

DRAWN BY Norman L. Nifong (Box 33)

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 FORSYTH CO, NC
 PRESENTED & RECORDED: 02/15/2000 12:40PM
 DICKIE C. WOOD REGISTER OF DEEDS BY: HODDVA
 BK2105 P1174 - P1194

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE CHASE AT KINGSTREE

THIS DECLARATION, made and entered into this the 14th day of February, 2000, hereinafter set forth by HOMESTEAD-RICLIN/KINGSTREE, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Winston-Salem, County of Forsyth, State of North Carolina, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

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 THE CHASE AT KINGSTREE PROPERTY OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

SECTION 2. "Interim Owner" shall mean any person, firm, corporation, partnership, or LLC owning a lot for the purpose of constructing a single family residence for resale.

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 owned 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 that land designated "Common Area"; if any, as shown on the plat entitled "The Chase at Kingstree" which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina in Plat Book 42, Pages 74 and 75 and any areas reserved for signs identifying **THE CHASE AT KINGSTREE**, any landscaping or lighting (including street lighting, associated with any Common Area, and any other improvements placed on common areas.

SECTION 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

SECTION 7. "Declarant" shall mean and refer to **HOMESTEAD-RICLIN/KINGSTREE, LLC**, a North Carolina limited liability company, its successors and assigns.

SECTION 8. "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.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. OWNER'S EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, 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 facilities by an Owner for any 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 Association to grant easements and rights of way, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility (including any entity authorized by Forsyth County or the City of Winston-Salem to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Members. No such grant, dedication or transfer shall be effective unless an

instrument signed by at least two-thirds (2/3) of each class of Members, agreeing to such grant, 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 specifically including the right to make permanent and temporary assignments of parking spaces and to establish regulations concerning the use thereof;

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities thereon; and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(f) the right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the Properties for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Areas.

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.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every Owner of a Lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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, and shall be entitled to one (1) 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 (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership 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;

(b) on December 31, 2007.

SECTION 3. Representation of Declarant on Board of Directors.

Notwithstanding any other provisions of this Declaration, the Declarant shall have the right to designate and select a majority of the Board of Directors of the Association through December 31, 2002. Declarant shall have the right to remove any persons selected by it and to replace such persons with other persons to act and serve in their place for the remainder of the unexpired term of any Directors so removed. Any Director designated and selected by Declarant need not be the Owner of a Lot in The Chase at Kingstree. Any party chosen by Declarant to serve on the Board of Directors shall not be required to disqualify himself from any vote on any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. Neither shall the Declarant be required to disqualify itself upon any contract or matter between itself and the Association where the Declarant may have a pecuniary or other interest.

ARTICLE IV

COVENANT FOR MAINTENANCE AND 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 of any Lot, by acceptance of a deed therefor, 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; (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and, (3) to the appropriate governmental taxing authority: (a) a pro rata share of ad valorem taxes levied against the Common Area; and, (b) a pro rata share of assessments for public improvements to or for the benefit of the Common Area if the Association shall default in the payment of either or both for a period of six (6) months, all as hereinafter provided. The annual and special assessments, together with interest, costs, reasonable late penalty, 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, reasonable late penalty, 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.

(a) The assessments levied by the Association shall be used exclusively for public capital improvements to or for the benefit of the Common Areas, to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities (including a reasonable provision for contingencies and replacements) devoted to this purpose and related to the maintenance requirements of the Association or for the use and enjoyment of the Common Area, including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the payment of charges for garbage collection services to the Properties, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

(b) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid unto the Association by any Lot Owner, the same may be commingled with monies paid to the Association by the other Lot Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When a Lot Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Properties.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum

annual assessment may be increased each year not more than 15% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above 15% by a vote of two-thirds (2/3) 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, subject to the provisions of Section 6 of this Article.

