WAKE COUNTY, NC 245
LAURA M RIDDICK
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DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
FOR
STONEMILL FALLS

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE AMERICAN FLAG.

Drawn by and HOLD FOR:
Moore & Alphin, PLLC (rhh) (Box 155)

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS

THIS DECLARATION is made on the date set forth in the notary acknowledgment herein by **PARKER & ORLEANS HOMEBUILDERS, INC.**, a Delaware corporation (hereinafter "Declarant").

PREAMBLE:

WHEREAS, Declarant is the owner of approximately 73 acres of land located in or near the Town of Wake Forest, Wake County, North Carolina, which Declarant intends to develop into a planned residential community to be known as STONEMILL FALLS (the "Subdivision"); and

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the Common Area (hereinafter defined) within the Subdivision and for the enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, desires to subject the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of such property and each owner thereof; and

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area, to administer and enforce covenants and restrictions exclusively applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has incorporated under North Carolina law as a nonprofit corporation, Stonemill Falls Homeowners Association, Inc., for the purpose of exercising the aforesaid functions. No lots shall be sold before the establishment of the homeowners' association.

NOW, THEREFORE, Declarant declares that the real property described in **EXHIBIT A** to this Declaration, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be owned, held, transferred, sold, conveyed, mortgaged, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Any defined term used in this Declaration shall have the meaning set forth below or, if not specifically defined in this Article I, the meaning of such term as set forth in the Act or in any other provision of this Declaration.

Section 1. "Act" shall mean and refer to Chapter 47F of the North Carolina General Statutes, known as the North Carolina Planned Community Act, as the same may be amended from time to time. Words and terms used in this Article that are defined in the Act but not defined in the

Code (for example, the term "special declarant rights" [N.C.G.S. §47F-1-103(28)]) shall have the meaning contained in the Act.

Section 2. "Annexation Declaration" shall mean and refer to a document, by whatever name, that is recorded for the purposes of subjecting Annexed Property to this Declaration and causing such Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration, and including any additional covenants, charges, conditions and restrictions contained in such Annexation Declaration.

Section 3. "Annexed Property" shall mean and refer to all real property annexed or subjected (those two terms being used interchangeably herein) to all or any part of the terms of this Declaration after the initial recording of this Declaration in the Registry.

Section 4. "Association" shall mean and refer to the **STONEMILL FALLS HOMEOWNERS ASSOCIATION, INC.**, a North Carolina nonprofit corporation, its successors and assigns.

Section 5. "Board of Directors" and "Board" (the terms being used interchangeably) shall mean and refer to the board of directors of the Association, and is the "executive board" as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration, the Bylaws and the Act.

Section 6. "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time.

Section 7. "Code" shall mean and refer to the Code of Ordinances, Town of Wake Forest, North Carolina, as amended from time to time.

Section 8. "Common Area" shall mean and refer to the real property, together with any improvements thereon, owned (in fee or by easement) or leased by the Declarant or the Association and intended for the common use and benefit of the Owners and occupants of the Properties. Common Area may be owned or leased by the Association or it may be owned by another Person with the Association having a right or easement therein (for example, part or all of a private storm water drainage easement located on either a Lot or real property that is not part of the Properties and that serves more than one Lot in the Properties or a right of the Association to use of a portion of a public street right-of-way pursuant to an encroachment agreement with the Town). Common Area may include all of the following:

(a) any private street and private walkways in the Properties (but excluding private walkways on and solely for the benefit of an individual Lot);

(c) any water or sewer utility line that serves more than one Lot and which is either located outside public street rights-of-way or outside any Town utility easement;

(d) any site or facility designated a common area, common property open space, open space common area, amenity area, or other similar designation on any recorded map of the Properties or in this Declaration;

(e) any Code-required shared facility or open space for the Properties, except for open space owned by the Town;

(f) any public road right-of-way dedicated to the public on plats and maps of the Properties recorded in the Registry but not accepted for public maintenance by the appropriate governmental entity, provided, however, that the fact that a street or road has not been accepted by the applicable governmental entity shall not relieve the Declarant of the obligation to take such action as is necessary to have it accepted. The Association shall have the right to enforce this Declarant obligation, and the Declarant shall be liable to the Association for all costs and expenses, including court costs and reasonable attorneys' fees, incurred by the Association in connection with such unaccepted street improvements and enforcement of its rights against Declarant hereunder; and

(g) any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is for the common use and benefit of the Owners, which object or improvement may or may not be subject to an encroachment agreement with a governmental entity, and may include: decorative street signs, subdivision identification signs, landscaping, irrigation facilities, lighting, drain pipes, decorative surfaces, cluster mailbox units, and brick pavers.

Common Area shall be maintained by the Association or its successors in interest unless dedicated to public use and accepted by the Town or other public agency, authority or utility, or another non-profit corporation or entity.

Common Area that is owned by or subject to being maintained by the Association is Common Area, even if it is referred to in this Declaration or in any recorded map of the Properties as by some other name or designation.

Common Area, if any, established by the Declarant or the Association for the benefit of fewer than all of the Owners and occupants of the Properties is "Limited Common Area", and such Limited Common Area and the Owners and occupants of the applicable portion of the Properties for whose benefit the Limited Common Area exists are subject to the same provisions as those applicable to Common Area. All references herein or in any recorded plat of the Properties to Common Area that is, in fact, Limited Common Area, are deemed corrected accordingly.

<u>Section 9.</u> "Common Area Easement" shall mean and refer to Common Area as to which the Association has only an easement interest, and not a fee simple interest.

<u>Section 10</u>. "Common Expenses" shall mean and refer to: (i) all expenses of maintenance of Common Area, including repair, restoration and replacement thereof, and including monies allocated to reserve funds; (ii) *ad valorem* taxes and public assessments, if any, levied against the Common Area or other assets owned in fee by the Association (but specifically excluding *ad valorem* taxes on real property on, under or over which the Association has only an easement or other similar right of use, except to the extent, if any, that any improvements in any such easement that are owned or maintained therein by the Association result in additional *ad valorem* taxes on such real property that would not be assessed in the absence of such improvements); (iii) premiums for hazard, liability and other insurance insuring the Common Area or the Association, its officers, directors and employees, if any; (iv) fees and expenses of attorneys, accountants, and other Persons employed by the Association for Association business; (v) expenses declared to be or described as Common Expenses by the Act, the Code or this Declaration, including expenses for Stormwater Control Measures; (vi) expenses determined by the Board or by the Members to be Common Expenses; and (vii) all other expenses incurred by the Association in performing its functions, including operating, management and administrative expenses.

Section 11. "Declarant" shall mean and refer to **PARKER & ORLEANS HOMEBUILDERS, INC.**, a Delaware corporation. It shall also mean and refer to any person, firm or corporation to whom or which Declarant may assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the Wake County Registry.

Section 12. "Declarant Control Period" shall mean and refer to the period of Declarant control of the Association, as provided in §47F-3-103(d) of the Act, and including, without limitation, the time period in which Declarant, by itself, has sufficient voting power to elect members of the Board). The Declarant Control Period shall terminate upon the earlier of the following to occur:

(a) December 31, 2024;

(b) Not later than six months after the point at which the total number of votes held by the Class A Members equals the total number of votes held by the Class B Member (at the 9-to-1 ratio provided in Section 2(b) of Article III hereof); *provided, however*, that Declarant may acquire additional votes and thereby reinstate the Declarant Control Period if additional Lots within the Properties are formed by the creation and subjection to this Declaration of new Lots as set forth in Article II hereof, thus giving Declarant, by virtue of its ownership of the newly-annexed Lots and of other Lots owned by it, a sufficient number of votes (at the 9-to-1 ratio provided in Section 2(b) of Article III hereof) to cast a majority of the votes of the membership (it being hereby stipulated that the termination and rejuvenation of the Declarant Control Period shall occur automatically as often as the foregoing shall occur); or

(c) Relinquishment or transfer of all special declarant rights as provided in §47F-3-104 of the Act.

