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RESTRICTIVE COVENANTS
STEEPLECHASE SUBDIVISION
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NORTH CAROLINA

RESTRICTIVE COVENANTS

HOKE COUNTY

FOR STEEPLECHASE SUBDIVISION

KNOW ALL MEN BY THESE PRESENTS that H&H Investments, Inc., a North Carolina corporation, the Developer of Steeplechase Subdivision, hereby specifically covenants and agrees to and with each other and all other persons, firms, or corporations now owning or hereafter acquiring all parcels, as shown on the plat of Steeplechase Subdivision which is recorded in the office of the Register of Deeds of Hoke County, North Carolina, in Plat Cabinet 3 Slide 3-34, Map 008, and in Plat Cabinet 3, Slide 3-35, Map 001, Hoke County, North Carolina, Registry; that said parcels are hereby subjected to the following restrictions as to the use and ownership thereof running with the parcels by whomsoever owned.

Statement of Purpose

Developer and Owners desire to ensure the attractiveness of Steeplechase Subdivision and to prevent any future impairment thereof to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within Steeplechase Subdivision, to regulate and supervise all improvements to be built within the subdivision, and to provide for the maintenance and upkeep of all common areas in Steeplechase Subdivision. To this end, the Developer and the Owners desire to subject the real property described herein, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens herein set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Developer and Owners further desire to create an organization to which will eventually be delegated and assigned the powers of owning, maintaining and administering the common areas in Steeplechase Subdivision, administering and enforcing the covenants and restrictions contained herein, regulating and supervising all improvements to be built within the subdivision, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in Steeplechase Subdivision, all to ensure the owners' and residents' enjoyment of the specific rights, privileges and easements in the common areas, and to provide for the maintenance and upkeep of the common areas,,

To this end, the Developer will within the next ten (10) years cause to be incorporated under North Carolina law "Steeplechase Subdivision Property Owner's Association" as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

ARTICLE I
DEFINITIONS

Section 1. "Architectural Review Board" shall mean and refer initially to the Developer, and later to any board or committee established by the Developer or the Association for the purpose of serving as an architectural review board as referred to herein.

Section 2. "Association" shall mean and refer initially to the Developer, and later, upon its incorporation, to Steeplechase Subdivision Property Owner's Association, its successors and assigns

Section 3. "Common Area" shall mean all real property (including the improvements thereon) labeled as "Common Area" on the Maps, and including, but not limited to, lakes, access areas, dams, foot paths, bridle paths and all roads and streets shown thereon whether labeled "Common Area" or not. "Common Area" shall not include real property that is not a part of the recorded plat of the subdivision, although use of adjoining property for riding may be available through the granting of easements.

Section 4. "Declarant" shall refer to the Developer and the owner in their capacity of declaring and establishing these restrictive covenants.

Section 5. "Developer" shall mean and refer to H&H Investments, Inc., a North Carolina corporation, its successors and assigns.

Section 6. "Development" shall mean and refer to Steeplechase Subdivision, a residential development proposed to be developed on the properties of the Developer.

Section 7. "Lot" shall mean and refer to any plot or parcel of land with delineated boundary lines described in the deeds of conveyance or appearing on the Maps, with the exception of the Common Areas.

Section 8. "Maps" shall mean and refer to the maps of the Properties as recorded (either now or hereafter) in the Hoke County, North Carolina, Public Registry.

Section 9. "Member" shall mean and refer to the Members of the Association.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, according to the public records of the Hoke County, North Carolina, Public Registry, of fee simple title to any Lot, but shall not include any person or entity having an interest merely as security for the performance of an obligation.

Section 11. "Properties" shall mean and refer to the properties which are now or may hereafter be made subject to these Restrictive Covenants and brought within the jurisdiction of the Association.

ARTICLE II

WETLANDS, MITIGATION AND CONSERVATION AREA

Section 1. Wetlands. A portion of many parcels has been determined to meet the requirements for designation as a regulatory wetland. Any subsequent fill or alteration of these wetlands shall conform to the requirements of wetland rules adopted

by the State of North Carolina and the U.S. Army Corps of Engineers in force at the time of the proposed alteration. The intent of this deed restriction is to prevent additional wetland fill, so the property owner should not assume that a future application for fill will be approved. Should the property owner make application, he shall report the fact that such parcels are located in Steeplechase Subdivision, developed by H&H Investments, Inc., and the existence of these deed restrictions, in any application pertaining to said wetland rules. This covenant is intended to ensure continued compliance with wetland rules adopted by the State of North Carolina and the United States of America and therefore benefits may be enforced by the State of North Carolina and by the United States of America. This covenant is to run with the land and shall be binding on all parties and all persons claiming under them.

ARTICLE III

RESERVATION OF RIGHTS

Section 1. Reservation of Rights. Except as provided in Article II of these Restrictive Covenants, Developer expressly reserves unto itself and its successors and assigns, the right to develop commercially, or to otherwise exclude property, by statement contained in a deed or by statement recorded in the Hoke County Registry, from the operation of these Restrictive Covenants, in whole or in part, and the right to grant or convey to the Owner of such property the nonexclusive right to use the Common Areas of the Development.

