free of tall grass, undergrowth, dead trees or limbs which are a danger to abutting property or roads, weeds, trash, debris and rubble and shall be maintained in a neat and attractive condition and in such a manner as to prevent the same from becoming unsightly, unsanitary or a hazard to health or safety of other residents. Within thirty (30) days from the lot being cleared of trees, etc., Owner must regrass area and provide adequate erosion control measures to prevent soil erosion. In the event the owner, or his contractor or agent, fails to comply with the terms of this provision, the Declarant or the Association shall have the right (but not the obligation) to enter upon such tract after the owner has been notified in writing of the violation and no curative action has been taken within 30 days after such notice, or the curative action has started but has not been pursued diligently, in order to effect compliance with this provision. All expenses incurred by the Declarant or the Association shall be paid by the owner of the tract upon billing from the party incurring the expense. Declarant may require the use of trash containers during any construction activity on a tract in order to maintain a clean and sightly condition during the construction period.

12. Any satellite reception disk or device larger than 24" in diameter, above-ground swimming pool or outdoor clothes lines shall be screened from view by adjoining tracts and the streets by means of landscaping or attractive screening material.

13. No tractor-trailer rigs or buses shall be parked or stored on any tract. Any RV unit or camper trailer must be parked so as to be screened from its neighbors view or the street.

14. No tract may be subdivided by any owner subsequent to the Declarant; provided that Declarant may amend or modify any existing plat and thereby relocate the property lines of any tract which is owned by Declarant.

15. The Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, a twenty (20) foot strip along the margin of each road right of way and a ten (10) foot scrip along each other property line for the purpose of constructing, installing, maintaining, repairing and operating utility lines,

poles, mains and facilities.

16. Nothing herein shall be construed as imposing any restrictions upon any other property owned by Declarant. Declarant in the course of developing adjoining property shall not be obligated to extend these restrictions to such property, but may impose such restrictions as Declarant chooses.

17. These restrictions, rights, reservations, limitations, covenants and conditions shall be deemed to be real covenants and shall run with the land and shall be binding upon the owners of all tracts described herein or hereinafter made subject hereto until January 1, 2007 and shall continue for successive periods of ten (10) years thereafter unless amended or terminated as provided below. These restrictions may at any time and from time to time be modified or amended by written instrument signed by the owners of at least two-thirds of the tracts subject hereto at the time thereof.

18. There is reserved an easement for access, ingress and egress in favor of owners of tracts in Kings Crest and in favor of their invitees, as the same access is shown on the Plat entitled "Kings Crest" and duly recorded in the county office for Cleveland County. All property owners are held fully responsible for the acts of their agents, contractors, and subcontractors. Any damage to a street shown on the Plat caused by driveway connections, traffic to and from the property owner's tract, or to the ditches or shoulders of the street, or to the flow of drainage water along the said street, shall be repaired at the expense of the owner connecting such driveway.

19. Except for a sign marking the entrance to Kings Crest, the only sign permitted on any Tract is one sign, no larger than four (4) square feet, bearing the name or names of a property owner or property address within Kings Crest Subdivision and which is placed within twenty (20) feet of a driveway entrance; provided, that one small sign such as is used in the ordinary course of effecting residential sales transactions may be placed by realtors or by owners within twenty (20) feet of a driveway to advertise a tract for sale.

20. All driveway pipe installed in ditches which are in the road right of way shall be constructed of reinforced concrete pipe with a diameter that meets NCDOT standards in no case less than 15"

UNOFFICIAL Document

diameter). All improvements (mail boxes [brick and concrete are prohibited], fences, landscaping, etc.) constructed in the road right of way (road right of way typically extends beyond rear slope of roadside ditch) must meet NCDOT standards. Declarant will notify owner of any violations and owner will have five (5) days to correct said violation. If owner fails to correct said violation Declarant shall have the right (but not the obligation) to remove, replace or repair any improvement placed in a road right of way owned by Declarant or NCDOT which does not meet NCDOT standards and any associated cost or loss of value shall be the responsibility of owner.

