

depreciate the value of their property; to preserve, so far as practicable, the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon with appropriate locations thereof on residential lots; to prevent haphazard and inharmonious improvement of residential lots; to secure and maintain proper setbacks from streets, and adequate free spaces between structures; and in general, to provide adequately for a high type and quality of improvement in said property and thereby to enhance the values of investments made by purchasers of residential lots thereof.

(a) All lots in Cotswold, Phase III, shall be for residential use and no part of any lot shall be used for public streets, road or alley.

The foregoing notwithstanding, the Declarant for itself and its successors and assigns specifically reserves the right to maintain a model residence on one or more lots for purposes of displaying housing types to prospective buyers, and to maintain sales agents in said models. Declarant may maintain said models for so long as Declarant, its successors or assigns, has any lots or homes for sale within Cotswold.

(b) No building shall be erected, altered, placed or permitted to remain on any lot, other than a detached, single family dwelling, not to exceed two stories in height and a private main level and/or basement garage for not more than four automobiles, two automobiles per garage level and a maximum of one detached storage building of new construction not to exceed 200 square feet. Any additions including room additions, garage additions, attached or detached storage buildings and/or outbuildings are allowed, however, the structure must conform substantially to the permanent residence in exterior design, including roofs, siding, brick, color and exterior finish. Any outbuildings shall be constructed or placed at least 10 feet from any property line and are limited to the rear yard only.

(c) The Declarant reserves the right to make such modifications and exceptions to the restrictions and reservations herein created so long as such exceptions, modifications and alterations promote the orderly and harmonious development of the property subjected hereto.

(d) No business, profession, professional clinic, or other trade or activity shall be carried on upon said lots except Builder's model home, or in any building erected thereon, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

(e) No residence of a temporary character shall be erected or allowed to remain on said property and no trailer, basement, tent, shack, garage, barn or other outbuilding erected on said property shall be used as a residence permanently or temporarily, except that construction vehicles and construction and/or sales trailers of a temporary nature may be authorized in writing by the Declarant, its successors or assigns for so long as Declarant, its successors or assigns, is constructing residences on any lots within the Property. Camping trailers may be parked on a lot if the trailer is owned by the homeowner.

(f) No stable or barn for domestic animals shall be erected or be allowed to remain

on said lots. No swine or other livestock shall be kept on the premises. Household pets may be kept for non-commercial purposes on the properties, if they are properly confined and do not constitute a nuisance.

(g) All plans, specifications, and builders must be approved in writing by the developer.

(h) No property in the subdivision shall be used for the sale or display of any new or used automobiles, nor shall junk automobiles or other junk be allowed to accumulate on any lot of the subdivision. No tractor-trailers shall be parked on any lot except for the temporary loading and unloading of household goods.

(i) All owners of property in the subdivision, in the subject of this declaration, shall be required to contract with some garbage pickup service for the removal of garbage at least once a week until such time as a municipal garbage pickup system becomes available.

(j) The Declarant reserves and retains an easement extending five (5) feet to each side of all property lines shown on the recorded plat, for the installation of utility lines, sewer lines, drainage lines and ditches for the benefit of the Lots or any land adjacent thereto owned by the Declarant. The right to use such easement(s) may be granted by the Declarant to utility companies for specific use without the Declarant's disposing of its right to use or to grant additional parties an easement for one or more reserved uses. The Declarant reserves the right to dispose of or to release the easement(s) if not theretofore specifically granted, by the execution of a written release to be recorded in the Office of the Register of Deeds, Stokes County, North Carolina.

(k) No drainage ditches or swales constructed within the rights-of-way of streets bordering any lot may be filled or altered in such a manner that impedes the flow of water within the rights-of-ways and/or which impedes the flow of water to a catch basin, drainage easement or stream and/or which results in water flowing from any lot on to the adjacent street pavement.

(l) Fencing - White picket decorative fencing of good quality may be erected; however, said fencing shall not be erected nearer the front property line. Outdoor pet lots are limited to rear yards only and shall be at least 10 feet from any property line and must be completely enclosed by white picket fencing. No other type fencing shall be allowed. Fencing must be maintained in a good state of repair.

(m) No solar panels may be installed that are visible from any street in the subdivision.

(n) No T.V. or video satellite dishes exceeding 18 inches in diameter may be placed or installed on any lot and shall not be visible from the street. No C.B., Radio or T.V. antennas may be placed on any lot.

(o) No portions of any building erected on any Property shall have exposed concrete blocks on the exterior, only brick-faced foundations are acceptable.

(p) All dwellings shall contain no less than 1200 square feet of heated and finished floor space. The square footage of floor space herein referred to shall be exclusive of porches, garages, breezeways, terraces, and basement areas.

(q) The discharge of firearms of any type on any lot or within the subdivision is specifically prohibited.

(r) All off street driveways shall be concrete.

(s) Any restrictions, covenants or conditions herein set forth may be extended, removed, modified or changed by securing the written consent of the Declarant, its successors or specific assigns, which written consent shall be duly executed, acknowledged, and recorded in the Office of the Register of Deeds, Stokes County, North Carolina, and which written consent may be given or withheld within the uncontrolled and sole discretion of the Declarant, its successors or specific assigns.

(t) Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain or recover damages. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

(u) These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date of this instrument, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of the majority of the then owners of the lots it is agreed to change the said covenants in whole or in part.

IN TESTIMONY WHEREOF, The W. Wayne Frye Organization, Inc., Declarant, has caused this instrument to be executed the day and year first above written.

W. Wayne Frye Organization, Inc.

By W. Wayne Frye
President

Attest:

Rebecca G. Owen
Assistant Secretary

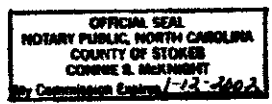
STATE OF NORTH CAROLINA)
COUNTY OF STOKES)

I, Connie S. McKnight, a Notary Public in and for said County and State do hereby certify that Richard E. Stover personally appeared before me this day and acknowledged that he is Assistant Secretary of The W. Wayne Frye Organization, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him as its Assistant Secretary.

Witness my hand and notarial seal, this the 19th day of August, 1999.

My Commission Expires:

Connie S. McKnight
NOTARY PUBLIC



STATE OF NORTH CAROLINA)
COUNTY OF STOKES)

The foregoing certificate of Connie S. McKnight, NP of Stokes Co. is certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

KATHY YOUNG Kathy Young REGISTER OF DEEDS
OF STOKES COUNTY

by: _____ Deputy/Assistant-Register of Deeds

This instrument was prepared by:

Richard E. Stover, Esquire
STOVER & BENNETT
Post Office Box 775
Kling, North Carolina 27021