ARTICLE IV

USE RESTRICTIONS

Section 1. Residential Use. All Lots shall be used only for single-family residential purposes and common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a residence at any one time. No Lot, and no structure at any time constructed on any Lot, shall be used at any time, or in any way, for any business or business pursuit or for any activity normally conducted as business, nor may any Owner conduct, or permit any other person to conduct, any business, commercial, manufacturing, or mercantile activity of any sort upon any Lot or Common Area. No structure, except hereinafter provided, shall be erected, altered, placed or permitted to remain on any residential lot other than a detached single family dwelling. However, a garage or ancillary structures including, but not limited to, pools, poolhouses, servants' quarters, barns, sheds, workshops, freestanding decking, greenhouses, gazebos, guest facilities or other outbuildings are permitted. No such ancillary building may be constructed prior to construction of the main building. No construction of any dwelling, garage, or ancillary structure shall be commenced unless construction plans are first approved in writing by the Architectural Review Board, as provided in Article V herein. Building construction on the Lots is also subject to the general construction criteria as follows:

(a) Dwellings:

Size. All single floor dwellings shall have a heated, enclosed ground floor area of at least 1800 square feet, not including basements, porches, screened porches, garages or stoops.

Dwellings of two stories must have a heated, enclosed floor area of at least 2000 square feet; having not less than 800 square feet of heated area on the bottom floor, not including basements, porches, screened porches, garages or stoops.

(b) Unfinished Spaces: All square footages shown on plans must be finished completely during the time of initial construction. This prevents sub-standard work from being done later.

(c) Enclosed Garage: All dwellings on any lot type are required to have an enclosed garage for a minimum of two cars (attached or unattached to the residence). All garages shall be constructed in substantial architectural conformity with the construction of the dwelling.

(d) Ancillary Structures: No ancillary structure on any lot type may be located closer to the "front lot line" (the lot line which the dwelling "faces") than the dwelling. No structure shall be located in the area of septic systems.

Ancillary structures must architecturally match the dwelling and must be maintained by the lot owner so as to preserve the appearance and structural integrity of the structure.

No trailer, "mobile home", "manufactured home", "factory-built home", or any structure constructed otherwise than on the Lot shall be placed on any Lot, except as allowed under Section 5, entitled Temporary Structures..

No above-ground swimming pools are permitted.

(d) Location: No dwelling, garage, or ancillary structure on any lot shall be located nearer than ninety feet (Lots I through 47) to any "front street" right-of-way, "front easement", or "front bridle path" (the street, easement, or bridle path "faced" by the dwelling), thirty feet to any "side or back street" right-of-way (the streets not "faced" by the dwelling), fifteen feet to each "side lot line" (the lot line adjacent to the line "faced" by the dwelling) and not closer than thirty feet to the "rear" lot line" (the lot line opposite the line "faced" by the dwelling); provided, however, that as to Lots 35 and 36, the front setback shall be fifty feet. In order to assure that dwellings will be located with regard to the topography of each Lot, the Architectural Review Board reserves unto itself the right to absolutely and solely decide the precise site and location of any structure upon any Lot, provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site.. Architectural Review Board's right to control the precise site and location of any structure shall specifically include the right to waive the above-stated setback or sideline requirements without obtaining the permission of any other Owner, excepting any setback or sideline required by a governmental agency.

Section 2. Nuisances: No noxious or offensive activity shall be carried out, allowed, or permitted on any Lot or on any part of the Development, nor shall anything

be done thereon which may be or may become an annoyance or nuisance to the neighborhood. There shall not be maintained any exterior lights or lighting, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. No permanently installed basketball goals shall be visible from the front of any lot. There shall be no discharging of firearms, guns, or pistols, of any kind, caliber, type or method of propulsion. No hunting or trapping of any kind shall be carried on or conducted in the Development.

Each Lot and the structures thereon shall be kept in good order and repair and free of debris; lawns shall be seeded and mowed, shrubbery trimmed, and painted exterior surfaces painted, all in a manner and with such frequency as is consistent with good property management. During construction or repair, the Owner is responsible to see that the contractor at all times maintains the lot in a reasonably tidy condition.

No business, commercial, manufacturing, or mercantile activity or retail sales will be allowed to operate from a private residence or at any time upon any Lot, other than an individual office within a dwelling where retail customers do not enter and exit the premises.

Section 3. Animals, Birds and Fowl: No animals, birds or fowl shall be kept or maintained on any part of the property except dogs, cats, pet birds and horses (as well as naturally existing wildlife). The dogs, cats, and pet birds may be kept in reasonable numbers as pets for pleasure or for the use of the occupants, but shall not be kept for any commercial use. All pets must be kept under control at all times, and must not become a nuisance by barking or other acts. No Rottweiler, Doberman Pinscher, Chow or Pit Bull dogs are allowed. No more than two (2) dogs and two (2) cats may be allowed at any time upon any residential lot.