21. Except as otherwise specifically provided, the owner of each tract in Kings Crest by acceptance of a deed therefore by virtue of such ownership shall become a member of the Kings Crest Property Owners Association, Inc. (the "Association") upon its formation and each owner of a tract is deemed to covenant and agree to, and shall pay to the Association, an annual assessment to pay for the cost of maintaining and repairing the Common Areas, as hereinafter defined, within the Kings Crest Subdivision. Each owner of a tract subject to this assessment obligation, including owners of tracts in subsequent sections or phases of Kings Crest who are subject to these restrictions by amendment or supplemental filings, shall pay the same annual and special assessment amount, irrespective of the tract size, the location of such tract or any other factor.

The assessments and charges created herein shall constitute a continuing lien upon each tract and, if not paid within thirty (30) days after the due date thereof, shall bear interest at the rate of ten percent (10%) per annum until paid. The lien may be enforced as by law allowed. The lien created herein is specifically subordinated to the lien of any valid first mortgage upon any tract in the subdivision. Each person acquiring title to a tract binds himself, his heirs, and assigns to be members of the Association should it be formed pursuant to these restrictions and conditions, and further binds and obligates himself, his heirs, and assigns to pay the assessment to the Association once it has been levied by the Association. The obligations imposed by this paragraph shall exist whether or not the Association has been formed as of the date these restrictions are recorded or as of the date any tract is sold, if at any time that these restrictions are in effect the Association is formed as a non-profit corporation, the principal purpose of which is to maintain the Common Areas.

The "Common Area" as used in these restrictions shall include (a) one or more signs identifying Kings Crest, (b) any landscaping and lighting associated with any Common Area, (c) street lighting and (d) any other land, improvement, facility or amenity which Declarant or Association may construct on property subject to these restrictions and designated by Declarant as Common Area.

22. Declarant or ten (10) or more of the individual property owners (one of which may be Declarant) subject to these restrictions and conditions may form the Association at any time after Declarant has sold and conveyed 75% or more of the tracts to which these restrictions apply. The Association, once formed, shall have the right to enforce the restrictions and conditions contained in this Declaration and the assessment provided in paragraph 19 above. The Association shall be organized under the laws of the State of North Carolina, and each property owner shall automatically become a member of the Association once it is formed, with full voting rights. The owner of each tract shall be entitled to cast one vote (which may not be fractionalized) with respect to any matter brought before the members of the Association for action. Owners of more than one tract shall be entitled to cast one vote for each tract owned. The officers and directors of the Association shall be property owners (or employees of a corporate property owner) and all fees set by the Association for maintenance shall be set by the directors of the Association. The initial directors shall be elected by the members at the first meeting or appointed by Declarant.

23. If any person shall violate or attempt to violate any of the covenants herein set forth, it shall be lawful for any other person or persons owning or having an interest in any portion of said subdivision to institute and prosecute any proceeding in law or equity against such person or persons to restrain such violation or to recover damages or other compensation for such violations.

24. Zoning ordinances, restrictions and regulations of Cleveland County and its various agencies applicable to the subject property shall be observed. In the event of any conflict between any provisions of these restrictions and such ordinances, restrictions or regulations, the more restrictive shall apply. The invalidation or unenforceability of any provision of these covenants by judgments or other order of any court shall in no way affect any of the other provisions, and such other provisions and covenants shall remain in full force and effect.

BK1182PG0971

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be signed this 2nd day of July, 1996.