(d) An interim owner shall have no responsibility to pay any assessment for a period, not to exceed two (2) years from the time title is conveyed to the interim owner to the time title is conveyed to a record owner using or intending to use the lot, with its improvements, as a residence.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part the costs of any construction, reconstruction, or 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 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 for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) 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 (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 ASSESSMENT. Subject to the terms of Article VI hereinafter, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

SECTION 7. DATE AND COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the month in which a Certificate of Occupancy for the residence on such Lot is issued by Forsyth County. 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 to every Owner subject thereto. The due dates shall be established by the Board of Directors. 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.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall result in a late payment penalty of Twenty and No/100 Dollars (\$20.00) which shall be immediately due and payable by the Owner failing to have made the assessment payment as scheduled. Said Twenty and No/100 Dollar (\$20.00) penalty may be increased prospectively by the Board of Directors at its regular annual meeting. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs, reasonable late penalty, and reasonable attorney's fees for representation of the Association in 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 non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION. Upon 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 or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid 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 development. 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 Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may

either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any such bona fide first 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 become 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 deed of trust.

SECTION 11. EXEMPT PROPERTY. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

SECTION 12. MAINTENANCE OBLIGATIONS OF OWNER. Each Owner is required to maintain and repair those portions of the exterior which are specifically excluded from the obligations of the Association pursuant to Article VI hereinafter. In addition, each Owner shall, at the Owner's expense, keep the interior of the improvements located on his Lot and its equipment and appurtenances associated therewith in good order, condition and repair and in a clean, sanitary and sightly condition. In addition, the Owner shall be responsible for the maintenance, repair or replacement of any defective plumbing, water heaters, heating equipment, air conditioning equipment and lighting fixtures located on his Lot.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 1. THE ARCHITECTURAL CONTROL COMMITTEE. An Architectural Control Committee consisting of three (3) or more persons shall be appointed by the Class B Member. When the Class B membership expires, the Board of Directors of the Association shall appoint a new committee of three or more members.

SECTION 2. PURPOSE. The Architectural Control Committee shall regulate the external design, appearance, use, location and maintenance of the Properties and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography.

No building, fence, wall, residence or other structure shall be commenced, erected, maintained or improved, altered, removed, made or done without the prior written approval of the Architectural Control Committee.

SECTION 3. PROCEDURE. All plans for homes, fences, walls, garages, or other structures to be constructed on any Lot shall be approved by The Architectural Control Committee or its assigns prior to the beginning of any construction activity. This review is to determine whether or not the plans adhere to the provisions of these Restrictions. The following procedures will be followed by the appropriate parties.

a. One set of plans to include at least 2 elevation views and a floor plan (all floors) will be submitted by the Lot owner for any and all proposed improvements.

b. The Architectural Control Committee shall approve or disapprove plans within fifteen (15) days from the receipt thereof. In the event the Architectural Control Committee fails to approve or disapprove such plans within fifteen (15) days, approval will not be required and the requirements of this Section will be deemed to have been fulfilled. The plans, with the approval or disapproval endorsed thereon, shall be returned to the persons submitting them and a photocopy thereof shall be retained by the Declarant for its permanent files.

ARTICLE VI

USE RESTRICTIONS

1. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family residence and its auxiliary building (which must be the same exterior material and color as the residence). No business, profession, professional clinic or other trade or activity shall be conducted upon any Lot or in any building erected thereon. No building on any Lot shall be used as a rooming, boarding, fraternity house, or sorority house.

2. No single family dwelling shall be built, erected, altered or used unless it shall contain at least the minimum number of square feet set forth below of heated and finished floor space, measured from outside wall lines, for the main body of the structure, exclusive of porches garages, terraces and basements:

a. 1200 square feet, if the structure is a one-story dwelling;

b. 1800 square feet with a minimum of 900 square feet on the first (main entry level) floor, if the structure is a two-story dwelling; and

c. 1600 square feet with a minimum of 1100 square feet on the main level, if the structure is a split foyer, split level, or a one and one-half (1½) story dwelling.

3. The following minimum building setback requirements shall be observed with respect to all buildings constructed upon a Lot.

a. Side yard: Seven (7) feet, with a minimum of twenty (20) feet for the two combined side yards; provided that a side yard which abuts a public road shall be a minimum of twenty (20) feet.

b. Front yard: Twenty (20) feet; and

c. Rear yard: Twenty-five (25) feet.