Section 4. Noises: In keeping with the intention of the Declarant to create an equestrian community with observance of good environmental practices, horses shall be permitted only on the larger lots. One horse may be kept on each of Lots 1 through 17 and Lots 26 through 29. One additional horse may be kept per additional contiguous lot purchased. Horses are not allowed on other numbered lots unless such lot is contiguous to a specified horse lot as described above in which case one horse is allowable. One horse may be kept on any two contiguous smaller lots purchased together and used for only one residence. No horse pasture or stable area on a single lot shall be located nearer to the road faced by the house than the rear corner of the house. In other instances, including contiguous lots purchased for horse pasture, the pasture or stable area may extend to the lot lines. Any structure on a contiguous pasture shall conform to setback requirements as stated in Article IV, Section 1, Paragraph d of these Covenants. The Owner shall be responsible for controlling odor, insects, animal waste and runoff as it relates to the keeping of horses on said Lot or Lots, and the Owner is responsible for providing adequate pasture area for the horses. Should the Owner fail to comply with these strict standards, complaints may be issued to the Developer or the Association, if it has been formed, and the Developer or Association shall have the right to enter said property and bring it up to suitable standards at the Owner's expense. Should said Owner have more than three complaints lodged against him at different times during a one year period, the Developer or Association reserves the right to determine whether said Owner

shall lose his right to keep horses upon his property. Horse stables, paddocks or facilities located on individual Lots shall not be used or maintained for any commercial purpose. Horses must stay within bridle paths or other designated areas of use, and horses shall not otherwise use common areas, walking paths, roadways (except for crossings) or road shoulders for any purpose. Use of the bridle paths is specifically restricted as provided in Articles VI and IX.

Section 5. Temporary Structures: No structure of a temporary character shall be placed upon any Lot except port-a-johns, shelters or trailers used by a contractor during the construction of the dwelling or any ancillary structure; provided further that such permitted temporary structures may not be used as residences or permitted to remain on the Lot after completion of construction or in any event for more than twelve (12) months from the commencement of construction; and provided further that the Developer may maintain such a structure for a temporary real estate office.

Section 6. Antennas and Utility Service Lines. No television or radio receiver or transmitter or other antennas, which are visible from any Common Area, street, or adjoining Lot will be permitted without written approval from Developer. All utility service lines of all kinds, including but not limited to electric, telephone, cable, water and sewage, must be installed underground except with the prior written approval of the Developer.

Section 7. Fuel Tanks/Garbage Containers. All fuel tanks and similar storage receptacles must be installed within the dwelling garage, ancillary structures, or underground. All outdoor receptacles for ashes, trash, rubbish or garbage shall either be installed underground or screened or placed so as not to be visible from any street or any other Lot or any Common Area, but such receptacles must also be convenient for collection and in accordance with reasonable health laws or standards. Any containers for storage of any substance which would be hazardous to the environment, such as, but not limited to, oil, gas, propane, or other petroleum or similar environmentally hazardous materials, shall be placed in such a manner so as to not create a hazard to the environment, a hazard to other Owners, or a nuisance to other Owners.

Section 8. Signs. No sign or device shall be displayed indicating the profession, business or trade of any person or advertising in any way. No commercial signs shall be erected or maintained on any Lot or on any structure on any Lot except in connection with the sale of a vacant or improved Lot, and such sign shall not exceed two (2) feet by three (3) feet in size, or except as may be permitted in writing by the Developer, or except as may be required by legal proceedings. The entrance sign naming the Development, road signs, and a temporary sign installed by the Developer announcing the Lots in the Development for sale shall, however, be excepted from this restriction.

Section 9. Vehicles. Trucks and trailers owned by property owners for their own personal use to transport horses, as well as "pickup trucks", are allowed. However, commercial vehicles of any sort, and other trucks of any sort, are not allowed at any time upon the streets or upon any Lot except for the limited purpose of making a delivery or during active construction. No 4 wheelers, 3 wheelers, go-carts, motorcycles, or motorized recreational vehicles of any sort are permitted on any bridle path or any

Common Area. Exceptions to this section may be approved from time to time by the Developer or the Association for use of such vehicles; for example, in the management or maintenance of the Common Areas and for transportation to and from the Steeplechase Equestrian Center or such other facilities as may be established by Developer.

Section 10. **Parking.** No on-street vehicular parking shall be permitted except in accordance with reasonable standards which may be established by the Developer. Each Owner shall provide off-street parking space for at least two vehicles prior to the occupancy of any dwelling constructed on said Lot in accordance with reasonable standards established by the Developer. All boats, motorcycles, trailers, travel trailers, campers, or other recreational vehicles parked on any Lot shall be parked behind the dwelling and located such that they are not visible from any street, any other Lot, or any Common Area. No more than one vehicle that is required to be registered with the North Carolina Department of Motor Vehicles, which is not so registered, may be kept on any Lot, and such vehicle shall be stored in an enclosed garage. Non-operating vehicles, equipment, unused objects or apparatus, or any portion thereof shall not be permitted to remain on any lot.

Section 11. **Maintenance.** It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkept conditions of his buildings or grounds. All driveways shall be concrete from the edge of the paved street.

Section 12. **Removal of Trees.** No trees may be removed from any Lot without the written consent of Developer until the Owner is ready to begin construction. Unless approved by the Developer, there shall be no more than sixty percent (60%) of the trees cut and removed from the Lot. "Trees" in this section refer to those trees six (6) inches or more in diameter as measured six(6) inches above ground level.