Section 13. "Declaration" shall mean and refer to this "Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls", and all amendments thereto and supplements thereof.

Section 14. "Dwelling" and "Unit" shall mean and refer to any building or portion thereof within the Properties which is used or occupied, or intended for use or occupancy, as a residence by an individual or by one family unit, whether by the Owner thereof or by tenants or lessees of the Owner. A Dwelling shall be deemed to constitute a Dwelling upon issuance of a certificate of occupancy therefor.

Section 15. "Governing Documents" shall mean and refer to all of the following: this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations of the Association (including, without limitation, architectural guidelines and parking regulations, if any), Annexation Declarations, and any other covenants applicable to the Properties, as the same may be amended, restated or supplemented from time to time.

Section 16. "Legal Requirements" shall mean and refer to any duly adopted and applicable law, ordinance, regulation or requirement of the United States of America, the State of North Carolina, the County of Wake, North Carolina, the Town, or any other governmental entity or quasi-governmental entity or agency having jurisdiction over the Properties, including any branch, department or division of any of the foregoing.

<u>Section 17</u>. "Limited Common Area" shall mean and refer to all Common Area, together with any improvements thereon, owned, leased, used or maintained by the Association for the benefit of fewer than all of the Members or less than all of the Properties, and which has been designated as such by the Declarant or the Association. Limited Common Area may include, for example, private alleys and Stormwater Control Measures serving less than all of the Properties.

<u>Section 18</u>. "Limited Common Expense" shall mean and refer to all expenses of the type included within the term "Common Expense" but which are related solely and specifically to Limited Common Area. Limited Common Expenses shall be paid out of assessments levied only against the portions of the Properties benefited by Limited Common Area.

<u>Section 19</u>. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded subdivision map of any portion of the Subdivision (regardless of whether the Lot has been subjected to this Declaration as provided in Article II hereof), with the exception of any Common Area and Open Space owned in fee by the Association and any publicly dedicated street rights-of-way shown on such recorded map, and greenway or park lands owned in fee simply by the Town. In the event that any Lot is increased or decreased in size by recombination or re-subdivision through recordation of a new subdivision plat, any newly-platted lot shall thereafter constitute a Lot.

<u>Section 20</u>. "Member" shall mean and refer to every Person who or which holds membership in the Association.

<u>Section 21</u>. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers and owners of an equity of redemption, but excluding those having an interest in a Lot solely as security for the performance of an obligation..

<u>Section 22</u>. "Person" shall mean and refer to a natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity, and any other entity.

<u>Section 23</u>. "Properties" shall mean and refer to the "Existing Property" described in Article II of this Declaration and any Annexed Property subsequently subject to this Declaration pursuant to said Article II.

<u>Section 24</u>. "Registry" shall mean and refer to as the Office of the Register of Deeds for Wake County, North Carolina (or any successor office in which deeds, plats, easements, mortgages, and deeds of trust for the Properties are recorded). All references herein to recording or to any requirement to record a document or plat refer to recording in the Registry.

<u>Section 25</u>. "Stormwater Agreement" (which term includes any other agreement, maintenance manual or other document, by whatever name, relating to Stormwater Control Measures) shall mean and refer to any agreement required by the Code between or among any combination of the Town, the Declarant, the Association, and one or more Owners, relating to maintenance of Stormwater Control Measures.

Section 26. "Stormwater Control Measures" shall mean and refer to any one or more of the following that serves or benefits any part or all of the Properties or is required by the Code or other Legal Requirement in connection with any part or all of the Properties, whether located in the Properties or outside of the Properties: (i) storm water drainage easements (also referred to herein as "storm water easements" or "drainage easements") that are shown on plats of the Properties recorded in the Registry or established by written instruments recorded in the Registry, and which either are located on the Common Area or benefit or serve more than one (1) Lot; and (ii) storm water management facilities for the Properties, including ponds, man-made or natural areas and/or planted or landscaped areas into which storm water drains, or in which storm water is collected or from which it is discharged, drains, pipes, conduits, inlets, channels, dams, ditches, filter, buffers, bio-retention areas, and other equipment, facilities and storm water management measures used for inspecting, monitoring, measuring, collecting, controlling, transporting, conveying, handling, storing, discharging and managing storm water. Except as otherwise provided herein, Stormwater Control Measures are part of the Common Area or Limited Common Area, as applicable, and maintenance of Stormwater Control Measures is a Common Expense or Limited Common Expense, as applicable. References in the Declaration to storm water management include all applicable Stormwater Control Measures and Stormwater Agreements.

Section 27. "Town" or "Town of Wake Forest" shall mean and refer to the Town of Wake Forest, a North Carolina municipal corporation.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE STONEMILL FALLS HOMEOWNERS ASSOCIATION, INC.

Section 1. Existing Property. The real property which, at the time of recording of this Declaration, is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, and which is within the jurisdiction of the Association, is described on **Exhibit A** attached hereto.

Section 2. Additions to Existing Property by Declarant. At any time during the Declarant Control Period, additional land may be annexed by the Declarant without the consent of the Members and, therefore, become subject to this Declaration by the recording by Declarant of an Annexation Declaration extending the operation and effect of this Declaration to the property to be annexed; provided, however, that such Annexed Property must be contiguous to property already subjected to this Declaration (or separated from such property only by the right-of-way of a street or road, stream or pond) and further provided that such annexation must be approved by the Town. The addition of such Annexed Property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

Section 3. Conveyance of Common Area in Annexed Property. Declarant or other owner of the annexed property shall convey to the Association all Common Area located within the newly Annexed Property. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Declarant and every Owner of a Lot which is subject to assessment by the Association 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. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots.

There shall be two (2) classes of membership with respect to voting rights:

(a) Class A Members. Class A Members shall be the Owners of all Lots except those owned by the Class B Member (as hereinafter defined). Class A Members shall be entitled to one (1) vote for each Lot owned. Lots owned by Class A Members shall be "Class A Lots". When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Lot.

(b) Class B Member. The Class B Member shall be the Declarant. Subject to the provisions of this subsection, Declarant shall be entitled to nine (9) votes for each Lot that it owns (each such Lot being a "Class B Lot"). Upon expiration of the Declarant Control Period, Declarant shall have one vote for each Lot that it owns; however, such Declarant-owned Lots shall continue to be treated as Class B Lots for assessment purposes.

Section 3. Declarant's Right to Appoint Directors and Officers of the Association. Notwithstanding any other provision of this Declaration or the Bylaws, until the expiration of the Declarant Control Period, Declarant may, in its sole discretion, appoint and remove all of the directors and officers of the Association. Declarant's intent to exercise or continue to exercise that right shall be set forth in the notice of each annual meeting of the Members. *See* §47F-3-103(d) of the Act.

Section 4. Vacant/Leased Dwellings. If the Owner of a Lot ceases to occupy the Dwelling constructed thereon as his own personal living quarters or if any Dwelling within the Properties is leased for rental purposes to tenants, the vote as expressed by the Owners of such vacant and rental units shall not be entitled to any weight greater than forty-nine percent (49%) on any matter pending before the Association. This Section applies only to Lots and Dwellings owned by a Class A Member and specifically excludes Lots and Dwellings owned by the Declarant.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by Section 2 of this Article IV and by rules and regulations adopted by the Members and/or the Board of Directors, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees for the use of any facilities situated or constructed on the Common Area and to limit the use of such facilities to Owners who occupy a residence on the Properties and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association, after notice and an opportunity to be heard, to suspend the voting rights of an Owner and the right of an Owner to use to Common Area and facilities thereon for any period during which any assessment against his Lot remains unpaid for a period of thirty (30) days or longer, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association, provided, however that the Association may not suspend an Owner's right to use of any Common Area providing access or utilities to his Lot.