ATTEST

Timothy E. Smith
Assistant Secretary

HOMESTEAD LAND & TIMBER COMPANY

By: [Signature]
Executive Vice President

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

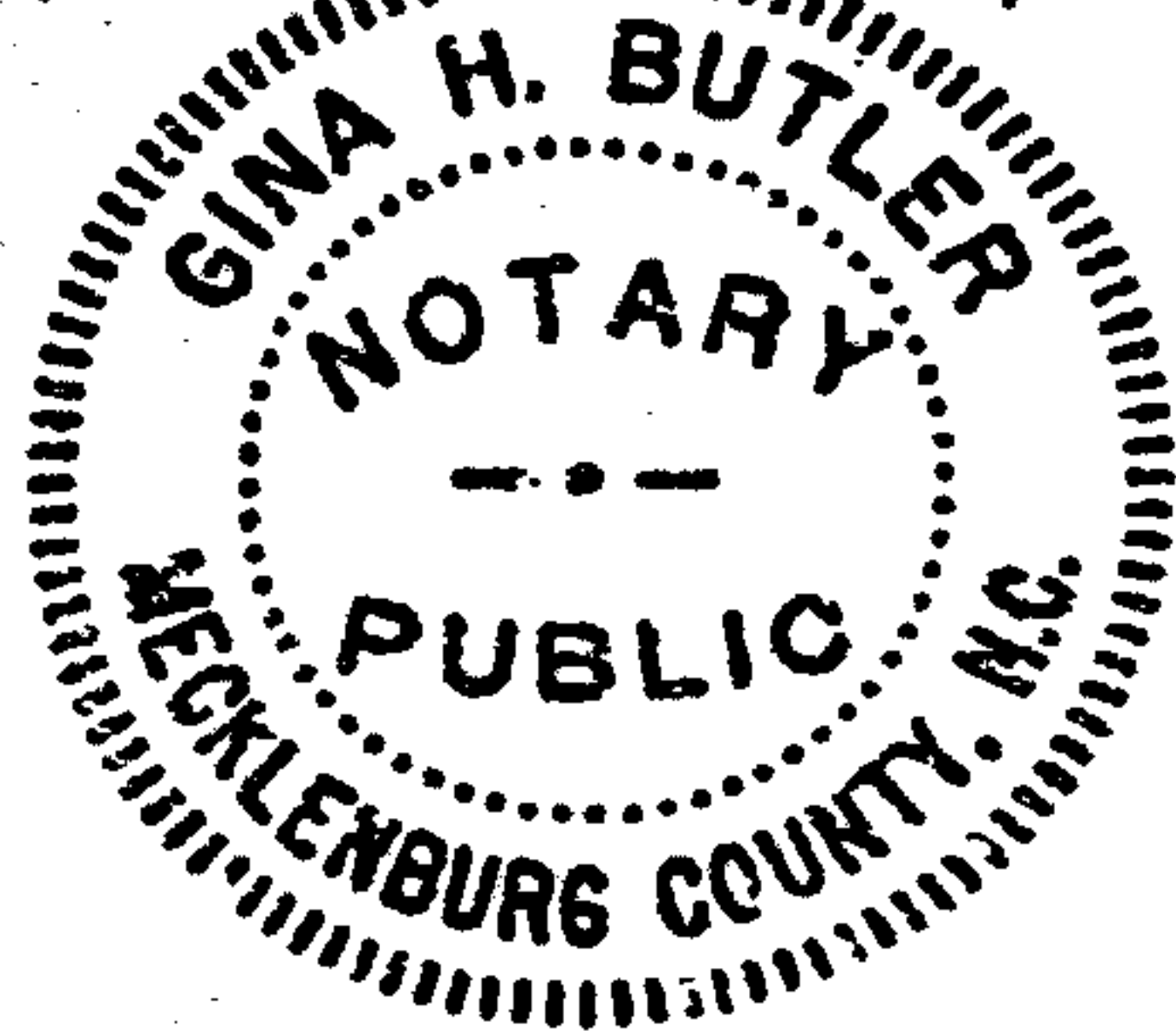
I, Gina H. Butler, a Notary Public of the County and State aforesaid, certify that Timothy E. Smith, personally came before me this day and acknowledged that he is Assistant Secretary of HOMESTEAD LAND & TIMBER COMPANY, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Executive Vice President, sealed with its corporate seal and attested by him as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 2nd day of July, 1996.

Gina H. Butler
Notary Public

My commission expires: 9-9-98

(NOTARIAL SEAL)



NORTH CAROLINA CLEVELAND COUNTY

The foregoing (or scanned) certificate of Gina H. Butler, a Notary Public, is certified to be correct. This 8 day of July A.D. 1996.
Bonnie E. Rose R. Barbara H. Daem
Register of Deeds Assistant

Filed for registration on 8 day of July A.D. 1996 at 3:41 o'clock P M. and registered in the office of Register of Deeds, Cleveland County, NC in Book 1182 Page 764.
8 Bonnie E. Rose by Barbara H. Daem
Register of Deeds Assistant