

Drawn by: Edward R. Green
Green + Leonard Boy

DECLARATION 50

OF
COVENANTS, CONDITIONS AND RESTRICTIONS



THIS DECLARATION, Made on the date hereinafter set forth by STONEWOOD CORPORATION, a North Carolina corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, STONEWOOD CORPORATION is the owner of certain property in Winston Township, County of Forsyth, State of North Carolina, which is more particularly described as:

All of that certain parcel of land shown on the plat entitled Stonewood, Phase I, which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 28, Page 48, to which reference is made for a more particular description.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property 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 inure to the benefit of each owner thereof.

ARTICLE I.
DEFINITIONS

Section 1. "Association" shall mean and refer to Stonewood Home Owners Association, Inc., its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of Stonewood Home Owners Association, Inc.

Section 3. "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 4. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Common Area" shall mean all real property, together with all improvements thereon, now owned or hereafter acquired by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

All of that land designated "Common Area" as shown and described on the plat entitled Stonewood, Phase I, which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 28, Page 48. The numbered lots and any dedicated streets are not part of the Common Area.

Declarants contemplate and anticipate that the Association will hereafter acquire two (2) additional adjoining parcels of land which will also be designated as the "Common Area" of Stonewood Phases II and III. These parcels are described as follows:

(A) Beginning at a point, said point being the southwest corner of Lot 11-E of Tax Block 2561 as shown on the Forsyth County Tax Maps as presently constituted; said point also lying South 03° 06' 59" West 94.84 feet from Lloyd D. Peake's Southeast corner (Deed Book 1268, Page 228, Forsyth County Registry); running thence from said beginning point South 87° 27' 55" East 434.00 feet to a point in the southern line of Lot 11-C of said Tax Block 2561; thence with 3 new lines: South 02° 32' 05" West 152.23 feet to a point; South 70° 03' 37" East 135.00 feet to a point; thence South 16° 00' 00" East 210.17 feet to a point in the northern line of Mary F. Kimel and Betty K. Zimmerman (Deed Book 1185, Page 807); thence with Kimel and Zimmerman's northern line, South 87° 11' 53" West 637.93 feet to a point; thence North 03° 15' 29" East 186.58 feet to a point; thence on a new line North 03° 13' 19" East 264.67 feet to a point, the place of Beginning and containing 5.161 acres more or less, and

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(B) Beginning at an iron stake in the eastern right of way line of Burke Mill Road, said point also being Florence Johnson's southwest corner (Deed Book 670, Page 155); running thence from said beginning point with Florence Johnson's southern line South 88° 16' 08" East 246.93 feet to an iron stake; thence with the southern lines of Florence Johnson and Horace Kimel, South 87° 00' 55" East 250.88 feet to an iron stake in the eastern right of way line of Sanderstead Road, also being the southwest corner of Clarence Hunt (Deed Book 1226, Page 368); thence running with the southern lines of Clarence Hunt, Albert C. Barker, Jimmy B. Smith, Eloise Lee Amick, and Lloyd Peake, South 87° 02' 15" East 823.95 feet to an iron stake in the western line of Walter C. Holton (Deed Book 735, Page 316); thence with the western line of Holton, South 03° 06' 59" West 94.84 feet to a point, Walter Holton's southeast corner; thence on a new line South 03° 13' 19" West 264.67 feet to an iron stake in the northern line of Mary F. Kimel and Betty K. Zimmerman (Deed Book 1185, Page 807); thence with Kimel and Zimmerman's northern line North 87° 02' 59" West 1,066.31 feet to an iron stake in Ralph Kimel's eastern line; thence with Kimel's eastern line North 01° 50' 12" East 299.91 feet to an iron stake; thence North 88° 16' 08" West 256.02 feet to an iron stake in the eastern right of way line of Burke Mill Road; thence with the eastern right of way line of Burke Mill Road, North 10° 26' 40" East 60.70 feet to an iron stake, the point and place of Beginning. Containing 8.839 acres more or less.

Declarants also contemplate that the above property described by metes and bounds will contain Seventy-Nine (79) individual or clustered Lots, each Lot being Forty-Five (45) feet square, the actual placement of which on the above-described property to become definite upon the recording of the Plats of Stonewood, Phases II and III, to be filed at a future date. The said proposed Lots and any dedicated streets located on any Properties are not considered part of the Common Area.

A map showing the Three (3) Phases of the Stonewood Development is attached to this Declaration as Exhibit "B", the purpose of which is to illustrate and show the Common Area to be acquired and maintained by the Association.