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless Members entitled to at least eighty percent (80%) of the votes of the entire membership of the Association agree to such dedication, sale or transfer, *provided that* this subsection shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of sewage, utility and drainage facilities upon, over, under and across the Common Area without the assent of the Members when such easements, in the opinion of the Board, are necessary for the convenient use and enjoyment of the Properties. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the Owners or of the public in general and shall not be conveyed except to the Town of Wake Forest or other governmental entity or to a nonprofit entity organized for purposes similar to those of the Association.

(d) the right of the Association, with the assent of Members entitled to at least eighty percent (80%) of the votes of the entire membership of the Association to mortgage, pledge, deed in trust, or otherwise encumber any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Owners as set forth herein.

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided that such exchange is approved by a vote of the Members entitled to a majority of the votes of the entire membership at a meeting of Members, one of the purposes of which is to vote on the exchange, and, if required, by the Town of Wake Forest.

(f) the rights of Declarant as set forth in Article XII hereof.

<u>Section 2</u>. <u>Delegation of Use</u>.

(a) <u>Family</u>. The right and easement of use and enjoyment granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Wake County, North Carolina.

(b) <u>Tenants</u>. The right and easement of use and enjoyment granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy such Owner's Unit, or a portion thereof, as their principal residence in Wake County, North Carolina.

(c) Guests. The right and easement of use and enjoyment granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board of Directors.

Section 3. Conveyance of Title To The Association. Declarant covenants, for itself, its successors and assigns, that Declarant will convey to the Association title to those portions of the Common Area in such phase to be owned in fee by the Association and, by and upon recording of a deed for same, the Association shall be deemed to have accepted such Common Area and all improvements thereon. Declarant hereby reserves and grants (regardless of whether or not such reservation and grant is specifically set forth in such deed), for itself, and its respective successors and assigns, an easement over, under, across and through the Common Area so long as any of them own any Lot within the Properties, for the purpose of constructing any improvements on the Common Area and/or the Lots as it or they deem necessary or advisable. Except as otherwise stated herein, all conveyances by Declarant to the Association shall be free and clear of all encumbrances and liens (including statutory liens of laborers and materialmen pursuant to Article 2 of Chapter 44A of the North Carolina General Statutes) except this Declaration, the Master Declaration, restrictive covenants applicable to the Properties, utility, drainage, conservation, greenway and other easements of record or shown on the recorded plats of the Properties, and the lien of *ad valorem* taxes not yet due and payable. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements, except utilities owned and maintained by the Town of Wake Forest or other governmental entity, or a public or private utility company.

Section 4. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of Declarant that the Common Area (whether owned by the Association in fee or by easement) be preserved to the perpetual benefit of the Owners within the Subdivision. To that end, the Declarant, by recording any plat or map of any phase or section of the Subdivision, grants to the Association an easement over and across that portion of any Lot within such phase or section on which a Common Area Easement lies for the purpose of enabling the Association to take action permitted by subsections (b) and (c) of this Section 4.

(a) Rights and Responsibilities of the Lot Owners. Each Owner of a Lot upon which a Common Area Easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area Easement. Notwithstanding any other provision of this Declaration, no Owner or other person shall, without the prior written consent of the Association: (1) remove any trees or vegetation from Common Area; (2) erect gates, fences, buildings or other structures on any Common Area; (3) place any garbage receptacles on or in any Common Area; (4) fill or excavate any Common Area or any part thereof; or (5) plant vegetation on or otherwise restrict or interfere with the use, maintenance, and preservation of any Common Area.

It is the intent of the Declarant that a Common Area Easement shall be maintained in the same state as when the Lot upon which such easement lies was conveyed to an Owner (other than the Declarant), except for changes authorized or approved in writing by the Declarant or the Association. If an Owner of a Lot on which a Common Area Easement lies fails to maintain the easement area as provided herein, whether by act or omission, the Association shall have the right to enter upon such Owner's Lot for the purpose of maintaining same and shall have the right to charge such Owner with the costs of such maintenance, which costs, if not paid within thirty (30) days after demand for payment is made by the Association, shall be collected in the same manner and shall incur the same late charges, interest and costs of collection as set forth in Section 7 of Article V of this Declaration.

(b) Rights and Responsibilities of the Association. The Association shall have the right and obligation to ensure that the Common Area (including Common Area Easements) is preserved to the perpetual benefit of the Owners and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its free use by the Owners, subject, however, to easements of record and any limitations on such use provided in this Declaration or rules and regulations adopted by the Association as provided herein or in the Bylaws; (ii) procure and maintain adequate liability insurance covering the Association and its Members against any loss or damage suffered by any person, including the Owner of the Lot upon which a Common Area Easement lies, resulting from use of the Common Area; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(c) Association's Right of Entry for Maintenance of Common Area Easements. The Association and its employees, agents, contractors and subcontractors shall have a nonexclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area Easement, and any other portion of the Lot to the extent necessary to gain access and maintain improvements and facilities within the Common Area Easement, and no such entry shall be deemed a trespass. To the extent practicable, the Association shall give reasonable oral notice to the Owner or occupant of such Lot.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including the following: (1) annual assessments; (2) working capital assessments; (3) special assessments; (4) fines for violations of the provisions of this Declaration or other Governing Documents or assessments levied against Owners for misuse and damage to the Common Areas by the Owners or their family members, tenants, agents, contractors and guests; (5) individual assessments for any expense under the Code or this Declaration which the Association becomes obligated to pay and pays on behalf of an Owner; (6) late payment charges, interest on unpaid assessments, costs of collection, including without limitation, court costs, service charges, and attorney's fees as provided in the Act, and charges for dishonored checks; all as established by the Board from time to time; and (7) all other assessments and charges imposed or allowed to be imposed by this Declaration.

The Association has the right at all times to include as part of the assessments or other charges applicable to the Lots and the Owners thereof such amounts as are required to pay all Common Expenses and all financial obligations of the Association imposed by the Code either (i) directly on the Association, or (ii) indirectly on the Association by imposition of the financial obligation on some or all of the Owners, with the Association having responsibility for collection and payment.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for: (i) acquisition, improvement, and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area; (ii) maintenance, repair and reconstruction of the Common Area and improvements thereon, including, without limitation, storm water drainage facilities, and, including, without limitation, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) maintenance of Lots and the exterior of Units, as provided in Article VI hereof; (iv) payment of taxes and public assessments levied against Common Area owned by the Association in fee; (v) procurement of insurance; (vi) employment of attorneys, accountants and other persons or firms for Association business; (vii) payment of principal and interest on funds borrowed for Association purposes; and (viii) such other needs as may arise.

Section 3. Annual Assessment. Until December 31, 2015, the Annual Assessment shall be Five Hundred Sixty Dollars ($560.00) for each Class A Lot. The Annual Assessment for Class B Lots and Lots owned by Declarant shall be twenty-five percent (25%) of the Class A Assessment, provided, however, that any Lot which contains a dwelling occupied by any person as a residence shall be assessed at the Class A rate. Beginning on January 1, 2016, and on January 1 or each year thereafter, the Annual Assessment may increase, without vote of the Membership, by an amount not to exceed ten percent (10%) of the previous year's Annual Assessment.