Section 13. **Subdivision.** No Lot shall be subdivided, or its boundary lines changed, unless each part of the subdivided Lot becomes a part of an adjacent whole Lot, and the total number of Lots is not increased or decreased without the written consent of the Developer. Each resulting modified Lot shall thereafter constitute one Lot. The restrictions and covenants herein shall apply to the modified Lots resulting from said subdivision and addition. However, the Developer hereby expressly reserves to itself the right to re-plat or re-subdivide any Lots shown on the Maps.

Section 14. **Reconstruction.** Any structure on any Lot, which is destroyed in whole or in part by fire, windstorm, flood or other Act of God, or otherwise, must be rebuilt, or all debris from such structure removed and the Lot returned to the condition it was in prior to commencement of construction of such structure with reasonable promptness; provided, however, that any such reconstruction must be commenced within six (6) months from the date of such destruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within six (6) months of such destruction. Any reconstruction must be approved by the Architectural Review Board in the same manner as new construction.

Section 15. **Utilities.** All plumbing fixtures, dishwashers, toilets and sewage disposal systems shall be connected to a septic tank sewage system and approved by the

appropriate governmental public health authority, or shall be connected to a central sewer system wherever such system is available.. No septic tank system shall be used unless the design, location, construction and maintenance is in all respects approved by the appropriate governmental public health authority.. There shall be no buildings, driveways, patios or any other structures built that will inhibit the proper operation of the septic system or encroach on the repair area as defined in the septic permit.. This includes the parking areas or access areas of vehicles.. Each Lot shall connect to the central water distribution system of the Development.

Section 16. Drainage. It shall be the obligation of the Owner to provide, install, and maintain adequate culvert and drainage pipe under all driveways as needed in order that the natural flow of surface water will not at anytime be blocked along the roadway drainage ditch.. The culvert or drainage pipe must be of sufficient size to accommodate the flow of surface water in the ditch and in no instance shall the drainage pipe be less than the diameter of existing driveway pipes.. The elevation of the pipe shall be in the same relationship to the grade of the subdivision road as existing driveway pipes. Driveway connections must be approved in advance by the Architectural Review Board.. The natural flow or drainage of any creek, spring or stream shall not be interfered with or diverted.

Section 17. Fences, Gates and Walls. No fence, gate or wall shall be erected until after the plans and specifications showing the nature, shape, height, materials, construction, and location of said fence, gate or wall shall have been approved in writing by the Architectural Review Board. Only three rail white vinyl fencing is allowed in front of residences. Only three rail white vinyl fence is allowed on Lots 35 through 47 in order to visually complement the fencing provided for the community horse pasture..

Section 18. Mail Boxes and Paper Boxes. Matching mail boxes shall be provided by the builders of each residence. Any exceptions shall be erected only after the plans and specifications showing the nature, shape, height, materials, and location of said mail boxes or paper boxes shall have been approved in writing by the Architectural Review Board.. There shall be no brick or masonry enclosed mailboxes as this is a violation of NCDOT rules..

Section 19. Use of Adjoining Property. The two lakes at the end of Booth Pond Road are privately owned and not a part of Steeplechase.. Use of these lakes for fishing, swimming or other recreation is prohibited.. Bridle paths on this property may be closed at any time at the discretion of the owner.. Abuse of this property by Steeplechase residents or their guests may result in the permanent closure of these bridle paths..

Section 20. Divided Ownership. No Lot, or dwelling thereon, shall be leased, purchased, sold, conveyed, owned, used or operated so as to constitute or create a time-share estate.

Section 21. Rules and Regulations. The Association may promulgate additional rules and regulations governing the use of any Common Areas. All such rules and regulations shall be mailed to all Owners via first class mail, postage prepaid.

Section 22. Compliance. In the event that any Owner fails to comply with any of the restrictions set forth in this instrument or the rules or any regulations subsequently promulgated by the Association, the Association or the authorized agents of the Association shall have the right, but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Owner's default. All expense and cost incurred by the Association or its authorized agents in curing such default, including without limitation reasonable attorney fees and costs, shall be charged to the defaulting Owner and shall be payable by such Owner to the Association immediately upon demand. The Association and its authorized agents shall not be liable for any damage which may result from such entry unless such damage results from the willful misconduct of the Association or its authorized agents.

Section 23. Noise. Each lot owner covenants and agrees that he will control the noise level emanating from any activities on the lot at a reasonable level. The lot owner shall not allow the noise level to become a nuisance or to otherwise interfere with adjoining lot owners' reasonable use of their lots.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Architectural Review. The Developer, or any board or committee established by the Developer for such purpose, shall function as the Architectural Review Board until the Steeplechase Property Owners' Association is formed as set forth in Article VIII, and thereafter the Association, or any board or committee established by the Association for such purpose, shall function as the Architectural Review Board. After the Association has been formed, the Association's Board of Directors shall appoint the members of the committee to carry out the functions of the Architectural Review Board,

Section 2. Required Architectural Approval. No improvement or structure of any kind, including, without limitation, any building, fence, gate, wall, bulkhead, pier, pool, poolhouse, servants' quarters, barn, shed, workshop, freestanding decking, greenhouse, gazebo, guest facility, screen enclosure, sewer, drain, disposal system, landscaping, recreational structure, external lighting, other outbuilding, or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration to any of the foregoing be made, unless and until the plans, specifications and location of the same shall have been submitted to, evaluated, and approved in writing by the Architectural Review Board as to harmony of external design and location in relation with the architectural and landscape standards of the Architectural Review Board,,

