

RESTRICTIVE COVENANTS
FOR
STRATFORD HILLS SUBDIVISION

These Restrictive Covenants made and executed this 4th day of December, 1981, by T.L.D., INC., a Virginia Corporation with its principal office in Richmond, Virginia, hereinafter sometimes referred to as the "owner."

RECITALS

WHEREAS, the Owner is the fee simple owner of certain real property located in Dabney Township of Vance County, North Carolina, as shown on Exhibit A attached hereto and made a part hereof (which real property and any additional real property subjected to these Restrictive Covenants in accordance with the provisions hereof as hereinafter provided, are hereinafter referred to as the "Property") and desires to provide for the orderly development of a residential community thereon.

WHEREAS, the Owner desires to subject the Property to the restrictions hereinafter set forth for the benefit of the Property and each owner of portions thereof.

NOW, THEREFORE, the Owner hereby declares the Property is and shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions and restrictions hereinafter set forth, such covenants, conditions and restrictions to run with, bind and burden the Property for and during the period of time hereinafter specified.

A. Additions and Contractions to the Property by Owner.

1. As long as the Owner owns any real property in the general area of the Property described in Exhibit A hereto, the Owner may submit additional real property to the provisions of these Restrictive Covenants by filing a supplement hereto in the Office of the Register of Deeds of Vance County.

B. Architectural Restrictions.

1. No building, structure, outbuilding, fence, wall or improvement of any nature whatsoever (except for interior alterations to existing structures not affecting the external structure or appearance of any improvement on any portion of the Property) shall be constructed on the Property unless and until the plans for such construction shall have been approved in writing by the Owner or its successor or legal agent. The plans submitted to the Owner for approval shall include (i) the construction plans and specifications, including all exterior colors and proposed landscaping and grading and (ii) a plat showing the location of all proposed improvements. No construction shall begin and no portion of the Property shall be graded except in accordance with such approved plans or a modification thereof that has also been approved by the Owner as required herein.

2. No plans for a primary dwelling shall be approved unless the living area of such dwelling, exclusive of one-story open porches and garages, shall exceed 1,600 square feet for a two-story house or a split level house and 1,400 square feet for a one-story house; provided, however, that this provision may be waived by the Owner as long as the Owner retains an ownership interest in any portion of the Property.

3. No building, structure, outbuilding or other improvement shall be constructed on the Property except by conventional construction, and no doublewide mobile home or dwelling of modular construction shall be erected on the Property; provided however, a pre-cut building may be erected upon the Property with the approval of the Owner or its successor or legal agent.

4. Approval of the plans by the Owner shall be based upon compliance with the provisions of these Restrictions, the quality of workmanship and materials, harmony of external design with surrounding structures, location of improvements with respect to topography and finished grade elevation, the effect of the construction on the outlook from surrounding portions of the Property, the effect of the proposed construction on the natural tree growth and vegetation and all other factors which in the sole opinion of the Owner shall affect the desirability or suitability of the proposed improvements.

5. Approval or disapproval of applications to the Owner shall be given to the applicant in writing within fifteen days of receipt thereof; in the event the approval or disapproval is not forthcoming within fifteen days, unless an extension is agreed to by the applicant in writing, the application shall be deemed approved and the construction of the applied for improvements may be commenced provided that all such construction is in accordance with the submitted plans and provided further that such plans conform in all respects to the other terms and provisions of these Restrictive Covenants.

6. Approval by the Owner shall not constitute a basis for liability of the Owner for any reason including without limitation: (i) failure of the plans to conform to any applicable building codes or (ii) inadequacy or deficiency in the plans resulting in defects in the improvements.

C. General Restrictions.

1. No lot shown on a plat of subdivision of the Property ("Lot") shall be used except for single family residential purposes and for purposes incidental thereto, except for model homes utilized by builders. Only one residence shall be constructed on a Lot; provided, however, that outbuildings and other improvements may be constructed if approved by the Owner as hereinbefore provided.

2. All construction shall comply with all building codes applicable to the area. No construction shall commence until a building permit has been issued by the appropriate parties.

3. No sign of any kind shall be displayed to the public view on any Lot except one sign of not more than six feet advertising the Lot for sale or signs used by a builder to advertise the Lot during the construction and sale period.

4. No mobile home, trailer, tent, shack, garage, barn or other outbuildings erected on any Lot 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; provided, however, that this clause shall not be construed to prevent servants' quarters being installed over a detached garage or other outbuildings constructed with the hereinbefore required approval of Owner.

5. No building shall be located on any lot nearer to the front or side street lines than the setback line shown on the recorded plat of Stratford Hills. No building shall be located on any lot nearer than 5 feet to an interior lot line. No dwelling shall be located on any lot nearer than 25 feet to the side or rear lot line. For the purpose of this paragraph, eaves, steps, and cornices shall not be considered as a part of a building.

6. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other household pets may be kept, provided: (i) they are not raised, bred or kept for commercial purposes and (ii) they shall not become an annoyance or nuisance to other Lot owners.

7. No obnoxious or offensive activity shall be carried on or allowed upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or an annoyance.

8. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers maintained in a neat and orderly manner. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition in rear yards only.

9. Each Lot shall be maintained free of tall grass, undergrowth, dead trees, weeds and trash, and, generally, free of any condition that would decrease the attractiveness of the Property.

10. No temporary or above ground swimming pools in excess of 100 square feet shall be permitted on the Property.

11. No more than two unrelated persons shall occupy any dwelling on a Lot other than temporary guests.

12. No vehicle shall be parked over night on any of the streets within the Property, nor shall any inoperable motor vehicle be parked on any lot for more than 30 days.

13. No dwelling shall be erected on less than one lot and no lot as shown on the recorded plat shall be subdivided, except that two lot owners may subdivide a lot lying between them, but only one residence shall be built on the combined original lot and the portion of the subdivided lot; provided further, that adjoining property owners may adjust a common boundary line by the sale or exchange of property by such owners so long as such sale or exchange conforms in all respects with the zoning ordinances having jurisdiction and all other provisions of these Restrictive Covenants.

14. All exposed foundations of single family residences constructed on the Property shall be of brick, unless approved by the Owner.

15. Easements for utilities and drainage are reserved as shown on the plat and the right is reserved to owner or owners, their successors and assigns, to establish and grant any additional easements along any streets, avenues or drives for the purpose of furnishing utilities in or through said subdivision.

16. Unless approved by the Owner, no antenna, aerial or device shall be erected or placed on any lot, dwelling, or house other than the normal antenna, aerial or device necessary to facilitate the reception of television signals and/or radio. In no event, however, shall any antenna, aerial or other device be more than 12 feet in height, unless approved by the Owner.

D. Miscellaneous.

1. Enforcement. Enforcement shall be by proceedings at law or in equity, either to restrain violation or to recover damages, against any covenant or restriction set forth herein. Failure of any party with an interest in the Property to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same.

2. Severability. Invalidation of any of the provisions hereof by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

3. Duration. These provisions are to run with the land and shall be binding on all parties owning portions of the Property and all persons claiming under them for a period of 25 years from the date these Restrictive Covenants are recorded, after which time said covenants shall be automatically extended for additional periods of ten years each unless an instrument signed by the then owners of a majority of the lots has been recorded in which it is agreed otherwise.

4. Amendments. Unless specifically prohibited herein, these Restrictive Covenants may be modified or amended by a duly recorded instrument signed by the Owner (so long as the Owner retains any interest in the Property) and by the then owners of sixty per cent (60%) of those lots which have been previously conveyed by the Owner.

5. Utilities. The Owner reserves the right to subject the real property in this subdivision to a contract with Carolina Power & Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power & Light Company by the owner of each dwelling. The Owner also reserves the right to subject the real property in the subdivision to a contract with the City of Henderson, or a governmental agency thereof, for the installation of water mains and hydrants and for the furnishing of water to the subdivision which may require an initial payment and/or a continuing monthly payment to the City of Henderson, or its governmental agency, by the owner of each dwelling.

IN TESTIMONY WHEREOF, the Owner has executed the foregoing Restrictive Covenants, this the 4th day of December, 1981.

T.L.D., INC.

By: Thomas J. [Signature]

President

ATTEST:

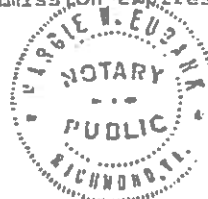
[Signature]
Secretary

STATE OF Virginia at Large
COUNTY OF Richmond

I, a Notary Public of the County and State aforesaid, certify that P. W. Keith personally came before me this day and acknowledged that he is Secretary of T.L.D., Inc., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

Witness my hand and notarial seal, this the 4th day of December, 1981.

Margaret H. Leubank (SEAL)
Notary Public
My commission expires: May 19, 1985



Restrictive Covenants for
Stratford Hills Subdivision

EXHIBIT A

All those certain lots situated in Dabney Township of Vance County, North Carolina, and shown as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 80, 81, 82, 83, 84 and 85 on that plat of the "Property of T. L. D., Inc., Stratford Hills, Section I," prepared by C. Eugene Bobbitt, III, Registered Land Surveyor, dated July 31, 1981, and recorded in Book 11, Page 112, Vance County Registry, which plat is incorporated herein by reference.

STATE OF NORTH CAROLINA, VANCE COUNTY

The foregoing certificate of Margie W. Eubank, Notary Public of Richmond, Virginia, is certified to be correct. This instrument was presented for registration and recorded in this office in Book 563, Page 384.

This 18 day of December, 1981, at 3:35 o'clock P.M.

SARAH H. HALE, REGISTER OF DEEDS

BY: Dave Pulison
Assistant Register of Deeds