The provisions of this subsection shall not apply to, nor shall they be a limitation upon, any change in the annual assessment or the Maximum Annual Assessment incident to a merger or consolidation as provided in §47F-2-121 of the Act.

Section 4. Date of Commencement of Annual Assessments; Amount of Assessments; Ratification of Budgets. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to a Lot on the first day of the month after the Lot is subjected to this Declaration.

Unless a lower amount is set by the Board of Directors, the initial annual assessment shall be the amount set forth in Section 3 of this Article and shall be prorated according to the number of months remaining in the calendar year. Annual assessments shall be fixed at a uniform rate for all Lots in each Class and may be collected on a yearly, semiannually, quarterly, or monthly basis, as determined by the Board of Directors.

Prior to January 1, 2016, and each year thereafter, the Board of Directors shall adopt a proposed budget for the Association. Within thirty (30) days after the adoption of the proposed budget, the Board shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget; provided, however, if the budget provides for an annual assessment for Class A Lots is not more than ten percent (10%) of the annual assessment for the immediately preceding year, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

The Association shall, upon demand and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association, or the management company employed by the Association, setting forth whether the assessments (annual, special, and Individual special assessments) for a specific Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments against the Lots (or, as to expenses related to Limited Common Area, the Lots benefitted by such expenses) for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, for repayment of indebtedness and interest thereon, or for any other non-recurring expenses, *provided that* any such assessment shall have been approved by the Declarant (during the Declarant Control Period) and by not less than two-thirds (2/3) of the votes of the Class A Members present and voting (in person or by proxy) (or, as to a special assessment related to Limited Common Area, at least two thirds (2/3) of the Class A Members against whose Lot the special assessment will be levied) at a meeting of the Members, one of the purposes of which is to vote on the special assessment, and further provided that the special assessment for Class B Lots shall always be zero. Special assessments shall be fixed at a uniform rate for all Lots within each Class and may be collected on a yearly, semiannually, quarterly, or monthly basis, as determined by the Board of Directors.

Written notice of any meeting called for the purpose of voting on a special assessment shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days prior to the meeting. At such meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of each Class of Lots shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the same notice requirement, and if the meeting is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting.

Section 6. Individual Special Assessments. The Board of Directors, without vote of the Members, may levy an individual special assessment against any Lot, applicable only to that Lot, for expenses incurred by the Association with regard to such Lot including, without limitation, expenses incurred under Article VI hereof. Any fine imposed against an Owner pursuant to Section 3 of Article VII of the Bylaws shall also constitute an individual special assessment against such Owner's Lot. Special assessments and individual special assessments shall constitute a lien to the same extent as other assessments against the Lot.

Section 7. Effect of Nonpayment of Assessments; Remedies. No Owner shall be exempt from liability for any assessment provided for herein for reason of non-use of the Common Area or such Owner's Lot, or abandonment or leasing of such Owner's Lot, or unavailability of the use or enjoyment of the Common Area.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be a charge on the Owner's Lot as provided in §47F-3-116 of the Act and, upon filing of a claim of lien in the office of the clerk of superior court of the county in which the Lot is located in the manner provided in §47F-3-116(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage or deed of trust, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any assessments which became due prior to the date of conveyance pursuant to such foreclosure. 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 9. Exempt Property. All Common Area owned in fee by the Association, all property dedicated to and accepted by a Governmental Entity, and all property 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. Notwithstanding the foregoing, no Lot devoted to residential use shall be exempt from said assessments.

Section 10. Working Capital Fund. At the time of closing of the initial sale of each Dwelling constructed on a Lot, a sum equal to one-sixth of the annual assessment for Class A Lots in effect at the time of such sale shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital,. The purpose of the working capital fund is to ensure that the Association will have adequate cash available to meet its operating expenses or to acquire additional equipment or services deemed by the Board to Directors to be necessary or desirable. Amounts paid to the Association pursuant to this Section shall not be considered as an advance payment of any regular assessment.

Section 11. Declarant's Obligation to Fund Operating Deficits. During the Declarant Control Period, Declarant shall be obligated to fund any deficit between the normal operating expenses of the Association and the monies received by the Association from the Owners and Declarant from assessments. Declarant, at its option, may pay such expenses directly to the Person providing the services or materials or pay to the Association the amounts necessary to fund the operating deficit. Any monies paid at any time or by the Declarant for or on behalf of the Association shall be credited against past or future assessments due from the Declarant, if any.

ARTICLE VI
MAINTENANCE OF LOTS AND COMMON AREA

Section 1. Owner's Responsibility; Remedy for Owner's Failure to Maintain. Each Owner shall be responsible for the maintenance and repair of his Lot and the improvements thereon and shall keep his Lot (including the strip of grass in the right-of-way between the front property line and the back of curb fronting the Lot) and Unit in an orderly condition and shall keep the improvements thereon in a suitable state of repair.

If an Owner does not perform any required maintenance of his Lot or Dwelling, the Association shall have the right (but not the obligation), through its agents and contractors, by the affirmative vote of a majority of the Board of Directors, to enter upon such Lot and to repair, maintain and restore the Lot or exterior of the Dwelling erected thereon, and the cost of such maintenance, plus a surcharge of 15% for administration, shall be assessed in accordance with Section 3 of this Article. Prior to such entry, the Association shall give written notice to the Owner stating: (i) the specific items needing maintenance; (ii) the corrective action to be taken; (iii) a time, not less than 15 calendar days from the date of the notice, in which the Owner is to perform the necessary maintenance; and (iv) a statement that, if the Owner fails to perform the maintenance within such time period, the Association will exercise its right to perform the maintenance and that the Owner will be assessed with the costs thereof as provided in this Article VI.

Section 2. Assessment of Cost. In the event that the Association performs maintenance on any Lot as provided in Section 1 of this Article VI, the cost of any such maintenance, replacement or repairs (including the administration fee) shall be an individual special assessment against the Lot upon which such maintenance is done and shall be added to and become part of the assessments to which such Lot is subject under Article V hereof, enforceable under the terms thereof.

Section 3. Access at Reasonable Hours. As provided in Section 4 of Article VIII of this Declaration, the Association, through its duly authorized agents or employees, shall have the right, without notice to the Owner, to enter upon any Lot at reasonable hours on any day to perform any maintenance and repairs to be performed by the Association.

Section 4. Maintenance of Common Area. The Association shall have the right and obligation to ensure that the Common Area, including without limitation all water features and any improvements or amenities thereto, is preserved to the perpetual benefit of the Owners and, to that end, shall: (i) maintain the Common Area and any improvements located thereon in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners; (ii) procure and maintain adequate liability insurance covering the Association and its Members against any loss or damage suffered by any Person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area; and (iii) pay all property taxes and other assessments levied against all Common Property owned in fee by the Association.

ARTICLE VII
RIGHTS OF LENDERS

Section 1. Books and Records. Any holder of a first deed of trust on any Lot, or its agent(s), shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, the Bylaws, and the books and records of the Association and, upon written request to the Association, to receive a copy of the financial statement for the immediately preceding fiscal year, except that the Association shall not be required to provide the financial statement for the preceding fiscal year if said fiscal year expired less than 75 days prior to the date of the request . (*See* §47-3-118 of the Act).

Section 2. Notice to Lenders. Upon written request to the Association, the holder of a first deed of trust on any Lot shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan.

(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

(d) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing it mortgage.