Section 3. Approval of Plans, Specification and Construction. Prior to commencement of any construction, all proposed building plans, specifications, exterior color or finish, facade, roofing material, roof pitch, plot plans (showing the proposed location of such building or structure, drives and parking areas), and construction schedule shall be approved in writing by the Architectural Review Board. Upon written request by an Owner for approval of plans, the Architectural Review Board shall have thirty (30) days from receipt to approve or disapprove the plans. If such plans are not disapproved within said thirty (30) day period, they shall be deemed to have been approved. Garages and other ancillary structures on any Lot must be constructed of the

same or compatible materials as specified for the dwelling constructed thereon. No alterations may be made in such plans after approval by the Architectural Review Board except with the written consent of the Architectural Review Board. No alterations in the exterior appearance of any building or structure shall be made without the written consent of the Architectural Review Board. One copy of all plans and related data shall be retained by the Architectural Review Board for its records. The exterior of all structures must be completed within one year after construction is commenced, except where such completion is delayed by strikes, fires, national emergencies or natural calamities.

Section 4. Architectural Standards. In addition to standards and considerations set forth elsewhere herein, the Architectural Review Board may establish informal standards for the design, location, size, style, structure, color, mode of architecture, mode of landscaping, and relevant criteria deemed important to the Board for the construction of any improvements. Disapproval of plans, location or specifications may be based upon any ground including purely aesthetic considerations, which the Board, in its discretion, deems sufficient.

Section 5. Non-liability For Approval of Plans. The Architectural Review Board's approval of plans shall not constitute a representation, warranty or guaranty, whether express or implied, that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications, neither the Architectural Review Board, the Members thereof, the Association, any Member thereof nor the Developer assumes any liability or responsibility therefore, or for any defect in the structure constructed from such plans or specifications. By disapproving such plans and specifications, neither the Architectural Review Board, the Members thereof, the Association, any Member thereof, nor the Developer, assumes any liability or responsibility for the cost of such disapproved plans and specifications, or for the re-preparation thereof.

ARTICLE VI EASEMENTS

Section 1. Easements Reserved by Developer. The Developer reserves unto itself a perpetual easement over, upon, across, and under each road right-of-way for the purpose of the erection, maintenance, installation, and use of street signs and signs denoting the development, and installation, maintenance, and use of electrical and telephone wires, cables, conduits, sewers, electric, and telephone equipment, gas, sewer, water, or other public conveniences or utilities, and other facilities located, or to be located thereon. Further, the Developer reserves unto itself a perpetual easement over, upon, across, and under each road right-of-way, each bridle path, and each other Common Area, and an additional area on each side of each road right-of-way, each bridle path, and each other Common Area as necessary for the maintenance of such roadways, bridle paths, and Common Areas, including, but not limited to, cutting and maintaining drainways for surface water wherever and whenever such action may appear to the Developer to ensure proper drainage of surface water while maintaining the overall appearance of the Development, cutting any trees, bushes, or shrubbery, making any grading of the soil, or taking any other similar action reasonably necessary to ensure that

such roadways, bridle paths, and Common Areas are maintained in a fashion suitable for their intended uses. This reservation shall not be considered an obligation of the Developer to provide and maintain any such roadway, bridle path, or Common Area, or any utility or service or facility located upon such roadway, bridle path, or Common Area. Further, the Developer expressly reserves unto itself; and its successors and assigns, the continuing and perpetual right to use, and to allow or license the use of; the streets, bridle paths and other Common Areas for any purpose it deems appropriate, including, but not limited to, commercial use, and the use by other properties and the owners of other properties, including, but not limited to, the Steeplechase Equestrian Center. Specifically, the Developer reserves unto itself; and to the Steeplechase Equestrian Center, the unlimited right to use and to license the use of the bridle paths, including, but not limited to, the exclusive right to charge a fee for the use of the bridle paths and to require a liability release to be executed as a condition to the use of the bridle paths. These entities may otherwise restrict the use of the bridle paths, except that Owners and resident family members of Owners will not be charged a fee for the use of the bridle paths (except as provided in Article VII, Covenants for Maintenance Dues).

Section 2. Easements for Ingress and Egress. Easements are hereby reserved and granted across all streets reserved on the deeds of conveyance or shown on the Maps for ingress and egress of the Developer, its licensees, public safety personnel and any authorized agents, employees, or assigns of any of the foregoing for the purpose of constructing, maintaining, inspecting and repairing the streets and the utilities and drainage areas. In addition, the Developer and such other entities shall have a continuing easement to enter the Lots and Properties in order to maintain, inspect and repair all utilities, facilities and drainage areas located on the Lots and Properties. This easement includes the right to disturb the structures located on each Lot and Properties in order to inspect, maintain and repair any utility facility located within or beneath such structures or land,

