

Exhibit A
Restrictive Covenants for Lots 5 and 6 Lochglen
Plat Book 73, Page 46

Restrictions on Use
and Rights of the Owners

Section 1. Restriction on Use and Rights of the Owners.

(a) Permissible Uses - No lot shall be used except for residential purposes and no building of any type shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling, including a garage and any other appurtenances customary to a single-family dwelling which shall comply with any applicable zoning regulations. All dwellings shall be constructed on a Lot and be of new materials. When construction of any building, structure, improvement or addition has once begun, work thereon shall be prosecuted diligently and continuously until the full completion thereof. No Living Unit shall be built which contains cement or cinder blocks which are visible from the outside of the Living Unit, nor may any outside, above-ground fuel storage be used.

(b) Division of Lots - No Lot shall be further divided, except (i) any two Owners may divide a lot between them if such Lot is adjacent to the Lots owned by each Owner and provided further that only one single-family dwelling may be constructed on the Lot as subdivided and combined and (ii) Developer may subdivide or replat any Lot or Lots.

(c) Utilities and Easements. All utility lines of every type, including but not limited to water, electricity, telephone, gas, sewage and television cables, running from the main truck line or service location to any Living Unit, must be underground. Developer reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right on, over and under the ground to erect, maintain and use water, sewer,

electric, gas, television cable and telephone systems, wires, cables and conduits for the purpose of bringing public services to The Properties, for the installation of street lights and for surface and piped drainage on, in or over ten feet (10') of each Lot line fronting on a street, seven and one-half feet (7.5') along the side of each Lot and fifteen feet (15') along the rear line of each Lot, and such other areas as are shown on any recorded Plats of The Properties; provided further the Developer reserves such other easements for drainways for surface water wherever and whenever such action is required by applicable health or sanitation authorities in order to maintain reasonable standards of health, safety, and appearance. In the event of any additions to The Properties, as provided in Article One, by Developer or others with the consent of Developer, the easements created hereby shall exist on the Lots in such additions to The Properties. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or to take any other similar action reasonably necessary to provide economical and safe utility or drainage installation or to maintain reasonable standards of health, safety or appearance.

(d) Minimum Square Footage and Setback Lines - In no event shall any Living Unit contain less than:

- (1) 1,800 square feet of Living Area on (i) the main floor if it is a one-story Living Unit, (ii) the main level if a split-foyer residence or (iii) the upper two floors if a split-level design;
- (2) 2,400 square feet of Living Area if the Living Unit has two or more floors, with a minimum of 1,200 square feet on the first floor; and
- (3) 1,500 square feet of Living Area on the first floor if it is a one and one-half (1-1/2) story Living Unit, with a total of 2,400 square feet within the Living Unit.

No building shall be located on any Lot nearer than (i) forty feet (40') to the front property line, and (ii) thirty five feet (35') from the rear property line or the edge of any lake as shown on any recorded plat of The Properties. Further, no building shall be located on any Lot nearer than a total of twenty five feet (25') from the side lines of said Lot, with any one side line being no closer than ten feet (10'). No building shall exceed thirty five feet (35') in height, except as permitted or required by applicable zoning regulations or any recorded plat of The Properties. Measurements shall be made to the exterior walls. Developer may, in the exercise of reasonable judgment, waive any inadvertent violation of the provisions of this Subparagraph (d).

(e) Temporary Structures - No structure of a temporary character shall be placed upon any portion of The Properties at any time; provided however, this prohibition shall not apply to shelters or

huts used by contractors during the construction of a Living Unit or improvements or additions thereto on any Lot. Temporary shelters, tents, recreational vehicles and trailers/mobile homes (whether attached or unattached to the realty) may not, at any time, be used as a temporary or permanent residence or permitted to remain on any portion of The Properties.