Section 3. Approval of Holders of First Deeds of Trust. Unless at least seventy-five percent (75%) of the holders of the first deeds of trust on Lots located within the Properties have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. Neither the granting of easements for utilities or other purposes as provided in Section 1(c) of Article IV hereof, nor the exchange of real property as provided in Section 1(d) of said Article IV hereof shall be deemed a transfer within the meaning of this subsection (a). Notwithstanding anything herein to the contrary, the property owned by the Association, whether in fee, by easement, or otherwise, shall be preserved to the perpetual benefit of the Owners or of the public in general and shall not be conveyed except to the Town of Wake Forest or another Governmental Entity or to a nonprofit entity organized for purposes similar to those of the Association.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot;

(c) Fail to maintain hazard insurance on insurable improvements on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; or

(d) Use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement, or reconstruction of the damaged improvements or, as provided in §47F-3-113 of the Act, for distribution to the Owners, provided, however, that, except as provided in §47F-2-118 of the Act, any distribution to Owners shall be in the form of a credit toward current or future assessments due from the Owners to the Association.

Provided, however, that in the event that any such holder of a first deed of trust fails to provide the approval required by this Section 3 within sixty (60) days after the Association has sent a written request for such approval, approval will not be required, and this Section will be deemed to have been fully complied with.

Section 4. Payment of Taxes and Insurance Premiums. The holders of first deeds of trust on Lots, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy covering property owned by the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement therefor by the Association.

Section 5. Collection of Assessments. No mortgagee shall have any obligation to collect any assessment under the Declaration.

ARTICLE VIII
EASEMENTS

In addition to all other easements granted or reserved elsewhere in this Declaration, Declarant hereby grants and/or reserves the following easements.

Section 1. Access and Utility Easements. Easements for the installation and maintenance of driveways, walkways, water lines, sewer lines, natural gas lines, telephone, cable television, electric power transmission lines, storm water drainage facilities, and other public or quasi-public utility installations are reserved as shown on the recorded plats of the Properties. The Association may reserve and grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of ten (10) years from the date hereof, Declarant grants to and reserves for itself, the Association, and their successors and assigns, an easement and right of ingress, egress and regress on, over and under the Properties to maintain and correct drainage or surface water runoff in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, the person or entity taking such action shall grade and seed the affected property and restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. The person or entity taking such action shall give reasonable notice of its intent to take such action to all affected Owners.

Section 2. Easement For Encroachments. In the event that any structure erected on a Lot encroaches upon any other Lot or the Common Area, and such encroachment was not caused by the purposeful act or omission of the Owner of such Lot, 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. In the event that any structure erected principally on the Common Area encroaches upon any Lot, then an easement shall exist for the continuance of such encroachment of such structure onto such Lot for so long as such encroachment shall naturally exist. The foregoing shall not be construed so as to allow any extension or enlargement of any existing encroachment or to permit the rebuilding of the encroaching structure, if destroyed, in a manner so as to continue such encroachment, except such encroachment as was in existence as of the date of conveyance of the Lot to an Owner other than the Declarant.

Section 3. Easement over Common Area. A perpetual, nonexclusive easement over, under and through the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing reasonable access, ingress and egress to, from and over and the use of the Common Area and for utilities serving such Lot. Any conveyance or encumbrance of such Common Area is subject to the easements granted herein.

Section 4. Association's Easement Upon Lots. The Association shall have a right, license and easement to go upon any Lot for the purpose of fulfilling its obligations under this Declaration and any other laws, ordinances, rules and regulations, public or private, which the Association is obligated or permitted to enforce. Such easement shall include, without limitation, the right to go on any Lot to correct, repair or alleviate any condition which, in the opinion of the Board of Directors of the Association or of the manager employed by the Association, creates or may create an imminent danger to the Common Area or improvements thereon.

Section 5. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot for the benefit of applicable governmental agencies for installing, removing, and reading water meters; maintaining and replacing water, sewer and drainage facilities; and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection, and the delivery of mail.

Section 6. Easements for Private Contractors. The Association shall have the right to assign its rights and delegate its duties to any Person. In the event that the Association employs or engages any Person to provide security within the Properties, perform inspections of improvements, collect garbage, maintain landscaping, or perform any other function, an easement is established over the Common Area and every Lot for the benefit of such contractors for such purposes.

ARTICLE IX
ARCHITECTURAL CONTROL

After occupancy of the dwelling constructed on a Lot pursuant to a certificate of occupancy or other certificate issued by the appropriate governmental entity, no building, fence, sign (including unit identification signs), wall or other structure (including play equipment) shall be commenced, constructed, erected or maintained upon a Lot, nor shall any exterior addition to or change or alteration thereof be made, nor shall a building permit for such improvement or change be applied for or obtained, nor shall any major landscaping or re-landscaping be commenced or made (such construction, alteration and landscaping are hereinafter referred to as the "Improvements") until plans and specifications showing the nature, kind, shape, heights, materials, color and location of same shall have been submitted to and approved in writing by the Declarant. If the Declarant fails to approve or disapprove such proposed Improvements within forty-five (45) days after the plans and specifications have been received by it, approval will not be required, and this Article shall be deemed to have been complied with. Declarant shall have the right to charge a reasonable fee, not to exceed $150.00, for receiving and processing each application and the right (but not the obligation), at the expense of the Owner seeking approval of the Improvements, to employ and engineer or other professional to review the plans for the Improvements. Declarant shall have the right (but not the obligation) to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Guidelines") which may establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color finish, roofing material, siding material, driveway material, landscape design and construction technique. Declarant shall not approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Community.

Declarant may, at any time, delegate, in part or in whole, the review and approval authority contained in this Article IX to the Board of Directors of the Association, which, in turn, may delegate such authority, to an Architectural Committee composed of three or more persons appointed by the Board. Declarant shall delegate such authority no later than the end of the Declarant Control Period. Except as provided in the next paragraph, any use of the term "Declarant" in this Article IX shall be deemed to apply to Declarant and, when appropriate, to the Board of Directors or the Architectural Committee. Nothing herein shall be construed to permit interference with the development of the Lots by the Declarant.

Notwithstanding any other provision of this Declaration, including, without limitation, the provisions of the immediately preceding paragraph, Declarant shall have and shall exercise the rights set forth herein as to a Lot at all times prior to issuance of a certificate of occupancy or other certificate issued by the Town or appropriate governmental entity for the Dwelling constructed on a Lot. Neither the Board of Directors nor any Architectural Committee of the Board shall have the right to overturn any decision of Declarant without the prior written consent of Declarant, unless the Declarant no longer exists as a legal entity, in which event the foregoing proscription shall not apply.

In the event that any structure is commenced or constructed in violation of the provisions of this Article, in addition to any other remedy available for such breach including, without limitation, monetary fines for such violation, either Declarant or the Association may seek and obtain injunctive or other equitable relief to prevent construction and/or removal of such unapproved structure. The party prevailing in any action to enforce the provisions of this Article shall be entitled to recover from the non-prevailing party the costs of such action including, without limitation, court costs and attorneys' fees actually and reasonably incurred by the prevailing party.