Section 3. Obstruction. Within any easement, no structure, fence, planting or other material shall be placed or permitted to remain which may interfere with the uses for which such easement is intended, and specifically, concerning drainage easements, which may change the direction of flow, or which may obstruct or retard the flow of water through the drainage channels. Open rail fences may be erected in drainage easements as long as they do not inhibit or divert the flow of water. No fences or structures of any kind shall be allowed on the natural gas line easement that falls on Lot 14

Section 4. Bridle Paths. Bridle Paths shall be reserved for equine use exclusively including, but not limited to, the riding and walking of horses, and the use of equine-drawn conveyances. Use of Bridle Paths and other Common Areas shall be as protected by the North Carolina Landowner Liability Act (Chapter 38A of the North Carolina General Statutes), as amended from time to time, or any successor provision thereto. No hedge, fence, or mass planting or other obstruction shall be placed in any Bridle Path so as to interfere with the uses for which such easements are intended, provided however that obstacles such as walls, hedgerows, jumps, water, or other similar or related amenities, and other equestrian sporting jumps shall be permitted, constructed either by Owner with prior permission of the Architectural Review Board, or by the

Association or Steeplechase Equestrian Center, so long as at least twelve (12) feet of a path remains unobstructed for use around such obstacles by equine-drawn conveyances.

ARTICLE VII

COVENANTS FOR MAINTENANCE DUES

Section 1. **Responsibility for Maintenance Services.** Prior to the creation of the Steeplechase Property Owners Association as hereinafter provided, the Developer shall be responsible for collecting the dues and assessments set forth in this Article. Upon creation of the Association, the Association shall thereafter collect the dues and assessments set forth in this Article.

Section 2. **Purpose of Annual Dues.** The annual dues levied shall be used as follows:

- (a) to maintain and repair all common roads constructed within the Development to at least the standard that such roads were in at the time of their completion, and to maintain the entrance and road signs and all street lights and landscaping adjacent to such roads in a manner consistent with the overall appearance of the Development. This shall include streets, if any, that are not included in the NCDOT system;
- (b) to maintain lakes, dams, drainage structures and drainage easements;
- (c) to provide garbage removal services for all Lots, if the Association elects to provide said service;
- (d) to upgrade and maintain the Common Areas, foot paths and bridle paths, including those on adjacent property which are not included in the platted subdivision area;
- (e) to pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;
- (f) to pay the premiums on all hazard insurance carried by the owner of the Common Areas and all public liability or other insurance carried by the Association; and
- (g) to pay all legal, accounting and other professional fees incurred in carrying out the duties as set forth herein or in the Bylaws of the Association.

Section 3. **Assessment Rate.**

- (a) The amount of the aggregate annual dues for each year shall be the amount necessary to fund the expenses described in Section 2 of this Article. The Developer or, after creation of the Association, the Board of Directors of the Association, shall fix the amount of the annual dues against each Lot and dwelling at least thirty (30) days in advance of each annual dues period, subject to the limitations set forth in this Section.
 - (b) Both annual dues and special assessments must be fixed at a uniform rate for all Lots and dwellings and shall initially be \$300.00 per annum for each
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developed Lot for the calendar year 2006. Thereafter, the annual dues may not be increased annually by more than twenty percent (20%) of the prior year's dues. The first year's association dues shall be pro-rated at closing, with the full pro-rated amount of annual dues being due and payable. Subsequent to the year in which the Lot is acquired by the Owner, such annual dues shall be billed quarterly. In addition to the foregoing, a one time start fee of \$75.00 shall be collected from the new Lot Owner upon his purchase of such Lot.

(c) Any increase in the annual dues above the annual maximum increase as set forth in the preceding subsection must have the written consent of at least 51% of the owners of the aggregate number of Lots then subject to this Declaration.

(d) Due to the cost of development of Steeplechase Subdivision, the Developer shall be exempt from the payment of any annual dues and/or special assessments.

Section 4. Special Assessments for Capital Improvements and Emergencies. In addition to the annual dues authorized above, the Association may levy, in any year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including but not limited to the common roadways, foot paths, non NCDOT streets, and bridle paths serving the Development, or for the purpose of meeting any unanticipated expenses related to the Common Areas. Such special assessments may be levied only after obtaining the written consent of the Owners of at least 51% of the aggregate number of Lots then subject to this Declaration.

Section 5. Assessments of Lots and Dwellings. All annual dues and special assessments on the Lots shall be billed to and collected from the Owners by remitting same to the Developer or, after creation of the Association, to the Association.

Section 6. Creation of the Lien and Personal Obligation for Dues and Assessments. The Declarant hereby covenants, for each Lot and for each Owner of each Lot, and each Owner, by acceptance of a deed whether or not it shall be so expressed in such deed, it is deemed to covenant and agree that each Owner shall hereafter promptly pay the annual dues assessed for and against each Lot owned from time to time by Owner, in such amounts as are necessary to pay for the services set forth in Section 2 of this Article and for the charges and special assessments for capital improvements established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees, shall be a charge and continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time the assessment or charge fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them, but shall remain a lien upon the Lot or Lots involved.

Section 7. Date of Commencement of Annual Dues. And Due Dates. The annual dues provided for herein shall commence for each Lot at the time of conveyance of the property. Such dues shall be collected as provided in Section 3(b) of this Article VII. Written notice of the annual dues shall be sent to every Owner. The due dates shall be established in such written notice.

