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on Mar 26 2003 at 10:25:52 AM
by: AMANDA W. GARRETT
REGISTER OF DEEDS
BOOK 422 PAGE 730

Prepared by and return to: C. Thomas Biggs, Attorney at Law
P.O. Box 376, Durham, NC 27702

STATE OF NORTH CAROLINA

COUNTY OF PERSON

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
(RESIDENTIAL RESTRICTIONS)
PUNCH HILL FARM

This Declaration of Covenants, Conditions and Restrictions for Punch Hill Farm Subdivision made and entered into this the 14 day of March, 2003 by CAC Properties, Inc., 7208 Wiley Mangum Road, Bahama, North Carolina 27503 (hereinafter referred to as "Declarant") and Hill & Company, Inc., 7023 Guess Road, Hillsborough, North Carolina 27278; Daniel R. Hutchinson, 414 Hill Road, Rougemont, North Carolina 27572; James Hill Company, L.L.C., P.O. Box 151, Rougemont, North Carolina 27572 (hereinafter referred to as "Owners").

WITNESSETH:

WHEREAS, Declarant and Owners are the owners of certain Properties located in the County of Person, State of North Carolina, and

WHEREAS, Declarant and Owners desire to subject the Properties to certain protective covenants, conditions, restrictions and easements as hereinafter set forth, and

NOW, THEREFORE, Declarant and Owners hereby declare that all of the Properties

described hereinafter shall be held, sold and conveyed as part of the general plan of development subject to the following easements, restrictions, covenants and conditions, which are for the purpose of enhancing and protecting the value and desirability of, and which shall run with, the Properties and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall enure 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, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2. "Properties" shall mean and refer to that certain real property more particularly described on Schedule A attached hereto and incorporated herein by this reference.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the open areas and dedicated road rights-of-way.

ARTICLE II

ARCHITECTURAL AND APPEARANCE CONTROL

Section 1. Residential Use. Each Lot shall be used solely and exclusively for residential purposes and no dwelling shall be erected or allowed to remain upon any Lot except one detached, single-family private residence not exceeding two and one-half (2 1/2) stories in height as measured from the street grade of the Lot, and not more than two detached accessory buildings. The total

square footage of all garages, carports, storage buildings, barns, and other accessory buildings may never exceed the heated square footage of the dwelling. No metal buildings of any description of any kind shall be used (regardless of size) without first getting approval of the Declarant in writing. Plans showing size, location, and blueprints must be submitted for said approval. If the Declarant fails to respond within 30 days of submission, the same information may be submitted to the Owners. However a majority vote of 75% of the Owners must approve plans in writing in order to build said structure.

Section 2. Required Land Area. No Lot may be subdivided by sale or otherwise so as to reduce the total area of the Lot to less than 75% of the original Lot as shown on any subdivision map of the Properties recorded by Declarant, provided, however, that Lots may be combined, and that Lot lines may be adjusted among Lots by Declarant subject to governmental approval provided that the total number of Lots shall not be increased.

Section 3. Approval of Structural Design. No residence, building, fence, wall, driveway, mail box, bus shelter, swimming pool, storage facility, landscape lighting, lights, utility shed, satellite dish, or other structure or appurtenance shall be erected, altered, remodeled, added to, or allowed to remain upon any Lot unless said structure shall conform with County regulations and distances as far as front, rear, and side line requirements.

ARTICLE III

USE RESTRICTIONS

Section 1. Use of Properties. No portion of the Properties (except for a temporary office and/or sales model of the Declarant maintained for development and sales purposes) shall be used except for residential purposes incidental or accessory thereto. This provision shall not be construed

so as to prohibit domestic or health care personnel who work and provide on-premises services to or for an Owner, members of his family, his lawful tenants or contract purchasers from being provided with a place of residence within any residence situated on a Lot.

(a) Except as may be erected by the Declarant or assigns, no commercial signs, with the exception for a "For Sale" or "For Rent" sign no more than two feet in width and three feet in height, shall be erected or maintained on any Lot. Such signs as allowed hereunder, being temporary in nature shall not be subject to any set back requirement imposed by Article II, Section 3.

(b) No manufactured homes, including mobile homes, doublewide and single-wide, and modular homes of any type shall be permitted on any Lot. Boats, trailers, campers, tents or temporary buildings shall not be permitted on any Lot except in areas where they cannot be viewed from the streets. However, house trailers, temporary buildings and the like shall be permitted for construction purposes during the construction period of residential structures and shall be removed from the Lot within ten (10) days after a certificate of occupancy shall be issued for the residential structure or improvement being constructed.