These setbacks adhere to the current minimum setback requirements of the City of Winston Salem Unified Development Ordinance Zoning Classification RS-9. Any variance or violation of these setback requirements will be enforced by the appropriate city officials.

In addition to the foregoing, no building, whether the principal residence or an ancillary structure, shall be constructed or placed nearer than ten (10) feet to the boundary of debris disposal area (sometimes referred to as "bury sites" or "bury pits") as such areas are depicted on the recorded plat of the Property.

4. a. As applicable, wood exterior construction material for all buildings whether residential or auxiliary, shall be properly painted or stained. Ancillary buildings must be constructed of either wood, vinyl, or hardboard material. If veneered with wood, vinyl or hardboard material, it shall consist of individual boards, each of which shall be no wider than twelve (12) inches. No metal buildings shall be permitted.

b. Front exposures will be constructed of all brick or brick detailing so long as the detailing encompasses at least twenty-five (25%) percent of the front exposure.

c. All porches located on the front exposure of the must be of masonry construction and include a brick or stone exterior.

d. All basement or crawlspace foundations shall be constructed to include a brick or stone exterior to bandboard height.

e. All slab foundations shall include a minimum of 12 inches of brick or stone exposure from the finished grade.

f. No sure-wall construction is permitted.

g. No front entrance basement garages shall be permitted.

h. All chimneys which extend beyond the roofline must be veneered with brick or stone including the section below the roofline if exposed.

i. Roof pitch shall be a minimum ratio of 8:12, except that screen porches, sunrooms and similar ancillary rooms may have a roof pitch of 6:12; rear dormers on 1½ story homes may have a roof pitch of 4:12.

j. No restraining type fence may be erected nearer the front property line than the rear foundation wall of the single family dwelling thereon. In the case of a corner lot, no restraining type fence may be erected nearer the side street than 20 feet. Fencing shall not be higher than six (6) feet and shall be constructed of wood, vinyl or chain link.

5. Every residence shall contain an enclosed garage sufficient for at least two conventionally sized automobiles. Prior to the completion of a residence, the Lot owner shall install at his expense a concrete driveway from the road right of way to the house. All landscaping shall be installed no later than three (3) months after the issuance of a certificate of occupancy for the residence from the appropriate governmental body.

6. No modular home, mobile home, house trailer, camper (including recreational vehicles) garage, or the basement of a contemplated permanent dwelling shall be occupied as a residence, either on a permanent or temporary basis. All structures constructed or placed on any Lot shall be built of substantially new materials. No used structures shall be placed on any Lot, except a doghouse, swing set or a children's playhouse.

The terms "modular home" and "mobile home" are defined as follows:

Modular Home. A dwelling unit constructed in accordance with the standards set forth in The North Carolina State Building Code for 1 and 2 family dwellings and composed of components substantially assembled in a manufacturing plant and transported to the building site for final assembly, whether on its own chassis or otherwise. The use of roof trusses or floor trusses on an otherwise conventionally constructed dwelling will not render such dwelling a modular home.

Mobile Home. A dwelling unit that: (i) is not constructed in accordance with the standards set for in the North Carolina State Building Code, and (ii) is composed of one or more

components, each of which was substantially assembled in a manufacturing plant and designed to be transported to the home site on its own chassis.

7. All improvements (mail boxes [brick and concrete are prohibited], fences, landscaping, etc.) constructed in the road right-of-way must meet applicable governmental standards. Declarant will notify the Lot owner of any violations and the owner will have five (5) days to correct said violation. If a Lot owner fails to correct said violation, Declarant shall have the right (but not the obligation) to remove, replace or repair any improvement placed in a road right-of-way owned or maintained by Declarant or a governmental authority which does not meet applicable governmental standards and any associated cost or loss of value shall be the responsibility of Lot owner. Each driveway connection shall be constructed or installed in such a manner that it will not damage the existing curbing. Any damage caused to the curbing from such construction or installation shall be repaired by the Lot owner.

8. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to the public sewer system available to the Lot.

