



SECTION TWO

DECLARATION OF PROTECTIVE COVENANTS

1. Declarant reserves the perpetual, alienable and releasable easement right over, on and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, cable television or other public conveniences or utilities, on, in, over or under the front ten (10) feet of each lot and five (5) feet along the side line of each lot and such other areas as are shown on the applicable plat. No structure of any nature shall be built upon property subject to such easement and such property at all times shall be open to Declarant and any public service corporation which may require the use of such easements. In addition, Declarant reserves the right to cut drainways for surface water along said easements when such action may appear to Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes, shrubs, make any gradings of the soil or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance. Such rights may be exercised by a licensee or agent of Declarant, but his reservation shall not be considered an obligation of Declarant to provide or maintain any such utilities for service.

2. In order to preserve a desirable beauty and to protect purchasers of those lots and lands from having undesirable types of architecture placed on abutting properties with a consequent depreciation to the whole, no building, fence or other structure shall be erected, placed, moved into, maintained or in any way altered on any lot within the subdivision until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location and elevation of such building or structure, drives and parking areas) shall have been submitted in duplicate to Declarant and approved by the Declarant in writing as evidenced by an approved copy of the elevation plans left in the permanent possession of the Declarant. The Declarant or its successor or designee may refuse to approve plans, locations or specifications upon any ground, including purely aesthetic considerations, which in the sole discretion of the Declarant shall seem sufficient. No alterations in the exterior appearance of any building or other structure shall be made without like approval by the Declarant. The minimum square footage required shall be 1050 square feet of living area, except in lots 4 through 8 inclusive of Block F, wherein the minimum square footage required shall be 1200 square feet of living area, exclusive of porches, patios, garages, unfinished areas and other protrusions from the base dimensions of the residence. The exterior of all houses and other structures, after approval of the

building plans, must be completed within 6 months from the commencement of construction, except where such completion is impossible, or result in great hardship to the owner or builder due to strikes, fire, national emergencies, or calamities. Where more than 6 months is required due to the size or type of structure the owner shall have the right to reasonably extend time of completion.

3. All lots and lands shall be used exclusively for residential purposes. No structure shall be erected, placed, or permitted to remain on any lot other than one detached, single-family residence dwelling and such outbuildings as are usually accessory to a single-family residence dwelling including a private garage. No lots or lands included in this Declaration shall be used or occupied for the manufacture or sale of any articles or for any commercial purposes or any kind whatsoever, or for the conducting of any business; hotels, motels, rooming houses and boarding houses are specifically forbidden.

4. At no time shall any non-residential type structure, including but not limited to garages, barns, shacks, or outbuildings be used either temporarily or permanently for residential purposes. Neither shall any tent, trailer, camper, recreational vehicle or mobile home be used either temporarily or permanently for residential purposes, regardless of any modifications which have been made thereto, nor shall any temporary structure be put, placed, erected or built on any lot except such structures as are reasonably necessary for the storage of building materials and convenience of workmen during erection of a residence.

5. No fences shall be constructed on the lots or lands exceeding 4 feet in height above ground level except upon approval by Declarant. Declarant further shall approve all fences as to materials and design.

6. All wells and toilets and sewage units installed upon said property shall be in accord with the rules and regulations of the North Carolina Department of Health and shall be located upon said lands in positions approved by said Health Department. No outside toilets will be permitted under any circumstances.

7. All buildings, structures and their appurtenances shall be maintained in a suitable state of repair, and in the event of destruction by fire or other casualty, premises are to be cleared and debris removed within 90 days from date of such casualty.

8. No noxious or offensive activity shall be carried on upon the lots or lands nor shall anything be done thereon which may be or may become an annoyance or nuisance to other lots or lands subject to these restrictions.

9. All service utilities, fuel tanks, trash and garbage accumulation are to be enclosed within a fence, wall or rack in order to avoid the same from causing an unsightly view from any highway, street or other residence within the subdivision. The lowest living level of any house shall be not more than 4 feet above grade. The space between the ground and the lowest living level shall be enclosed and surfaced with wood, or a stucco-like block finish.

10. There shall be no signs, billboards, or advertising structures of any nature whatsoever placed on any lots or lands, except that one sign per lot not exceeding one foot square shall be allowed for identification of the property owner and signs and notices of the property for rent or sale provided such sign shall be no larger than 864 square inches in size. Also, 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 purpose.

11. No building is to be constructed closer than 30 feet from any street or roadway nor closer than 8 feet from the side lines thereof, nor closer than 20% of lot depth from rear property line. No Building

constructed on lots 4 through 8 inclusive of Block F shall be closer than 25 feet from the side lines thereof. In the case of side property line which abuts a street, the minimum setback line shall be 15 feet. The portion of a lot abutting a street shall be the front yard; corner lots may have the front yard on either side abutting a street.

12. Under no circumstances may a lot be resubdivided for the purpose of creating an additional lot.

13. As long as it owns 10% or more of the lots in Whispering Pines Subdivision, Declarant reserves the right to include in any contract or deed thereafter made or entered into, such modification and/or additions to these protective covenants, which will, in the sole opinion of Declarant, raise the standards or enhance the desirability of the subdivisions as a residential area. Such reservation shall not be construed as authorizing Declarant to relieve any purchaser of any lot in the subdivision, in whole or in part, from any of the protective covenants set forth. Declarant may allow reasonable variances and adjustments of these covenants in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purposes hereof and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the subdivision. Any revision, modification or addition made under the terms of this paragraph, however, shall require the prior consent of the appropriate officials of the Veterans Administration and the Federal Housing Administration. Furthermore, so long as Section 2 of Whispering Pines subdivision is subject to a Deed of Trust for purchase money indebtedness, any revision, modification, or addition to the covenants in accordance with this paragraph shall require the prior consent of the purchase money note holder, which consent will not unreasonably be withheld and shall be evidenced by the joinder of the trustee of the purchase money Deed of Trust in any instrument to effect such change, modification, revision or addition.

14. Enforcement of these covenants, restrictions and declarations may be by the Declarant or any owner of property subject to these covenants either for equitable restraint against the violation thereof, or at law for damages by virtue of any such violation; and the invalidation of any one or more of the conditions and restrictions set out herein shall in no way affect any other of such provisions, all of which shall remain in full force and effect. The failure of Declarant or of any such party so entitled to enforce any protective covenant contained in this declaration however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

15. The foregoing conditions, reservation, declarations, covenants and easements shall run with the lands and be binding upon all purchasers of lands or lots in said properties covered by these restrictions, and upon all persons or entities claiming under them through the 31st day of December 1995, after which time the same shall be extended for successive periods of 10 years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change the restrictions and covenants in whole or part. For the purposes of such vote, the owners will be entitled to one vote per lot regardless of the number of persons or entities owning any one lot.

16. Declarant reserves the right to bring other property belonging to said Declarant under these protective covenants by filing a supplementary declaration setting forth that purpose.

17. In order to preserve the attractive, natural wooded environment of the subdivision, no living trees over 6 inch diameter shall be cut except for purposes of building or in accordance with a landscaping plan approved by Declarant.