Section 8. Effect of Nonpayment of Dues or Assessments; Remedies of the Association. Any assessment or dues not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate allowable under North Carolina law at the time of default, or eighteen percent (18%) per annum if the maximum legal rate is unlimited by law. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Developer or the Association to defray the costs because of late payment. The Developer or the Association may bring an action at law against the delinquent Owner, or foreclose the lien against the Lot, or both. All interest, late payment charges, costs and reasonable attorney's fees of such actions or foreclosures shall be added to the amount of such charge or assessment. No Owner may waive or otherwise escape liability for the charge and assessment provided for herein by not using the Common Areas or by abandoning his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the charges and assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust to the Developer. Sale or transfer of any Lot shall not affect the assessed lien. However, the sale or transfer of any Lot pursuant to foreclosure or any proceeding in lieu thereof of such mortgage or deed of trust shall extinguish the lien of such dues and assessments as to payments which became due prior to such sale or transfer; provided, however, that the Developer or the Association may in its sole discretion determine such unpaid dues and assessments to be an annual or a special assessment, as applicable, collectable prorata from all Owners. Such prorata portions are payable by all Owners notwithstanding the fact that such proration may cause the annual assessment to be in excess of the maximum permitted under Section 3 of this Article. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE V FACILITIES

Section 1. Community Horse Boarding Facility. A community equestrian center consisting of a barn or barns with individual stalls, adequate safe fencing, readily available water and food as detailed by the facility management MAY be provided during Phase 2 of Steeplechase and run by the Developer or his assigns. Temporary board will be available for Association members for a fee of \$20 per horse per day. Long term board will be available for Association members for a fee of \$400 per horse per month. Board will be available where stalls exist for non members for a fee of \$450 per horse per month. Members shall have priority in the use of stalls over non members. These fees are subject to change. Any users of these services shall be informed of any fee changes within 30 days of the change going into effect.

Section 2. Riding Amenities. Bridle paths will be available for Owners, their guests and non-owner boarders beginning in Phase 2 of the development. These bridle paths shall be maintained by the Association and are subject to restrictions as stated in other parts of these covenants.

ARTICLE IX
ASSOCIATION

Section 1. Membership. Every Owner shall be a member of the Association. Membership of an Owner shall be appurtenant to and may not be separated from the ownership of his Lot. Upon termination of ownership, an Owner's Membership shall automatically terminate and be automatically transferred to the new Owner of the Lot. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall collectively be considered one Owner and one Member.

Section 2. Voting. All Owners (including the Developer) shall be entitled to one (1) vote for each Lot owned.. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall collectively be considered one Member and voting rights appurtenant to said Lot may be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Board of Directors. The Association shall be governed by a Board of Directors in accordance with its Bylaws.

Section 4. Formation of the Association. At the election of the Developer, the Developer shall create and form the Association no later than ten (10) years from the date of the filing of this Declaration..

Section 5. Conveyance of Common Areas to the Association. At the election of the Developer, the Developer may convey any or all of the Common Areas to the Association..

ARTICLE X
PROPERTY RIGHTS

Section 1. Use of Common Areas. Notwithstanding any recordation of any map or any other action by Developer or the Association, all Common Areas (excluding public roads) shall remain private property and shall not be construed as dedicated to the use or enjoyment of the general public.. The Developer hereby reserves to itself the right to grade, re-grade, and improve the streets, avenues, roads and any open spaces as the same may be designated on any Map, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein..

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the right to use and enjoy the Common Areas, as limited by these restrictions, which shall be appurtenant to and shall pass with the title to his Lot, and further specifically subject to the following:

- (a) The right of the Developer, or the Association if the Common Area is deeded to the Association, to promulgate and enforce any reasonable regulations governing the use of the Common Areas to ensure the safety and rights of all Owners;

(b) The right of the Developer, or the Association if the Common Area is deeded to the Association, to suspend the right to use the Common Areas by any Owner for a period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Developer, or the Association if the Common Area is deeded to the Association, to grant utility, drainage or other easements across the Common Areas;

(d) The use of all Common Areas other than the bridle paths by the Owner shall include the right of resident family members of the Owner to also use such areas and shall also include the right of guests accompanied by the Owner to use such areas. The use by the Owner of the bridle paths shall include the right of resident family members of the Owner to also use such areas. Provided, however, the right of the Owner and resident family members to use the bridle paths is specifically conditioned upon the Owner and each resident family member (and parents or guardians of minors) executing a liability release as referenced in Article VI hereof. Provided further, the right of the Owner and resident family members to make use of the bridle paths does not extend to guests, and all guests or others wishing to use the bridle paths must execute the liability release and pay the fee assessed by the Steeplechase Equestrian Center, or its successors.

(e) The right of the Developer to grant other easements and the right to use and to grant to others the right to use the bridle paths and other Common Areas for any purpose it deems appropriate, including, but not limited to, commercial use, and the use by other properties and the owners of other properties including, but not limited to, Steeplechase Equestrian Center; and

(f) Any Owner who rents or leases his Lot to a tenant shall not be entitled to use and enjoy the Common Areas during the period of the tenancy, but the right to use and enjoy such shall ensue to the tenant.