Section 6. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and dedicated streets.

Section 7. "Declarant" shall mean and refer to STONEWOOD CORPORATION, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II.
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B. Members shall be the Declarant and shall be entitled to Three (3) votes for each Lot owned. The Class B membership from each recorded section of the Properties shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) upon Five (5) years after the date of this Declaration.

Section 3. The above voting power and procedure as between Class A and Class B members shall be based on the total number of Lots subject to this Declaration including additional phases that may be annexed pursuant to Article IX, Section 4 of this Declaration.

ARTICLE III.
MAINTENANCE OBLIGATIONS

Section 1. Maintenance by Each Owner. The Owner of each Lot shall be solely responsible at his expense to properly maintain, repair and replace the house and all other improvements on his Lot, except that maintenance to be performed by the Association as set forth in the first paragraph in Section 2 of this Article. Without limiting the generality of the foregoing, each Owner at his sole expense shall be responsible for properly maintaining, repairing, replacing and keeping in a neat and attractive condition the exterior and interior of the house on his Lot, including the exterior building surfaces, roofs, windows, gutters, downspouts, and other parts of such house, and the fence, walls, and other improvements situate upon his Lot, and shall maintain in a neat and attractive condition the trees, shrubs, grass and other parts of the yard making up his Lot.

Section 2. Maintenance by Association. The Association at its expense shall be responsible for maintaining, repairing and replacing the paved surfaces of all drives, parking areas and walkways located within the Common Area and all utility and drainage lines and pipes which are located within the Common Area and which are not maintained by the City of Winston-Salem; and the Association shall maintain in a neat and attractive condition the trees, shrubs, grass and yard in the Common Area. The Association shall also maintain certain recreational improvements to be located on the Common Area, said improvements to include two doubles tennis courts, two horseshoe pits, a tot lot, a basketball court and a jogging trail with exercise stations.

Notwithstanding the provisions of Sections 1 and 2 of Article III above, in the event that any painting, decorating, maintenance, repairs or replacements to the Properties or any part thereof is necessitated by the negligent acts, misuse or neglect of any Owner, the entire cost thereof shall be borne by such Owner.

Section 3. Violation of Maintenance Obligations. In the event that any Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his with respect to the painting, decorating, maintenance, repair or replacement of the house and all other improvements on his Lot as provided in Article III, Section 1, the Board may perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless the Owner, within thirty (30) days of receiving notice of such default by the Board, cures such default, or in cases of default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion with all due diligence, the curing of such default.

All such sums expended and all costs and expenses incurred by the Board in connection with the making of any such painting, decorating, maintenance, repairs or replacements to such Owner's Lot shall be assessed against the Owner of said Lot, shall be immediately due and payable, shall bear interest at the rate of Twelve (12%) percent per annum and shall constitute a lien upon said Lot.

ARTICLE IV.
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for public or private capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien

upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association as described in the By-Laws of the Association and its Charter and in particular for the payment of property taxes assessed against the Common Area and the maintenance of the Common Area required to be performed by the Association, as more particularly set out in Article III, Section 2, and maintenance of the homes situated upon the properties, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Area, and the Association shall be responsible for performing the foregoing.

Section 3. Maximum Annual Assessment. Until January 1, 1983, the maximum annual assessment shall not exceed Twenty Dollars (\$20.00) per Lot, per month.

(a) From and after January 1, 1983 the Board may increase the maximum annual assessment from time to time until said annual assessment is Forty Dollars (\$40.00) per Lot, per month.

(b) From and after the end of the calendar year in which said annual assessment has become Forty Dollars (\$40.00) per Lot, per month, the Board may increase the annual assessment by an amount not in excess of 5% more than the assessment for the previous year. Any annual assessment increase in excess of 5% over the previous year must be approved by a 2/3 majority of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Public or Private Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. All annual and special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or Section 4 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Annual Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots within the same class and may be collected on a periodic basis; provided, however, each Lot owned by the Declarant shall be assessed for both annual and/or special assessments at one-fourth (1/4) or twenty-five percent (25%) of the assessment for lots owned by Class A members, but such twenty-five percent (25%) assessment ratio for a particular Lot owned by the Declarant shall terminate immediately upon the transfer of said Lot from the Declarant to a Class A member; and thereafter, the full one hundred percent (100%) assessment for such Lot shall apply.

Section 7. Date and Commencement of Annual Assessments: Due Dates.