ARTICLE X
USE RESTRICTIONS

Section 1. Use of Lots and Common Area. It is the intent of the Declarant that all Lots shall be used for residential purposes only. Except as permitted by the Code, no trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that (a) the Declarant, real estate brokers, Owners and their agents may show Lots for sale or lease, and (b) an occupant of a Unit may conduct business activities within the Unit so long as: (i) the occupant obtains Board approval and all necessary governmental licenses and approvals (including, without limitation, a special use permit, if required) for the conduct of such business in the Unit and the business is otherwise owned and operated in compliance with all applicable laws and regulations; (ii) the existence and operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit (and, in particular, no sign advertising or otherwise acknowledging the business is permitted); (iii) the business activity does not involve door-to-door solicitation of residents; (iv) the business activity is not a nuisance, a hazardous or offensive use, or a threat to the security or safety of others; and (v) the business activity does not, in the sole and exclusive discretion of the Board, generate a level of vehicular or pedestrian traffic or the movement or parking of a number of vehicles beyond that of a Unit in which no business is operated. The foregoing shall not preclude occasional garage or yard sales, moving sales, or similar activities, provided that such activities may not be held on any one Lot more than once in any six-month period and, when held, may not exceed two days in duration. Notwithstanding the foregoing, the Declarant shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain spot-lighted model homes which may be open to the public for viewing seven days per week for such hours as the Declarant deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales and construction efforts; and (iv) use any temporary parking facilities located on the Common Area for parking for its employees and invitees.

Section 2. Use of Accessory Structures. No shack, barn, animal pen, lean to, or any other buildings, other than a Dwelling and its garage, shall be erected on a Lot. No structure of a temporary nature may be used temporarily or permanently as a residence. Notwithstanding the foregoing, the Declarant may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 3. Nuisances. No noxious, illegal or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No vehicle repairs or maintenance shall be conducted within the Properties other than in a garage and concealed from public view. Outside clothes hanging devices are not permitted.

Section 4. Animals. No animals, livestock, venomous or poisonous creatures, or poultry of any kind shall be kept on any Lot, except that two (2) domesticated dogs and two (2) domesticated cats per Dwelling may be kept provided they are not kept, bred, or maintained for any commercial purpose and that they do not become a nuisance to the neighborhood. The Board of Directors has the right to determine whether or not a particular animal is a nuisance or a threat to the safety of the Members and to require its removal. No person owning or having custody of a permitted animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's Dwelling. The owner of a permitted animal shall be responsible for removing and cleaning up any excrement deposited by such animal on any Lot, street right-of-way, or the Common Area.

Section 5. Signs. Except as otherwise required by the Town of Wake Forest, no sign of any kind shall be displayed to the public view on any Lot except signs used to advertise Lots for sale during the construction and sales period, one sign of not more than six (6) square feet advertising the property for sale or rent, and signs of not more than six (6) square feet expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than thirty (30) days before such election and shall be removed within seven (7) days after such election. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Association. Notwithstanding the foregoing, Declarant shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area in connection with the development and sale of the Properties.

Section 6. Parking.

No Owner or a member of his family, lessee or sub-lessee or guest of an Owner shall: (i) park any vehicle on any Lot or on the street within or adjoining the Subdivision except in a designated paved parking space such as on the Lot's driveway or on an approved parking pad on the Lot, provided however that this restriction shall not apply to "one-time events" such as, but not limited to, graduation parties, birthday parties, holiday gatherings, or other similar occasional events; (ii) park or keep on any Lot or street within or adjoining the Subdivision any abandoned, partly dismantled or inoperative vehicle or vehicle not having current registration and inspection stickers displayed; or (iii) park or keep on any Lot or any street within or adjoining the Subdivision any boat or boat trailer, utility or other trailer, recreational vehicle, motor home, camper, bus, commercial vehicle, truck or van, or anything else other than a vehicle normally intended for use as a private passenger vehicle. For the purpose of the preceding sentence, the term "keep" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less.

The Board of Directors shall have the right and authority to make, implement and enforce such additional parking rules and regulations as it might determine from time to time necessary or appropriate, and shall have the right and authority to enforce same, including, but not limited to, the right to levy fines for violations thereof. Furthermore, the Association shall have the right and authority to have towed any vehicle parked or maintained in violation of these or subsequently-adopted parking rules and regulations, and the cost of towing and storage shall be the responsibility of the Owner of the Lot to which such vehicle is registered or the Owner of the vehicle, as appropriate.

Notwithstanding the foregoing, no vehicle of any type or size which transports inflammatory or explosive cargo or which stores or transports materials or substances defined as hazardous or toxic by any applicable legal requirements shall be kept or stored or allowed to remain in or on the Properties at any time, except as may be required to effectuate transportation or removal of such prohibited materials and substances through or from the Properties, or, with respect to explosive materials, as may be reasonably required in connection with the construction or installation of streets and utilities in the Properties, or as may be allowed by Declarant, during the Declarant Control Period, and thereafter, the Board, when reasonably required for the construction of other improvements within the Properties.

Section 7. Antennae and Roof Structures. No television, radio or other electrical towers, aerials, antennae, satellite dishes, or other devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 37 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that the reception of an acceptable signal would not be impaired, an antenna permissible pursuant to rules adopted by the Association may be installed only if it: (i) is located in the rear or side yard of the Lot; (ii) is not visible from any street (whether by location or screening); and (iii) is integrated with the Dwelling and surrounding landscape.

Section 8. Garbage; Unsightly Storage. All trash and rubbish shall be kept in garbage cans so as not to be visible from the street upon which the Unit fronts. No trash, rubbish, stored materials, wrecked or inoperable vehicles, or any other unsightly items shall be allowed to remain on any Lot; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish, and other debris for collection by governmental or other similar garbage and trash removal units. In the event of curbside trash and/or garbage pickup, trash and/or garbage cans may be moved to the street on the night before the scheduled pickup, but all garbage cans must be returned to the garage or to an approved screened enclosure area the night of the scheduled pickup.

Section 9. Fences. Any fence or wall installed within the Subdivision must meet all requirements of the Code and must be approved as provided in the Declaration. Chain-link fences will not be permitted. Nothing in this paragraph shall be deemed to apply to or regulate retaining walls made necessary by the slope or grade of any Lot nor to any fence installed by the Declarant at any entrance to or along any street within the Subdivision.

Section 10. Flags. Flags may not be flown on any Lot, except that an United States American Flag, in good repair and no larger than four (4) feet by six (6) feet in dimension, may be flown in the customary manner consistent with the patriotic custom of the United States of America. Flag poles are not permitted in the Subdivision except that Declarant may install a flag pole(s) at it model home sites to promote the sales and marketing of its homes.

Section 11. Holiday Decorations. Holiday decorations may be placed by an Owner on his Dwelling or Lot no sooner than thirty (30) days prior to the date of the Holiday and must be removed no later than fourteen (14) day after the date of the Holiday.

Section 12. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall or portable air conditioning units are permitted. No air conditioning or heating apparatus, unit or equipment may be installed on the ground in front of, or attached to, the front wall of any Unit.

Section 13. Swimming Pools. No above-ground swimming pool is permitted on any Lot in the Subdivision, except that a small, inflatable children's wading pool shall be permitted in the back yard of the Lot during the summer only.

Section 14. Street Lighting. Declarant reserves the right to subject the Community to a contract with Wake Electric Membership Corporation or other public utility or entity providing for installation and operation of street lighting, which requires a continuing monthly payment to Duke Energy Progress by each residential customer or by the Association.

Section 15. Mailboxes. No mailboxes, other than the community standard cluster mailbox units specified and installed by the Declarant in central locations throughout the Subdivision, shall be placed or maintained on any Lot, unless otherwise required by the United States Post Office or the Town of Wake Forest.

Section 16. Play Equipment. Recreational playground equipment may be placed in the rear yard of a Lot provided that its type, style, size, material, color, and location are first approved as provided in Article IX of the Declaration.

Section 17. Garages. No garage on any Lot may be enclosed for living spaces, but shall remain a garage for parking of vehicles of the Owner of the Lot.