(c) No motor vehicles or equipment of any kind shall be regularly stored upon the premises except in enclosed garages or where they can not be viewed from any road. No motor vehicles may be parked upon the roadway serving the property; it being the intent for each property owner to provide proper parking for their vehicles within the lot.

Section 2. Hobbies and Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkept conditions, shall not be pursued or undertaken on any part of any Lot.

Section 3. Animals and Pets. No poultry house or yard, rabbit hutch or other similar structure shall be constructed or allowed to remain on any Lot, nor shall livestock of any nature or classification whatsoever be kept or maintained on any Lot. However, a reasonable number of household pets shall be permitted, provided they are not raised for commercial purposes and subject to Article II, Section 3, a structure or enclosure may be erected in the rear yard for such household pets that are to be kept out-of-doors. In addition, any lot or combination of lots that contain 2.5 acres of contiguous area may keep one horse on the premises.

Section 4. Prohibited Activities. Noxious, offensive or loud activities shall not be carried on upon any Lot. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood.

Section 5. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Properties shall be observed. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 6. Dwelling Quality and Size. No dwelling containing less than 1250 square feet of finished heated living area, exclusive of basements, garages, carports, storage areas, breezeways and stoops, shall be erected upon any lot embraced within the aforescribed Property.

Section 7. Each property owner initiating construction on any of the lots described herein shall cause all said construction vehicles to use caution and care as they utilize the roads and rights of ways within the Development, and shall promptly repair all portions of the roads and rights of ways which have been damaged by the construction traffic to North Carolina Department of Transportation standards for Class A roads or shall promptly provide for the repair within 30 days

from written request for same by the developer. If a property owner does not pay for said repairs within 30 days from written request of same, then such costs shall become a lien against the land of the defaulting property owner(s), and may be reduced to judgment and collected, and the lien enforced, in an action at law. The lien for such charge shall run with and against the land and the Property Owner(s) and each subsequent Property Owner(s) shall by acceptance of a deed to any of the Property shall consent to and assume the obligations set forth herein as running with the Property Owner(s) land and by acceptance of such deed each such Property Owner shall assume and agree to pay all such costs as and for the purposes provided herein.

Section 8. Easements for the installation and maintenance of all utilities and drainage facilities are hereby reserved by the Declarant for itself, its successors and or assigns, over the side 5 feet and the rear 10 feet of each and every lot. Within these easements no structures, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the utilities, or which may change direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in these easements. The easement area of each lot shall be maintained continuously by the owner of the lot, except for those improvements by which a Public Authority or Utility Company is responsible. No conveyance by the Declarant of any of the aforesaid lots, or of any interest therein shall be deemed to be a conveyance or release of the aforesaid easements, even though said conveyance purports to convey the lot or lots in fee simple provided, however, the Developer shall have the right in any conveyance to expressly and specifically release any and all part of the easements stated herein to his immediate grantee.

Section 9. All driveway pipes and the installation of them are to be to Department of Transportation approval.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant or 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 the Declarant or 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. Amendment. The covenants, conditions and restrictions of the Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for two successive period of ten (10) years each. This Declaration may be amended by an instrument approved by not less than the record Owners of seventy-five percent (75%) of the Lots.

Section 4. Amendment Form. If any amendment to these covenants, conditions and restrictions is so approved, and if Declarant is still record Owner of any Lot, such amendment shall be delivered to the Declarant or its delegate. Thereupon, the Declarant or its delegate shall within thirty (30) days, do the following:

- (a) Reasonably assure itself that the amendment has been validly approved by the Owners

of the required number of Lots. (For this purpose, the Declarant or its delegate may rely upon the evidence of record title available in the Person County Registry, but shall not be required to cause any title to any Lot to be examined.)

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Declarant or its delegate in the same manner that deeds are executed.

(c) Immediately, and within the thirty (30) day period aforesaid, Declarant or its delegate shall cause the amendment to be recorded in the Person County Registry.

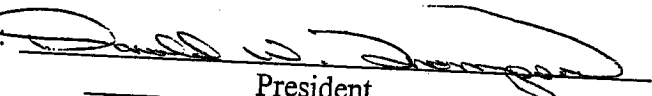
If Declarant does not act pursuant to Section 4. (a), (b), and (c) above within thirty (30) days, or if Declarant no longer is record owner of any Lot, then any Owner may have the amendment recorded.

All amendments shall be effective from the date of their recordation in the Person County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of the Declarant. When any instrument purporting to amend the covenants, conditions, and restrictions has been certified by the Declarant or its delegate, recorded, and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has hereunto caused this instrument to be signed in its corporate name by its duly authorized officer by authority of its Board of Directors, this 31st day of 14th March, 2003.