9. Construction must begin within 30 days of closing. Buyers of multiple Lots must begin construction on the first Lot within thirty days of the first Lot closing. Once construction of a residence has commenced, the exterior thereof, including finished siding material, shall be completed within eight (8) months thereafter.

10. Any partially completed structures or improvements for which construction activity has ceased for 90 consecutive days, and the debris or remains of any structure damaged by wind, fire or other causes, shall constitute a nuisance and may be removed by the Declarant or the Association if the owner of the lot fails to abate such nuisance within 30 days after written notice thereof is given. All costs (including attorney fees, court costs, etc.) expended by the Declarant or the Association shall be paid by the owner of the Lot and shall constitute a lien upon the Lot until paid in full, together with interest thereon at the rate of 8% per annum.

11. Prohibited activities.

a. No inoperable, stripped, partially wrecked, or junk motor vehicle or part thereof, shall be permitted to be parked or kept on any street or Lot.

b. No noxious, offensive or illegal activities shall be conducted on any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. No hunting shall be permitted on Property covered by these restrictions.

c. No oil or natural gas drilling, refining, quarrying, mining or timbering operations of any kind shall be permitted upon or in any Lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

d. No tractor-trailer rigs (as a unit or the individual components thereof) buses, or other commercial vehicles exceeding a 1 ton GVW rating shall be parked or stored on any lot, except in the normal course of making deliveries or providing services to the Lot. Any recreational vehicle, boat, trailer or camper trailer must be parked no closer to the front property line than the rear foundation wall of the single family dwelling unless enclosed within the structure of the dwelling.

e. No animals or livestock of any description, except the usual household pets, are permitted on any Lot. The household pets must not become a nuisance or danger to any other Lot owner because of the number of animals, the noise created by them, their trespass onto other Lots, their odor or any other factor reasonably deemed to be a nuisance.

f. No Lot may be subdivided by any owner subsequent to the Declarant. Declarant may amend or modify any existing plat and thereby relocate the property lines of any Lot which is owned by Declarant.

12. Required activities.

a. All Lots, whether improved or unimproved, shall be kept free of dead trees or limbs which are a danger to abutting property or roads. Trash, debris and rubbish shall be disposed of in such a manner as to prevent the same from becoming unsightly, unsanitary or a hazard to health or safety of other residents.

b. Any satellite reception disk or device larger than 24" in diameter, above ground swimming pool or outdoor clotheslines shall be screened from view of adjoining Lots and the streets by means of landscaping or screening material approved by the developers of Homeowners Association.

13. Easements.

a. The Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, a ten (10) foot strip along the margin of each road right of way and a five (5) foot strip along each other property line for the purpose of constructing, installing, maintaining, repairing and operating utility lines, poles, mains and facilities, and water drainage.

b. There is reserved an easement for access, ingress and egress in favor of owners of Lots in The Chase at Kingstree, and in favor of their invitees, over and across the streets shown on any other recorded plat of any portion of the Property, including any additional property subject to these Restrictions. Any damage (including tracking mud, pouring concrete or depositing debris) to a street shown on the Plat or to the curbs or gutters of the street, or to the flow of drainage water along the said street, caused by the driveway connections or traffic to and from a Lot, shall be repaired at the expense of the Lot owner connecting such driveway. Each Lot owner is held fully responsible for the acts of his agents, contractors, and subcontractors.

14. Signs. The Declarant is permitted to place temporary marketing signs at the entrance to the Property. The only signs permitted on any Lot is one sign, no larger than four (4) square feet, bearing the name or names of the Lot owner or the property address, and one small sign such as is used in the ordinary course of effecting residential sales transactions by real estate agents.

ARTICLE VII

EASEMENTS

SECTION 1. UTILITIES. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as shown on the recorded plat. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of the City of Winston-Salem and Forsyth County (and any other person or firm providing services to the Properties under agreement with or at the direction of the Association) over all Common Areas as may be reasonably necessary for the setting, removal and reading of water meters, and the maintenance and replacement of water, sewer and drainage facilities and for the fighting of fires and collection of garbage.

