

Prepared by and hold for: Seay, Titchener & Horne
P.O. Box 18807, Raleigh, NC 27619

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
MAGNOLIA RIDGE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
made this the 10th day of March, 1998, by Cady
Construction Company Inc, hereinafter referred to as
"Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of a certain tract of land
which is being developed into a subdivision known as Magnolia
Ridge which when completed will contain lots for which Declarant
desires to create thereon a residential community of single-
family homes; and

WHEREAS, Declarant desires to insure the attractiveness of
the subdivision and to prevent any future impairment thereof, to
prevent nuisances, to preserve, protect, and enhance the values
and amenities of all properties within the subdivision; and, to
this end desires to subject the real property hereinafter
described to the covenants, conditions, restrictions and
easements hereafter set forth, each and all of which is and are
for the benefit of said property and each owner thereof,

NOW THEREFORE, Declarant, by this Declaration of Covenants,
Conditions, and Restrictions, does declare that all of the
property described in Article II, Section 1, hereof is and shall
be held, transferred, sold, conveyed, and occupied subject to the
covenants, conditions, restrictions and easements set forth in
this Declaration which shall run with the real property and be
binding on all parties owning any right, title, or interest in
said real property or any part thereof, their heirs, successors
and assigns, and shall inure to the benefit of each owner
thereof.

ARTICLE I

DEFINITIONS

Section 1. "Owner" shall mean and refer to the record
owner, whether one or more persons or entities, or the fee simple
title to any Lot which is a part of the Properties, including
contract sellers, but excluding those having such interests
merely as security for the performance of an obligation.

See Amended Protective Covenants in Book 11341 Pages 163-164

Section 2. "Properties" shall mean and refer to the "Property" described in Article II.

Section 3. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties

Section 4. "Declarant" shall mean and refer to Cady Construction Company, Inc, and any successor in title to Cady Construction Company, Inc shall be a Declarant during such period of time as said party is vested with title to two or more such Lots (whether undeveloped or developed and unconveyed), but no longer.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, is located in Franklin County, North Carolina, described as follows.

Tracts 2 and 4
Property of the Control Group, Inc.
Book of Maps 1996, Page 78
Franklin County Registry

Section 2. Additions to Existing Property. Additional land may be brought within the scheme of this Declaration in the following manner.

(a) Additional land may be annexed to the existing property by Declarant, Cady Construction Company, Inc., its successors or assigns, in future stages of development, without the consent of any other lot owner or owners, provided that said annexations must occur within ten (10) years after the date of this instrument.

(b) The additions authorized under Section (a) above shall be made by filing a record Supplementary Declarations of Covenants, Conditions, and Restrictions with respect to the additional properties which shall extend the scheme of this Declaration to such properties and thereby subject such additions to the benefits, agreements, restrictions, and obligations set forth herein. Such Supplemental Declaration shall reference this document without setting forth the complete text in said Supplemental Declaration.

ARTICLE III

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall, or other structure, including mailboxes, shall be commenced or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including exterior paint colors and including the erection of antennas, aerials, awnings, the placement of reflective or other material in the windows of a Homeowners Unit or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural control committee composed of three (3) or more representatives appointed by Declarant. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Architectural Control Committee shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$25.00. The Architectural Control Committee shall not approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or appearance of any Lot. Refusal or approval of plans, specifications, builder or location may be based on any grounds including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Architectural Control Committee shall be deemed sufficient. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development. In order to assure that location of houses will be staggered where practical and appropriate, the structures will be located with regard to the ecological constraints and topography of each individual lot, taking into consideration topography, the location of large trees and similar considerations the Architectural Control Committee reserves the right to control absolutely and solely to decide the precise site and location of any house or dwelling or other structure upon all Lots.

Section 2. Approval of Builder. Any builder prior to performing any work on the Properties, must be approved by the Architectural Control Committee as to financial stability, building experience and ability to build structures of the class and type of those which are to be built on the Properties. No person, firm or entity shall be approved as a builder unless such person, firm or entity obtains his income primarily from construction of the type which builder is to perform upon the Properties. No Owner will be permitted to act as his own builder or contractor, for the exterior of any structure, except where such Owner obtains his income primarily from the construction of the type of structure to be constructed upon the Properties, and otherwise meets the qualifications for approval by the

Architectural Control Committee as hereinabove set forth.

Section 3 Completion of Improvements The exterior of all houses and other structures and site work and landscaping must be completed within one (1) year after the construction of same shall have commenced, except where completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities.