Section 3. Owners' Easements for Ingress and Egress. Every Lot is hereby conveyed a perpetual, nonexclusive right to use any common roadway which forms a part of the Development for the purpose of providing access to and from each Lot, and for underground utility easements. It is understood and agreed, however, that the easement for ingress and egress and for underground utility easements provided herein shall not be used for access to, or to service, any property outside the Steeplechase Subdivision Development. Furthermore, no Owner shall construct or allow to be constructed any roadway for vehicular traffic, or allow any easement for access or utilities, from his Lot or from any Common Area to any property outside the Development without the prior written consent of Developer.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Developer, the Association, the Architectural Review Committee, or any non-breaching Owner, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms

hereof or to prevent the violation or breach of such terms by any Owner or other person or persons. The prevailing party or parties shall be entitled to recover the costs and expenses of such action, including reasonable attorney's fees, from the losing party or parties, in the discretion of the court. In addition to the foregoing, the Developer and the Association shall have the right, but not the obligation, whenever there shall have been built on any Lot any structure which is in violation of these restrictions or without the prior approval of the Architectural Review Board, to enter upon such Lot and correct or remove such violating structure at the expense of the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any such right, reservation, restriction or condition shall not be deemed a waiver of the right to do so thereafter as to the same or another breach, and shall not bar or affect such later enforcement.

Section 2. Notices. Notices shall be in writing and shall be addressed as follows: (i) If to an Owner, to the address of his lot; (ii) if to Developer, to H&H Investments, Inc., 2919 Breezewood Avenue, Suite 400, Fayetteville, NC 28303; (iii) if to the Association, to the address of the Development. The Developer may designate a different address for notices by giving written notice of such change of address to all Owners and to the Association. The Association may designate a different address for notices by giving written notice of such change of address to all Owners and to the Developer. Any Owner may designate a different address for notices by giving written notice of such change of address to the Developer and to the Association.

Section 3. Headings. The headings used in these Restrictive Covenants are for convenience and reference only, and the words contained therein shall not be held to expand, modify or aid in the interpretation, construction, or meaning of these Restrictive Covenants.

Section 4. Severability. The invalidation by any Court of any restriction or covenant contained in these Declarations shall in no way affect any of the other restrictions or covenants, but they shall remain in full force and effect.

Section 5. Supplemental Declaration. Developer reserves the right to subject any property now or hereafter owned by Developer to the provisions of this Declaration. Such addition(s) shall be made by Developer, its successors or assigns, filing of record a Supplementary Declaration of Covenants and Restrictions, which shall identify the property to be included and which shall incorporate this Declaration by reference.

However, no other land within the vicinity of the Development shall be subject to this Declaration unless the provisions of this section are complied with, it being intended that this Declaration may not be construed or considered as a scheme for the development of any land other than that shown on the presently existing and recorded Map and additional properties for which a Supplementary Declaration of Covenants and Restrictions may hereafter be filed as provided in this section.

In addition, the Developer reserves the right to file separate and unrelated declarations concerning other properties now or hereafter owned by Developer.

Section 6. Duration. All Owners, by accepting the deed to their Lot, accept the same subject to these Restrictive Covenants, and all covenants, restrictions and servitudes contained therein, and each agrees for himself, his heirs, legal representatives, administrators, and assigns, to be bound by each of said covenants, restrictions, and servitudes, jointly, separately, and severally, without limitation for the terms set forth herein:

(a) Article II of these Restrictive Covenants shall continue into perpetuity, unless earlier amended with the specific and written approval of the U.S. Army Corps of Engineers, Wilmington District, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing; and

(b) The balance of these Restrictive Covenants shall be in effect until January 1, 2030, and shall be automatically extended for successive periods of (10) years each unless the Owners of not less than two-thirds (2/3) of the Lots agree in a writing signed and recorded in Hoke County, North Carolina, Public Registry, at any time prior to the expiration of the said term or any succeeding ten-year period, to terminate or modify the same.

Section 7. Amendment. Article II of these Restrictive Covenants may not be amended at any time, in any way, without the specific and written approval of the U.S. Army Corps of Engineers, Wilmington District, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing and by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots then subject to these Covenants. The balance of these Restrictive Covenants may be amended by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots then subject to these Covenants..

IN WITNESS WHEREOF, the Owners have hereunto set their hands and seals, and the corporations have caused this instrument to be signed in the corporate names, by the duly authorized officers, this the 27 day of January, 2006.

H&H INVESTMENTS, INC.

By: [Signature] (SEAL)
D. Ralph Huff III,
President

By: [Signature] (SEAL)
Ronald S. Huff,
Secretary

North Carolina
Cumberland County

BK:00702 PG:0209

I, Christy R. Strickland, a Notary Public for the above stated county and state, hereby certify that D. Ralph Huff III and Ronald S. Huff each personally appeared before me this date and, being first duly sworn, acknowledged that he is President and Secretary, respectively, of H & H Investments, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, each signed the foregoing instrument for the purposes therein stated on behalf of the corporation.

Witness my hand and notarial stamp or seal this 27th day of January, 2006.

Christy R. Strickland

Christy R. Strickland, Notary Public

My Commission Expires: 12-29-08