Section 18. Rental of Units. No Owner may lease or sublet his/her dwelling without the prior written consent of the Board of Directors. Any lease or sublease must be for at least twelve (12) months, in writing, and contain the following provision:

> "Tenant shall obey, adhere to and be bound by all provisions of the Declaration of Covenants, Conditions, Restrictions, Easements, Charges And Liens For Stonemill Falls, recorded in the Wake County Registry. Tenant acknowledges that he has received a copy of such Declaration and the rules and regulations of the Association and is familiar with the provisions of same."

If an Owner fails to include said provision in any lease or sublease, it shall be conclusively deemed to be included and part of said lease or sublease.

Notwithstanding the foregoing, however, nothing set forth in this section shall prohibit the Declarant from conducting such sales, leasing, and promotional activities on any Lot as said Declarant shall determine.

Section 19. Fines. The Board of Directors, in accordance with the Bylaws, shall have the right and authority to levy fines or penalties for the violation of any provision of this Declaration and/or the rules and regulations hereafter promulgated by the Board pursuant thereto. Any monetary fine or penalty shall be deemed an Individual special assessment against the Lot of the Owner against whom such fine or penalty is assessed.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Enforcement. The Association and each Owner (including the Declarant) shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, rules, regulations, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Act, the Bylaws or rules and regulations adopted by the Association. Failure by the Association or an 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 not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions, or any case in which the Board reasonably determines that the cost of enforcement outweighs the benefit to be gained by enforcement. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 2. Term; Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of the Owners as set forth below. This Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the outstanding votes; provided, however, that Declarant's rights hereunder may not be amended or altered without the prior written consent of Declarant. No amendment shall be effective unless it has been recorded in the office of the Register of Deeds of Wake County.

Notwithstanding the foregoing, Declarant, without the consent or joinder of any Person, may amend this Declaration during the Declarant Control Period for the limited purposes of correcting clerical or typographical errors, clarifying any ambiguous provisions hereof, or complying with any statute, ordinance, rule, regulation or interpretation of any Governmental Entity. Furthermore, the Declarant, without the consent of any other Person, may amend this Declaration during the Declarant Control Period so long as such amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area.

Section 3. Subdivision of Lots. No Lot within the Subdivision may be subdivided by sale or otherwise so as to reduce the total Lot area shown on a recorded plat of the Subdivision, except with the consent of the Declarant during the Declarant Control Period, and thereafter by the Association, and, if required, by the Town of Wake Forest. Subdivision or recombination of any Lot(s) may, as appropriate, increase or decrease the number of votes in the Association.

Section 4. Rules and Regulations. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots and shall furnish a written copy of said rules and regulations to the Owner(s) of each Lot at least fifteen (15) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Association may have under this Declaration, the Association may impose sanctions for violations of this Declaration, the Bylaws of the Association, the rules and regulations adopted by the Association, or the restrictive covenants and other use restrictions applicable to the Properties, in accordance with procedures set forth in the Bylaws, which sanctions may include, but are not limited to, reasonable monetary fines, which fines shall be deemed an Individual special assessment and a lien upon the Lot of the violator, and suspension of the right to vote and the right to use any recreational facilities within the Common Area; provided, however, that the Association may not suspend such Owner's right of access to or any utilities servicing his Lot.

In addition, pursuant to procedures provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association, provided, however, that the Association may not suspend such Owner's right of access to or any utilities servicing his Lot.

The Association shall have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the architectural guidelines applicable to the Properties. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, the party prevailing in such action shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

Section 5. Condemnation/Casualty. If all or any part of the Common Area and improvements thereon is taken by power of eminent domain or is damaged or destroyed by fire or other casualty, the proceeds of the condemnation award or any insurance policies covering such improvements shall be payable to the Association. The Board of Directors shall propose to the Members, at an annual or special meeting held within sixty (60) days after the date of the condemnation or casualty, whether or not to reconstruct the improvements. The insurance proceeds shall be used to reconstruct the improvements except as provided in §47F-3-113(g) of the Act, in which event the proceeds shall be retained by the Association for operation expenses or reserves, as determined by the Board or the Members. Nothing in this Section shall prevent the Board from proposing and the Members from approving the use of such proceeds for construction of different improvements, e.g., playground on Common Area in lieu of a destroyed club house.

Section 6. Association Contracts and Leases During Declarant Control Period. All Association contracts and leases made during the Declarant Control Period which extend beyond the Declarant Control Period must: (i) be for a term of two years or less; (ii) be terminable without penalty by the Association upon no more than ninety (90) days written notice; and (iii) be commercially reasonable and made with an entity not affiliated with the Declarant.

Section 7. Evidence of Member Approval. In the event that any action requires evidence of consent of the Members or a specified percentage of the Members, such approval shall be conclusively presumed if supported by a Certification signed by the President or Secretary of the Association in substantially the following form:

CERTIFICATE OF STONEMILL FALLS HOMEOWNERS ASSOCIATION, INC.

This is to certify that, upon proper notice given a [the] Special [Annual] Meeting of the Members of Stonemill Falls Homeowners Association, Inc., was held on [Date and Year] at [Time]. The purpose [One of the purposes] of the meeting, as set forth in the Notice of Meeting, was to: [State action for which Member approval is required.]

At such meeting, at which a quorum was present, in person or by proxy, a total of _____ votes were cast: ______ votes were cast in favor of such action, and ______ votes were cast against such action. Accordingly, the motion to approve [described the action approved] was approved by at least ____% of the Members as required by the Declaration and Bylaws of the Association.

____

[President/Secretary]

Section 8. Number and Gender. Whenever the context requires, the singular shall include the plural, and *vice versa*, and one gender shall include all.

Section 9. Captions. Captions are for the purpose of reference only and shall not be deemed to be in any manner interpretive of any provision of this Declaration.

Section 10. Severability. If any provision of this Declaration is held by a court of competent jurisdiction to be invalid or void, such provision shall be deemed severable from the remaining provisions of the Declaration and shall not be deemed to nullify or affect any other provision hereof. If any such provision is deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

If any item, term or provision contained in this Declaration is in conflict with any applicable federal, state or local laws, this Declaration shall be affected only as to its application to such item, term or provision, and shall in all other respects remain in full force and effect.

Section 11. Conflicts. In the event of a conflict between any provision of this Declaration and the Master Declaration, the more restrictive provision shall control. In the event of a conflict between this Declaration and the Articles of Incorporation of the Association, the Articles of Incorporation shall control. In the event of a conflict between this Declaration and the Bylaws, this Declaration shall control.

Specific provisions shall control general provisions. Notwithstanding the foregoing, a construction consistent with the Act, the North Carolina Nonprofit Corporation Act (N.C.G.S. Chapter 55A), and the Town of Wake Forest Code shall in all cases control over any construction inconsistent therewith. The provisions of the Act and the Nonprofit Corporation Act shall in all cases control any conflicting provisions of the Code.

Section 12. Rule Against Perpetuities. As provided in §47F-2-103(b) of the Act, the rule against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, or rules and regulations adopted pursuant to thereto and §47F-3-102(1) of the Act. In the absence of the protection provided in §47F-2-103(b) of the Act, if any provision of this Declaration violates any applicable rule against perpetuities, such provision shall be deemed amended to be and remain in effect for the maximum period of time that such provision could be in effect without violating the applicable rule against perpetuities.