Section 4 Enforcement. In the event any Owner violates the terms of this Article III, the architectural control committee or its duly appointed agent, shall, after thirty (30) days written notice to Owner to cure such violation and failure of Owner to so cure, be entitled to enter upon the property of Owner and cure such defect including removal of any structure built in violation hereof, all at the cost and expense of Owner. This right of the Architectural Control Committee, or its agent, shall be in addition to all other general enforcement rights which the Architectural Control Committee may have for a breach or a violation of the terms of these covenants and restrictions and shall not be deemed a trespass by Company or its agent.

ARTICLE IV

USE RESTRICTIONS

Section 1. Land Use. All lots in the tract shall be known and described as residential lots. No structure shall be erected, altered, placed, or permitted to remain on any residential building plot other than a single-family dwelling, not to exceed two and one-half (2 1/2) stories in height and a private garage for each unit for not more than two cars and other accessory structures customarily incidental to use of the plot

Section 2. Building Lines. No building shall be located nearer to the front lot line, the street right of way, the rear lot line, or any side lot line; except in accordance with appropriate county and municipal ordinances

Unintentional violations not exceeding 10% of the minimum building line requirements herein set forth shall not be considered a violation of this Section.

Section 3. Subdivision of Lots No person or entity may subdivide or resubdivide any lot or lots without the prior written consent of the Declarant.

Section 4. Size of Structure. No residential structure shall be erected or placed having a heated floor area of less than 900 square feet, exclusive of garages.

Unintentional violations not exceeding 2% of the minimum

foot requirements herein set forth shall not be considered a violation of this Section.

Section 5. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Architectural Control Committee. This Section shall not be applicable to temporary construction trailers, sales offices, and material storage facilities used during construction. A modular Home shall not be considered a temporary structure.

Section 6. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area (including patios) within the Properties other than between the hours of 8:00 A.M. and 5:00 P.M. on Monday through Friday and 8:00 A.M. and 1:00 P.M. on Saturdays (except when any such day shall fall on a holiday) and clothes hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight other than during the times aforementioned, and shall only be used in back yards.

Section 7. Nuisances No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereof which may be or become an annoyance or nuisance to the neighborhood.

Section 8. Temporary Residence. No trailer, basement, tent, shack, garage, barn, or other outbuilding erected on the tract shall be at any time used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

Section 9. Parking of Vehicles. No commercial truck over one ton capacity, school bus, nor any other vehicle deemed by the Architectural Control Committee or its designated committee to be unsightly, shall be parked in the street, in a driveway, in the front yard, in a side yard, or in the back yard of any lot. Camper trailers, boats or boat trailers, and recreation vehicles must be parked in the driveway or garage. No vehicle of any type may be permanently parked on the street.

Section 10. Harmony of Structures. No structure shall be constructed or moved onto any lot unless it shall conform to and be in harmony with existing structures in the tract. In any event structures to be added by property owners shall require approval of the Architectural Control Committee.

Section 11. Easements. A perpetual easement is reserved over the rear 10 feet of each lot for utility installation and maintenance and/or as shown on recorded map. A perpetual easement is reserved over the side 5 feet and rear 10 feet of each lot for public storm drain and/or as shown on recorded map.

Section 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 rent; or signs used by a builder to advertise the property during the construction and sales period.

Section 13. 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, bred, or maintained for personal use of owner; Except that horses shall be permitted upon Lot 23 and Lot 24; as shown on unrecorded subdivision map for Magnolia Ridge.

Section 14. Trash Disposal. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or waste and same shall not be kept except in sanitary containers with lids. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 15. Fences. No chain link or chicken wire fence shall be erected on any lot. No fence shall be erected on any lot closer to any street line than the minimum setback permitted by the applicable zoning ordinance, nor shall any fence be erected except in accordance with the architectural control provisions of Article III hereof. Provided, however, that notwithstanding anything contained in this Section or elsewhere to the contrary, Declarant may install decorative fencing on any lot owned by it containing a model home, after obtaining approval by the Architectural Committee.

Section 16. Radio and Television Antennas. No free standing radio or television transmission or reception towers, antennas, dishes or disks shall be erected on any lot Except that receiving devices of less than two feet in diameter may be used in the back portion of an existing dwelling.

Section 17. Mailboxes No masonry mailbox supports shall be permitted.

Section 18. Basketball Goal Support. No basketball goal supports shall be erected or placed within any street right of way.

ARTICLE VI

EASEMENTS

Section 1. General Easements.