The annual assessments provided for herein shall be collected on a periodic basis and shall commence as to all Lots on the first day of the month following the conveyance of the Common Area of the recorded plat in which such Lot is located. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and the Board of Directors shall have the authority to require the assessments to be paid in pro rata monthly installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and said certificate shall be binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 9. Effect of Nonpayment of the Association of Taxes or Assessments for Public Capital Improvements. In the event of default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Properties which default shall continue for a period of six (6) months, each Owner of a Lot in the Properties shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the Properties. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law against the Owner personally obligated to pay the same or may elect to foreclose the lien against the Lot of the Owner.

Section 10. Subordination of the Lien to the Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deeds of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which becomes due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or first deed of trust.

ARTICLE V.

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant.

ARTICLE VI.
PARTY WALLS AND FENCES

Section 1. General Rules of Law to Apply. Each wall or fence which is built as a part of the original construction of the homes upon the Properties, or is a replacement thereof, and placed on the dividing line between Lots shall constitute a party wall or party fence and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence, or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared by the Owners who make use of the wall or fence in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire or other casualty, any Owner who has used the wall or fence may restore it, and if the other Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall or party fence to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and repairing all damage resulting from such exposure.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or party fence, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and shall be binding and conclusive on all parties.

ARTICLE VII.
USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for residential purposes.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 4. Outside Antennas. No outside radios or television antennas shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

ARTICLE VIII.
EASEMENTS

Section 1. Lot Owner's Easements. Each Lot Owner, his successors and assigns, shall have the following perpetual easements appurtenant to his Lot with respect to the Properties:

1. A non-exclusive easement in, upon, over, under, and through the Common Area, to keep, maintain, use, operate, repair and replace the dwelling located on the above-described Lot in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements;

2. A perpetual, exclusive easement for the purpose of erecting and maintaining roof overhangs or eaves over the Common Area and over any adjoining Lot, provided that all of such overhangs or eaves shall be located at a height of not less than 8 feet above and shall extend no further than 3 feet across the property line of the Common Area or any adjoining Lot;

3. An exclusive easement for the existence and continuance of any encroachment by the dwelling located on any Lot (excluding any encroachment by roof overhangs or eaves) upon any adjoining Lot or upon any Common Area; which encroachment either now exists or may come into existence hereafter as a result of the original construction by Declarant, repair, shifting, settlement or movement of any portion of the original house located on the Lot, or as a result of condemnation or eminent domain proceedings, so that any such encroachments may remain undisturbed so long as said house stands;

4. A non-exclusive easement for ingress and egress to any Lot in, upon, under, over across and through the Common Area;

5. A perpetual easement in common with the owners of all other Lots and the owner of the Common Area to use all pipes, wires, ducts, cables, conduits, water and sewer lines, public utility lines, television master antennae and cable television lines, which are located on or under any other Lot or the Common Area and which serve any Lot;

6. A perpetual, non-exclusive easement in, over and through the Common Area and the right to use the Common Area, its driveways, walkways and improvements, subject to the following provisions:

- (a) the right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facility by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument is signed by at least two-thirds (2/3) of each class of Members, agreeing to such dedication or transfer, has been recorded;
- (d) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area; and

7. A perpetual easement in common with the Board or its duly authorized agents to go in, upon, over, across and through any adjoining Lot or the Common Area for the following purposes:

- (a) Maintaining, repairing, painting, decorating or replacing the exterior walls of the house located on any Lot; or for

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(b) Maintaining, repairing, painting or replacing the party fences placed on the dividing line between Lots as required by the "Party Walls and Fences" provisions contained in Article VI of this Declaration of Covenants, Conditions and Restrictions; or for

(c) Complying with the Maintenance Obligations contained in Article III of this Declaration of Covenants, Conditions and Restrictions.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Easements Reserved unto the Declarant, the Association, Lot Owners and Others. Each Lot conveyed by the Declarant, its successors and assigns shall be subject to the following easements:

1. A perpetual exclusive easement in favor of all adjoining Lot Owners for the purpose of erecting and maintaining roof overhangs or eaves over such Lot, provided that all such overhangs or eaves shall be located at a height of not less than 8 feet above and shall extend no further than 3 feet across the property line of such Lot; and

2. An exclusive easement in favor of all adjoining Lot Owners for the existence and continuance of any encroachment by the dwellings located on any adjoining Lots (excluding any encroachment by roof overhangs or eaves) upon such Lot, which encroachment either now exists or may come into existence hereafter as a result of the original construction by Declarant, repair, shifting, settlement or movement of any portion of the original house located on any adjoining Lots, or as a result of condemnation or eminent domain proceedings, so that any such encroachments may remain undisturbed so long as the adjoining dwellings stand; and