(f) Other Prohibitions or Requirements:

- (1) Any Living Unit shall comply with all applicable building, plumbing, electrical or other codes;
- (2) No vent or other pipes or appendages may extend from the front of any Living Unit, unless screened from public view by a screening material or shrubbery approved by Developer;
- (3) Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by Developer;
- (4) Downspouts and gutters must be so constructed as not to promote erosion of the soil of any Lot;

(5) Unless approved by Developer in writing, all exposed portions of foundations shall be constructed of brick; and

(6) There shall be no flat roof construction.

(g) Screening - Erection of clothes lines and the maintenance of any exterior garbage containers shall not be permitted unless stored or placed in a screened enclosure, either man-made or natural.

(h) Debris - No leaves, trash, garbage or similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of The Properties, except that which is temporary and incidental to the bona fide improvement of any portion of The Properties.

(i) Antennas - Television antennas may be attached to or installed on the exterior portion of a Living Unit subject to the following provisions and limitations. The term "television antenna" shall be strictly defined as an antenna system specialized for purposes of enhancing the reception of "local" television broadcasts and shall specifically exclude satellite reception dishes, radio receiver or sender devices or such other devices that are not specifically limited for the enhancement of

television reception. Further, television antennas shall be allowed only to the extent that The Properties are not served by a master antenna system or cable television company. At such time as the Developer determines that such alternative is available to The Properties, all Owners shall have two (2) years from the date of receipt of such notice, to remove any television antennas previously installed.

(j) Streets - All streets in The Properties have been constructed as public streets, meeting the standards of the North Carolina Department of Transportation ("NCDOT") for subdivision streets. Developer has dedicated a right-of-way as shown on the recorded map referred to herein, having varying widths. As of the date of recording of this map, the streets have been inspected by the District Engineer of the NCDOT and certified as having been planned and constructed according to NCDOT standards, including those relating to grading, roadbed, paving and drainage.

The streets may be accepted by the NCDOT for addition to the State Highway System as state-maintained roads upon petition by affected Lot Owners when a sufficient percentage of the Lots are individually owned and when there are a sufficient number of occupied Living Units for each applicable segment of street. Reference is made to the regulations of the NCDOT for a more complete discussion of procedures regulating the admission of streets to the state system.

Following such a petition, the streets will be re-inspected by the NCDOT to insure that they continue to meet all state standards including conditions of right-of-way and drainage ditches and swales, failing which the street may not be admitted to the state system.

Nothing, including but not limited to walls, fences, gates, mailboxes, timbers, trees or plants, shall be erected, placed or permitted to remain in any portion of the street right-of-way or related sight or drainage easements as shown on any recorded map of The Properties. No drainage ditch or swale shall be filled, tiled or altered in any way except in accordance with the standards of the NCDOT.

(k) Unsightly Conditions - It is the responsibility of each Owner to prevent any unclear, unsightly or unkept conditions of the Living Unit on, or on the grounds of, a Lot of any Owner which shall tend to substantially decrease the beauty of The Properties specifically and as a whole.

(l) No Offensive Activity - No noxious or offensive activity shall be carried on upon any portion of The Properties nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Owner, tenant or guest thereof in any portion of The Properties.

(m) Animals and Pets - Except as otherwise permitted herein or in any supplementary declaration hereto, no animal, plant, device or

thing of any sort whose normal activity or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other lots by any owner, tenant, or guest thereof, may be maintained. No animal, 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 (i) kept, bred or maintained for any commercial purpose or (ii) permitted to become a nuisance to the neighborhood. Further, any such household pet shall be restrained on the owner's lot or maintained on a leash at all times.

(n) Driveways and Fences - Any driveway located on a lot must be paved. No fencing may be located closer to any street than the closest point of the Living Unit or any adjacent unit to any such streets. No chain link or wire fencing shall be used.

(o) Discharge of Firearms - Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within The Properties is prohibited unless required for public safety.

(p) Motorized Vehicles - All motorized vehicles operating within The Properties must be properly muffled so as to eliminate noise which might be offensive to others. No "off-road" or unlicensed motor vehicles may be used or operated on or within The Properties.

(q) Signage - No sign of any kind shall be displayed to the public view on any lot except one (1) sign with dimensions of not more than two feet by three feet (2'x3') advertising any lot for sale or rent.