Easements for the installation and maintenance of driveway, walkway, parking areas, water line, gas line, telephone, electric power line, sanitary sewer and storm drainage facilities and for

other utility installations are reserved as shown on the recorded plat. Within any such easements above provided for, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities; or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Drainage and Utility Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved over the rear 5 feet and 5 feet of each side line, unless shown in excess of such distance on the recorded plat(s).

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. Any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Effect of Restrictions and Amendment. The covenants and restrictions of the Declaration shall bind only the land specifically herein described and shall run with and bind the land. This Declaration may be amended prior to January 1, 2019 by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots and by the Declarant, so long as the Declarant still owns any lots, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots. Any amendment must be properly recorded.

Section 4. FHA/VA Approval. In the event the Declarant has arranged for and provided purchasers of Lots with FHA/VA insured mortgage loans, then as long as Declarant is vested with title to two or more undeveloped lots subject to this Declaration of Covenants, Conditions, and Restrictions, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions, and Restrictions.

Section 5. Road Maintenance Declarant, Cady Construction Company, Inc., agrees to maintain all streets, roads and improvements installed within the right of way of such streets and roads, until the responsibility for the maintenance thereof is assumed by the appropriate governmental unit or agency.

Section 6. Wake Electric. The Declarant reserves the right to subject the property in the subdivision to a contract with Wake Electric Membership Corporation 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 Wake Electric Membership Corporation by individual lot owners.

IN WITNESS WHEREOF, the undersigned, Cady Construction Company, Inc., Declarant, by virtue of the provisions of Article I, Section 4, of the aforesaid Declaration of Covenants, Conditions, and Restrictions, has caused this instrument to be executed by their duly authorized officers and their corporate seals hereunto affixed the day and year first above written.

Cady Construction Company, Inc.

By

President

ATTEST:

Myrtice B. Wilder
Assistant Secretary

STATE OF NORTH CAROLINA

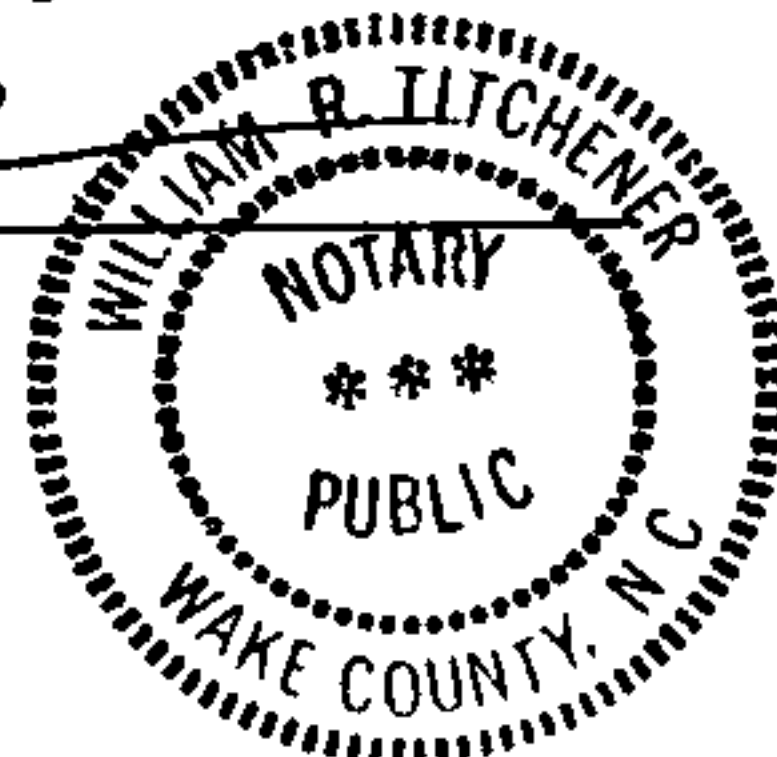
COUNTY OF WAKE

I, William R. Titchener, a Notary Public in and for said County and State, do hereby certify that Myrtice B. Wilder personally appeared before me this day and acknowledged that she is Assistant Secretary of Cady Construction Company, Inc., 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 her as its Assistant Secretary

WITNESS my hand and official seal this 10th day of March, 1998.

William R. Titchener
Notary Public

My commission expires 9-25-2000



STATE OF NORTH CAROLINA, FRANKLIN COUNTY

The foregoing certificate(s) of William R. Titchener

Notar(y) (ies) Public,

is/are certified to be correct

This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Franklin

County, N.C., in Book 1097, Page(s) 909-917

This 20th day of March, A.D., 19 98, at 10:00 o'clock A M

Kay S. Hunt, REGISTER OF DEEDS

By

Carolyn S. Corley
Asst. Deputy Register of Deeds