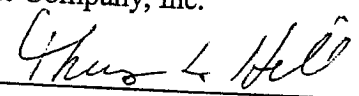
DECLARANT:

CAC Properties, Inc.

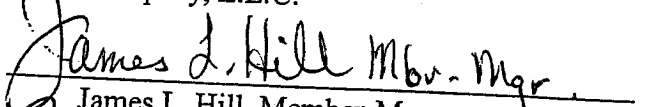
BY: 
President

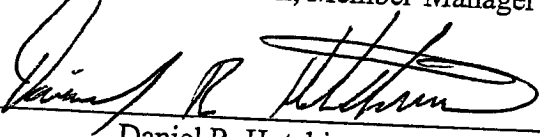
OWNERS:

Hill & Company, Inc.

BY:  President
President

James Hill Company, L.L.C.

BY: 
James L. Hill, Member-Manager

 Seal
Daniel R. Hutchinson

STATE OF NORTH CAROLINA

BOOK 422 PAGE 739

COUNTY OF Durham

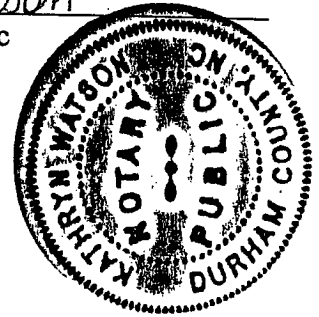
I, Kathryn Watson, a Notary Public for said County and State, do hereby certify that Donald W. Thompson personally came before me this day and acknowledged that he is the President of CAC Properties, Inc., A North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its behalf as President.

Witness my hand and notarial seal this the 12 day of March, 2003.

Kathryn Watson
Notary Public

My commission expires:

June 24, 2006



STATE OF NORTH CAROLINA

COUNTY OF Durham

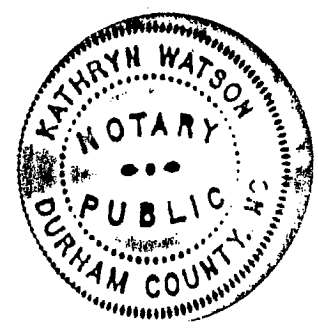
I, Kathryn Watson, a Notary Public for said County and State, do hereby certify that Thomas L. Hill personally came before me this day and acknowledged that he is the President of Hill & Company, Inc., A North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its behalf as President.

Witness my hand and notarial seal this the 12 day of March, 2003.

Kathryn Watson
Notary Public

My commission expires:

June 24, 2006



STATE OF NORTH CAROLINA

BOOK 422 PAGE 740

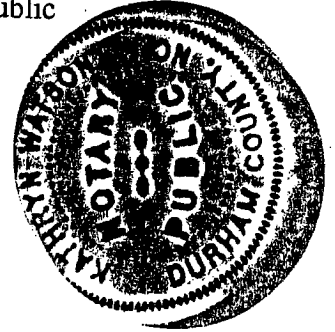
COUNTY OF Durham

I, the undersigned Notary Public of the County and State aforesaid, certify that James L. Hill personally came before me this day and acknowledged that he is the Member-Manager of James Hill Company, L.L.C., a North Carolina Limited Liability Company, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 12 day of March, 2003.

Kathryn Watson
Notary Public

My Commission Expires:

June 24, 2006



STATE OF NORTH CAROLINA

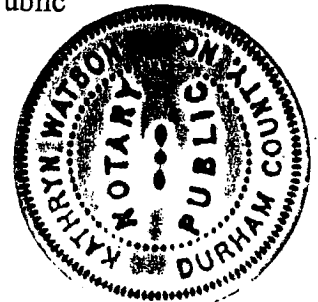
COUNTY OF Durham

I, the undersigned Notary Public of the County and State aforesaid, certify that Daniel R. Hutchinson personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this 14 day of March, 2003.