3. A perpetual, non-exclusive easement in favor of all other Lot Owners and the Owner of the Common Area to use all pipes, wires, ducts, cables, conduits, water and sewer lines, public utility lines, television master antennae and cable television lines located on any Lot and serving such other Lot Owners or Owner of the Common Area;

4. A blanket, perpetual and non-exclusive easement in, upon, over, across and through any Lot for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, poles, transformers, meters, master television antennae, cable television lines and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving all other Lots or the Common Area, which easement shall be in favor of any governmental agency, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services; and

5. A perpetual and exclusive easement in favor of the Association for the maintenance of any Common Area which may presently or hereafter encroach upon a Lot; and

6. A perpetual easement in favor of the Board (or its duly authorized agents) and in favor of all adjoining Lot Owners to go in, upon, over, across and through any Lot for the following purposes:

(a) Maintaining, repairing, painting, decorating or replacing the exterior walls of the dwellings located on the adjoining Lots; or for

- (b) Maintaining, repairing, painting or replacing the party fences placed on the dividing line between Lots as required by the "Party Wall and Fences" provisions of Article VI of this Declaration of Covenants, Conditions and Restrictions; or for
- (c) Complying with the Maintenance Obligations of Article III of the Declaration of Covenants, Conditions and Restrictions; and

7. Subject to an easement in favor of the Declarant, its successor, assigns and agents for the purpose of completing the Lots (and improvements thereon) and the Common Areas; to have access to the Lots and the Common Areas for the ingress and egress of itself and its agents, and subcontractors, including the right to park in parking spaces. The Declarant agrees to hold the Association and the Owners or occupants of any Lots entered harmless from all liabilities resulting from such use of the Common Areas or Lots, as the case may be, in conjunction with the completion of the Lots (and improvements thereon) or the Common Area; and

8. The Declarant also reserves the right with respect to its marketing of Lots to use the Common Areas for the ingress and egress of itself and its agents and for prospective purchasers and contract purchasers of Lots, including the right of such prospective purchasers and contract purchasers to park in parking spaces. Any damage to the Common Areas resulting from this easement shall be repaired by the Declarant within a reasonable time after the completion of its sale of the Lots or termination of such use of the Common Area, whichever first shall occur. The Declarant agrees to hold the Association harmless from all liabilities resulting from the use of the Common Areas in conjunction with the marketing of Lots.

ARTICLE IX.
GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be properly recorded; and no amendment may be enacted which would violate the provisions of the City Code of Winston-Salem or the laws of the State of North Carolina.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members. Additional land within the area described in deed recorded in Book 1343, Page 1664 in the Office of the Register of Deeds of Forsyth County may be annexed by the Declarant without the consent of members within ten (10) years of the date of this instrument. The aforementioned additional land shall not be subject to this Declaration until an instrument of record in the Office of the Register of Deeds of Forsyth County shall so indicate.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this the 2nd day of June, 1982.

STONEWOOD CORPORATION

By: [Signature] (SEAL)
President

Attest:
[Signature]
Secretary

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

This 2 day of June, 1982, personally came before me, Sylvia B. Sink a notary public, Michael C. Atwood who, being by me duly sworn, says that he knows the Common Seal of STONEWOOD CORPORATION and is acquainted with Timothy L. Morgan who is the President of said Corporation, and that he, the said Michael C. Atwood is the Secretary of the said Corporation, and saw the said President sign the foregoing instrument, and saw the Common Seal of said Corporation affixed to said instrument by said President, and that he, the said Michael C. Atwood signed his name in attestation of the execution of said instrument in the presence of said President of said Corporation.

Witness my hand and notarial seal or stamp this the 2 day of June, 1982.

[Signature]
Notary Public

My Commission Expires:
April 2, 1985

NORTH CAROLINA - Forsyth County

The foregoing (or annexed) certificate of Sylvia B. Sink N.P. Davidson Co. N.C. is (are) certified to be correct. This the 16th day of June, 1982.