SECTION 2. UNINTENTIONAL ENCROACHMENTS. In the event that any improvements on a Lot shall encroach upon any Common Area or upon any other Lot for any reason not caused by the purposeful or negligent act of the Owner or agents of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

ARTICLE VIII

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

SECTION 1. ENTITIES CONSTITUTING INSTITUTIONAL LENDERS.

"Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on residences.

SECTION 2. OBLIGATION OF ASSOCIATION TO INSTITUTIONAL LENDERS.

So long as any Institutional Lender shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To inspect the books and records of the Association during normal business hours.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or By-Laws of the Association or of any proposed abandonment or termination of the Association or the effectuation of any decision to terminate professional management of the Association and assume self management by the Association.

(c) To receive notice of any condemnation of the Common Areas or any portion thereof.

(d) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Common Areas, other than those specific rights vested in the Association under Article II hereof.

SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDER. Whenever any Institutional Lender desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Association by CERTIFIED MAIL at the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Institutional Lender holds any first lien or identifying any Lot or Lots owned by such Institutional Lender and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Institutional Lender.

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

charges now or hereafter imposed by the provisions of the Declarations, the Articles of Incorporation or By-Laws of the Association. 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. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

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 with the approval of at least seventy percent (70%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided or affect any lien for the payment thereof established herein. Any amendment must be executed by the duly authorized officers of the Association and such amendment shall affirm that such amendment was made pursuant to the following procedure: 1) that a duly authorized meeting of the Association was held after proper notice of the proposed resolution for amending these Articles was supplied to the Lot Owners: 2) that said meeting was held and that a vote on the said resolution was conducted and that seventy percent (70%) of the Owners affirmed such action either at the time of the meeting or by written ballot executed by the Lot Owners and delivered to the officers of the Association within twenty-one (21) days of said meeting. Any amendment must be properly recorded at the Forsyth County Registry.

SECTION 4. ANNEXATION.

(a) 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.

(b) Additional land within the area described in the metes and bounds description attached hereto as Exhibits "B" and "B-1" incorporated herein by reference may be annexed by the Declarant without the consent of Members within ten (10) years of the date of this instrument.

IN WITNESS WHEREOF, Member-Manager of Declarant has hereunto set his hand and adopted the printed word [SEAL] as his own seal the day and year first above written.

HOMESTEAD-RICLIN/KINGSTREE, LLC

BY: RICLIN, LLC - Member-Manager

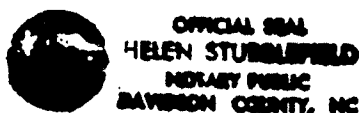
By: Richard A. Dehart [SEAL]
Richard A. Dehart,
Member-Manager

By: Linda R. Reece [SEAL]
Linda R. Reece,
Member-Manager

NORTH CAROLINA-Forsyth County

I, Helen Stubblefield, a Notary Public in and for ^{Davidson} Forsyth County and state of North Carolina, do hereby certify that Richard A. Dehart and Linda R. Reece, Member-Managers of ^{Member-Manager of} HOMESTEAD-RICLIN/KINGSTREE, LLC, a North Carolina Limited Liability Company, personally appeared before me and acknowledged the due execution of the foregoing instrument for and on behalf of said Limited Liability Company.

WITNESS my hand and notarial stamp or seal, this the 14th day of February, 2000.



Helen Stubblefield
NOTARY PUBLIC

My commission expires:

August 29, 2002

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

Helen Stubblefield NP(s)

is/are certified to be correct at the date of recordation shown on the first page thereof.

Dickie C. Wood, Register of Deeds by: [Signature] Deputy/Asst

EXHIBIT "A"

All of that tract and parcel of land shown on Plat of "The Chase at Kingstree" which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina in Plat Book 42, pages 74 and 75.