Kathryn Watson
Notary Public

My Commission Expires:

June 24, 2006



SCHEDULE A

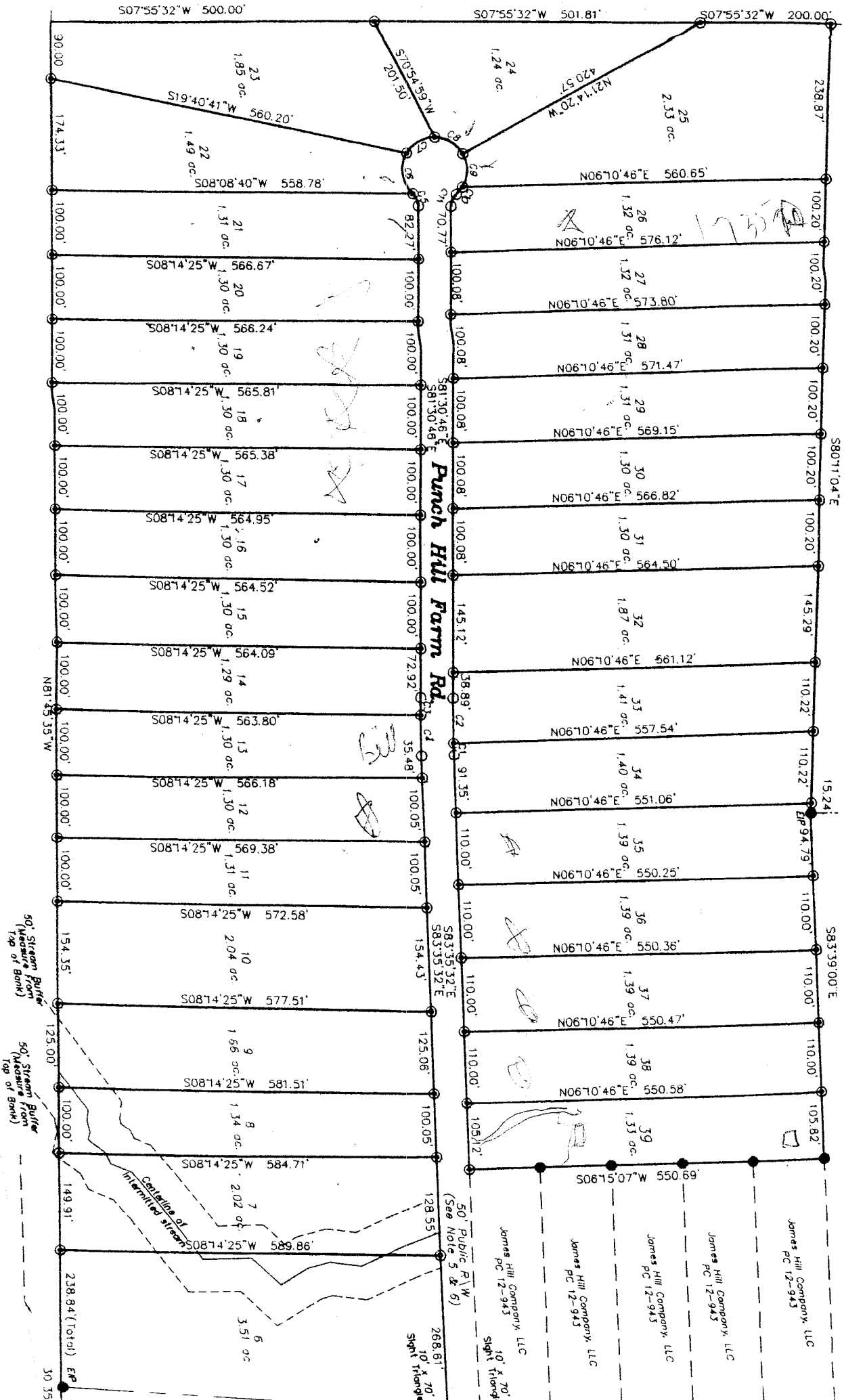
TRACT 1: BEING all of Lots 1 through 5, inclusive of Property of Donald W. Thompson and wife, Linda G. Thompson, as per plat and survey thereof now on file in the Office of the Register of Deeds of Person County in Plat Cabinet 12, Hanger 943, to which plat reference is hereby made for a more particular description of same.

TRACT 2: BEING all of that property conveyed to CAC Properties, Inc by deed dated May 17, 2002, recorded May 30, 2002, recorded in the Office of the Register of Deeds of Person County in Book 378 at Page 247, to which deed reference is hereby made for a more particular description of same.

NORTH CAROLINA
PERSON COUNTY

The foregoing certificate(s) of Kathryn Watson (4) (Durham County, NC)
a Notary(ies) Public of the governmental unit designated is certified to be correct. This instrument was
presented for registration and recorded in this office at Book 422 , Page 730
This 26th day of March, 2003 at 10:25:52 o'clock A. m.

Amanda W. Garrett by Faye Bryder, Deputy
AMANDA W. GARRETT, REGISTER OF DEEDS IN PERSON COUNTY



Allen W. & Penny S.
 Surveyors