Eunice Ayers, Register of Deeds

PROBATE FEE \$1.00 PAID

By [Signature]
Deputy-Assistant

PRESENTED FOR
REGISTRATION
AND RECORDED -10-

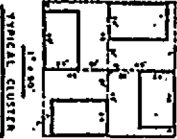
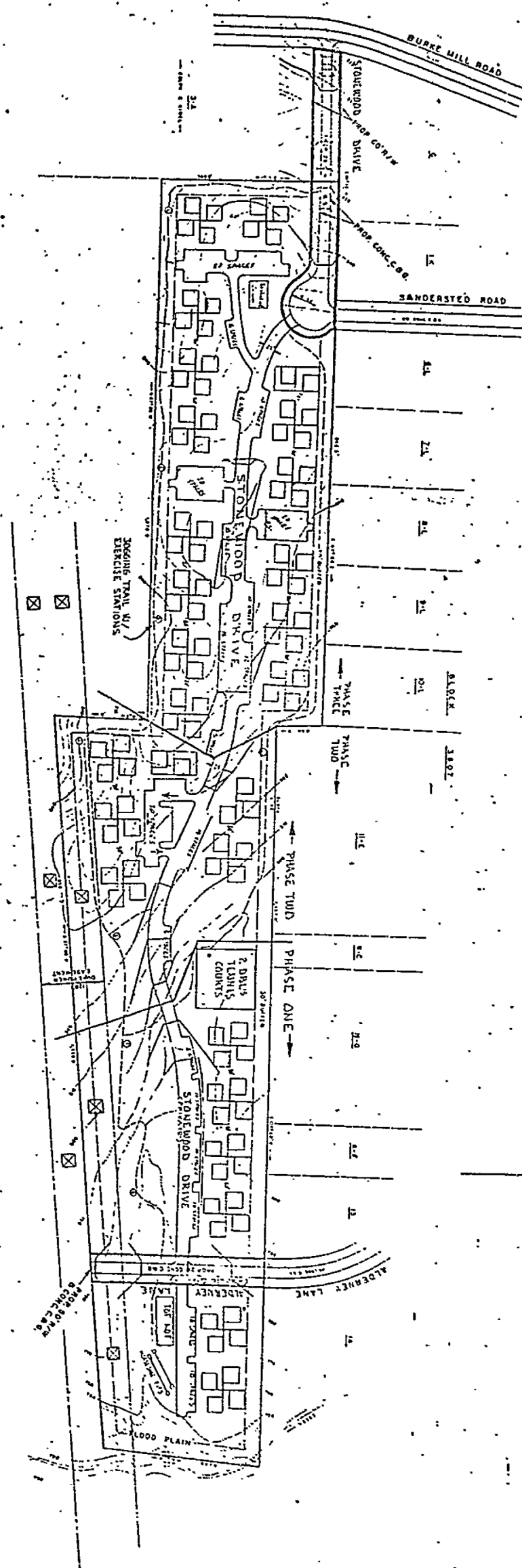
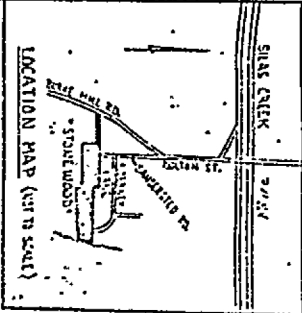
JUN 16 3 02 PM '82

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

JB. #19.00 pd.

BOOK 1365 P 1063

EXHIBIT "B"



STONEWOOD
 PROPOSED CLUSTER HOMES
 LOT 4 - P.M. 2-938 - SOUTHWORK TWP
 FORKSTOWN COUNTY - NORTH CAROLINA
 DEVELOPER - H.C. ATWOOD
 BOX 146
 CLEMONS, N.C.

TOTAL UNITS = 103
 PARKING / UNIT = 2
 TOTAL PARKING SPACES = 206
 TOTAL PRIVATE SPACES = 39
 TOTAL OVERFLOW SPACES = 0

PRIVATE LOTS = 4.77 AC
 ROAD & TRAILING = 3.00 AC
 RECREATION = 1.50 AC
 COMMON AREA = 12.07 AC
 TOTAL = 22.00 AC



APPROVED

DATE: 1-11-82
 BY: [Signature]
 TITLE: [Title]

STONEWOOD

DATE: 1-11-82
 BY: [Signature]
 TITLE: [Title]

CITY CHIEF - 818 LAND DIVISION - ROCKSVILLE, N.C.

1. OPERATIONAL SPACES AND UTILITIES SHOWN AS NOTED HEREON.
2. TERRACING SHALL BE CONFORMANT WITH THE SLOPE (GRADE) SPECIFICATIONS.
3. ALL EROSION CONTROL MEASURES SHALL BE CONFORMANT WITH THE SLOPE (GRADE) SPECIFICATIONS.
4. ALL UTILITIES SHALL BE CONFORMANT WITH THE SLOPE (GRADE) SPECIFICATIONS.
5. ALL UTILITIES SHALL BE CONFORMANT WITH THE SLOPE (GRADE) SPECIFICATIONS.