EXHIBIT "B"

BEGINNING at a stone at the southeast corner of property of Almeda Dalton Living Trust as described in deed recorded in Book 1959 at Page 3874, Forsyth County Registry, said stone also being located in the west line of property owned by Ruth Skidmore as described in deed recorded in Book 1705 at Page 923, Forsyth County Registry; thence from said beginning point with Ruth Skidmore South $0^{\circ} 28' 03''$ West 45.02 feet to an iron; thence continuing with Skidmore North $89^{\circ} 02' 22''$ East 274.11 feet to an iron; thence continuing with Skidmore North $0^{\circ} 57' 38''$ West 100.01 feet to an iron at the southern terminus of Wyandotte Avenue; thence across the right-of-way of Wyandotte Avenue North $82^{\circ} 57' 22''$ East 50.31 feet to an iron in Ruth Skidmore's line; thence with Skidmore South $0^{\circ} 53' 57''$ East 79.96 feet to an iron; thence continuing with Skidmore North $89^{\circ} 19' 39''$ East 122.89 feet to an iron; thence continuing with Skidmore North $01^{\circ} 17' 38''$ West 120.02 feet to an iron in the southern right-of-way of Bellingham Road (extended); thence with the southern right-of-way of Bellingham Road (extended) South $89^{\circ} 40' 31''$ East 207.93 feet to an iron; thence with the southern right-of-way line of Bellingham Road North $83^{\circ} 27' 29''$ East 60.11 feet to an iron; thence South $0^{\circ} 19' 31''$ West 265.96 feet to an iron; thence North $87^{\circ} 31' 23''$ West 37.72 feet to an iron; thence South $55^{\circ} 56' 54''$ West 87.87 feet to an iron; thence South $2^{\circ} 36' 27''$ East 218.71 feet to an iron in the northern right-of-way of Hilton Street (extended); thence South $89^{\circ} 16' 34''$ West 168.60 feet to an iron; thence South $0^{\circ} 19' 35''$ West 39.99 feet to a iron; thence South $4^{\circ} 11' 32''$ East 26.14 feet to a stone, corner with Kingstree Subdivision; thence along the north line of Kingstree Subdivision North $88^{\circ} 28' 37''$ West 265.06 feet to an iron, corner with property of Alan A. King; thence with King's north line the three (3) following courses and distances, to-wit: North $88^{\circ} 30' 59''$ West 1038.45 feet to a stone, South $1^{\circ} 36' 17''$ West 66.92 feet to a stone and North $88^{\circ} 51' 12''$ West 457.16 feet to an iron, a corner with Kingstree Subdivision; thence along the north line of Kingstree Subdivision North $88^{\circ} 58' 30''$ West 308.54 feet to a stone in the east line of property of C. F. Spach, Jr. as described in deed recorded in Book 613 at Page 442, Forsyth County Registry; thence along Spach's east line North $1^{\circ} 42' 04''$ East 186.70 feet to an iron, the southeast corner of property of Duke Power Company as described in deed recorded in Book 1133 at Page 1615, Forsyth County Registry; thence along Duke Power Company's east line North $1^{\circ} 16' 07''$ East 353.95 feet to an iron at the southwest corner of property of Wilburn Fishel as described in deed recorded in Book 897 at Page 237, Forsyth County Registry; thence with Fishel's south line and falling in with the south line of the aforementioned Dalton Trust property South $88^{\circ} 45' 47''$ East 1615.41 feet to the point and place of **BEGINNING**, containing 26.054 acres, more or less, all according to a survey of David Bradley Coe dated January 14, 1999.

EXHIBIT "B"-1

PAGE 1

BEGINNING at an iron in the south line of the property of D R. Builders, Inc., said iron being located at the northeast corner of Kingstree Subdivision as platted in Plat Book 32 at Page 8 in the Office of the Register of Deeds of Forsyth County, North Carolina, said iron also being located the two (2) following courses and distances from an iron at the southeast corner of the property of Duke Power Company as recorded in Book 1133 at Page 1615 and the northeast corner of property of C. F. Spach, Jr. as recorded in Book 613 at Page 442, Forsyth County Registry, to-wit: South $1^{\circ} 42' 04''$ West 186.70 feet to a stone and South $88^{\circ} 58' 30''$ East 308.54 feet to the place of BEGINNING; thence from said beginning point along the south line of said D R Builders, the three (3) following courses and distances, to-wit: South $88^{\circ} 51' 12''$ East 457.16 feet to a stone, North $01^{\circ} 36' 17''$ East 66.92 feet to a stone and South $88^{\circ} 30' 59''$ East 1038.45 feet to an iron at the northwest corner of a portion of Kingstree Subdivision; thence along the northwest and west boundaries of a portion of Kingstree Subdivision as shown on maps recorded in Plat Book 33 at Page 68 and Plat Book 33 at Page 77, Forsyth County Registry, the eight (8) following courses and distances, to-wit: South $45^{\circ} 45' 21''$ West 246.41 feet to an iron, South $55^{\circ} 31' 12''$ West 374.69 feet to an iron, South $38^{\circ} 59' 18''$ East 109.76 feet to an iron, South $49^{\circ} 24' 44''$ East 24.93 feet to an iron, South $6^{\circ} 47' 47''$ East 72.25 to an iron, South $87^{\circ} 35' 16''$ West 134.91 feet to an iron, South $2^{\circ} 32' 52''$ East 100.41 feet to an iron and South $45^{\circ} 15' 22''$ East 27.37 feet to an iron in the northern right-of-way line of Regal Drive; thence along the northern right-of-way line of Regal Drive South $89^{\circ} 14' 33''$ West 83.47 feet to an iron, a corner with a portion of Kingstree Subdivision; thence with Kingstree Subdivision as shown on maps recorded in Plat Book 36 at Page 94 and Plat Book 39 at Page 33, Forsyth County Registry the seven (7) following courses and distances, to-wit: North $40^{\circ} 27' 49''$ East 27.83 feet to an iron, North $4^{\circ} 55' 53''$ West 99.47 feet to an iron, South $81^{\circ} 08' 23''$ West 206.91 feet to an iron, South $26^{\circ} 14' 36''$ West 139.98 feet to an iron, South $66^{\circ} 09' 34''$ West 234.71 feet to an iron, South $35^{\circ} 20' 05''$ West 176.27 feet to an iron and South $20^{\circ} 36' 25''$ East 201.31 feet to an iron in the northern line of property of Alan King as described in deed recorded in Book 1883 at Page 1483, Forsyth County Registry; thence with King's line the two (2) following courses and distances, to wit: North $84^{\circ} 05' 44''$ West 25.14 feet to an iron and South $11^{\circ} 05' 36''$ West 145.26 feet to an

EXHIBIT "B-1"

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iron in the northern right-of-way line of Hickory Ridge Drive; thence with the northern right-of-way line of Hickory Ridge Drive the four (4) following courses and distance, to-wit: North 75° 25' 22" West 16.61 feet to an iron, North 74° 06' 08" West 29.57 feet to an iron, North 73° 15' 22" West 95.89 feet to an iron and on a curve to the right the radius of which is 442.43 feet, having a length of 200.36 feet and a chord bearing and distance of North 60° 22' 03" West 198.65 feet to an iron in the east line of a portion of Kingstree Subdivision as shown on map recorded in Plat Book 32 at Page 8, Forsyth County Registry; thence along the east line of Kingstree Subdivision North 3° 17' 34" East 232.99 feet to an iron at the southwest corner of the property of Hubbard Realty as described in deed recorded in Book 1649 at Page 2370, Forsyth County Registry; thence with the south, east and north lines of property of Hubbard Realty the six (6) following courses and distances, to-wit: South 88° 06' 20" East 173.85 feet to an iron, North 51° 44' 00" East 375.00 feet to an iron, North 27° 02' 24" East 206.35 feet to an iron, North 72° 11' 50" West 168.77 feet to an iron, South 80° 44' 59" West 57.09 feet to an iron and North 68° 29' 00" West 303.46 feet to an iron in the east line of a portion of Kingstree Subdivision as shown on map recorded in Plat Book 32 at Page 8, Forsyth County Registry; thence with the east line of said Kingstree Subdivision North 03° 14' 05" East 152.73 feet to an iron; thence continuing with the Kingstree Subdivision North 38° 15' 50" West 216.24 feet to the point and place of BEGINNING, containing 16.390 acres, more or less all according to survey of David Bradley Coe dated January 14, 1999.

Save and except all of that tract and parcel of land shown on Plat of "The Chase at Kingstree" which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina in Plat Book 42, pages 74 and 75.