Section 13. Dissolution or Insolvency of the Association. The Association shall be dissolved upon the termination of this Declaration, or upon the written assent given in writing and signed by not less than eighty per cent (80%) of the Members of each class of members, or upon such more restrictive or additional conditions and in such manner as otherwise provided by the laws of the State of North Carolina. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Area as allowed by this Declaration or by reason of merger and/or consolidation with any other association as allowed by this Declaration), any portion of the Common Area not under the jurisdiction and being maintained by the Association, shall be offered to the Town of Wake Forest, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the Town of Wake Forest or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Area and assets shall be conveyed by the Association to the Town of Wake Forest or such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

In the event that the Town of Wake Forest or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit corporation, association, trust or other entity which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by this Declaration, such conveyance to be made subject to the rights of Owners and other matters set forth in the immediately preceding paragraph.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed in its name by its duly authorized officer, as of the date set forth in the notary acknowledgment below.

DECLARANT:

PARKER & ORLEANS HOMEBUILDERS, INC.
A Delaware corporation

By: ______________________________
David Jennings – Assistant Vice President

State of North Carolina – County of Wake:

I certify that the following person(s) personally appeared before me this day and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: **David Jennings – Assistant Vice President**

Date: 1-19-15

____
Notary Public

[Notary Stamp or Seal]

My Commission Expires: 9.8.16

DEBRA M DISHMAN
NOTARY
PUBLIC
My Comm. Exp.
Sep 8, 2016
JOHNSTON COUNTY, NC

EXHIBIT A

Lying and being in the Town of Wake Forest, Wake County, North Carolina, and being more particularly described as follows:

All of the real property in Stonemill Falls Subdivision as shown on those maps recorded in Book of Maps 2014, Pages 1559-1562, Wake County Registry, to which maps reference is hereby made for a more particular description and also being Lot 1 containing 4.68 acres, Tract 1 containing 23.91 acres, Tract 2 containing 29.52 acres, and Lot 1 containing 10 acres as shown on that map recorded in Book of Maps 2013, Page 1091, Wake County Registry.

BOOK:015898 PAGE:02073 - 02104

WAKE
COUNTY
NORTH CAROLINA

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It is part of the recorded document and must be submitted with the original for re-recording.

Laura M. Riddick
Register of Deeds

Wake County Justice Center
300 South Salisbury Street, Suite 1700
Raleigh, NC 27601

- [ ] New Time Stamp
- [ ] $25 Non-Standard Fee
- [ ] Additional Document Fee
- [ ] Additional Reference Fee

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____# of Time Stamps Needed

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32 # of Pages

Tt

BK016270PG01820

WAKE COUNTY, NC 39
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
01/20/2016 09:59:45

BOOK:016270 PAGE:01820 - 01822

Prepared by and return to: Moore & Alphin, PLLC (Box 155)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR STONEMILL FALLS

This First Amendment to Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls (this "Amendment") is made and entered into as of the date set forth in the notary acknowledgment below, by **TAYLOR MORRISON OF CAROLINAS, INC.**, a North Carolina corporation, as "Declarant."

WITNESSETH:

WHEREAS, Parker & Orleans Homebuilders, Inc. previously recorded that certain Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls (together with all subsequent amendments and supplements, the "Declaration") in Book 15898, Page 2073, Wake County Registry; and

WHEREAS, Parker & Orleans Homebuilders, Inc. subsequently assigned its rights and obligations to Declarant by recording that certain Assignment of Declarant's Rights in Book 16094, Page 662, Wake County Registry; and

WHEREAS, Article XI, Section 2 of the Declaration provides that the Declaration may be amended by "the Declarant, without the consent of any other Person . . . so long as such amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area"; and

WHEREAS, the Declarant now wishes to amend the Declaration to correct a typographical error and to change the way that assessments are calculated for Lots owned by the Declarant;

NOW, THEREFORE, pursuant to the provisions of Article XI, Section 2 of the Declaration, Declarant hereby amends the Declaration as follows:

1. Article I, Section 12(c) is hereby deleted in its entirety and replaced with the following: "(c) Relinquishment or transfer of all special declarant rights as provided in §47F-3-104(d) of the Act."

2. In Article V, Section 3, the second sentence is hereby deleted in its entirety and replaced with the following: "The Annual Assessment for Class B Lots and Lots owned by Declarant shall be zero, provided, however, that any Lot which contains a dwelling occupied by any person as a residence shall be assessed at the Class A rate."

3. Pursuant to Article XI, Section 2 of the Declaration, no member approval is required for this amendment to be effective.

4. Except as specifically amended herein, the Declaration shall remain and continue in full force and effect

IN WITNESS WHEREOF, Declarant has executed this Amendment as of the date set forth in the notary acknowledgment below.

DECLARANT:

TAYLOR MORRISON OF CAROLINAS, INC.
a North Carolina corporation

By: ______________________
Name: Todd Lipschutz
Title: Vice President

****

STATE OF NORTH CAROLINA -- COUNTY OF WAKE:

I certify that the following person personally appeared before me this day and acknowledged to me that he signed the foregoing document for the purposes stated therein and in the capacity indicated:

Vice President - Taylor Morrison of Carolinas, Inc. - Todd Lipschutz

Date: 01.16.2016

(Stamp or Seal)

KATHLEEN WARD
NOTARY PUBLIC
MY COMMISSION EXPIRES APRIL 18, 2018
WAKE CO., STATE OF NC

____
Signature of Notary

Printed Name: KATHLEEN WARD

My commission expires: 04.18.2018

BOOK:016270 PAGE:01820 - 01822

WAKE
COUNTY
NORTH CAROLINA

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It is part of the recorded document and must be submitted with the original for re-recording.

Laura M. Riddick
Register of Deeds
Wake County Justice Center
300 South Salisbury Street, Suite 1700
Raleigh, NC 27601

☐ New Time Stamp ☐ $25 Non-Standard Fee

☐ Additional Document Fee ☐ Additional Reference Fee

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_______ # of Excessive Entities

_______ # of Time Stamps Needed

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3 # of Pages MF

WAKE COUNTY, NC
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
04-07-2017 AT 11:43:32

BOOK: 016746 PAGE: 00274 - 00276

Drawn by and mail after recording to:
Alexander Ricks PLLC (MJH)
4601 Park Road, Suite 580, Charlotte, NC 28209

STATE OF NORTH CAROLINA

COUNTY OF WAKE

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS**

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS (this "Amendment") is made as of the 7th day of April, 2017 (the "Effective Date"), by **TAYLOR MORRISON OF CAROLINAS, INC.**, a North Carolina corporation (referred to as "Declarant") (index as "Grantor" and "Grantee").

RECITALS:

WHEREAS, Declarant, successor by assignment from Parker & Orleans Homebuilders, Inc., is the Declarant under that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of January 19, 2015 and recorded on January 22, 2015 in Book 15898 at Page 2073 of the Wake County Public Registry (the "Registry"), as affected by that certain Assignment of Declarant's Rights dated as of July 20, 2015 and recorded on July 23, 2015 in Book 16094 at Page 662 of the Registry, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Stonemill Falls dated as of January 16, 2016 and recorded on January 20, 2016 in Book 16270 at Page 1820 of the Registry (as amended and/or modified, the "Declaration"); and

WHEREAS, pursuant to Article XI, Section 2 of the Declaration, the Declarant may unilaterally amend the Declaration, without the consent of any other Person, so long as such amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area; and

WHEREAS, the Declarant (i) desires to amend the Declaration to increase the amount of the required contribution that each Owner must make to the Association's working capital fund upon the initial sale of a Dwelling, and (ii) has determined that such an amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. The Recitals above are hereby incorporated into this Amendment. Capitalized terms used but not defined herein shall have the meanings given them in the Declaration.

2. Working Capital Fund. The first sentence of Article V, Section 10 of the Declaration is hereby deleted in its entirety, and the following is inserted in lieu thereof:

> "At the time of closing of the initial sale of each Dwelling constructed on a Lot, a sum equal to Four Hundred Fifty and No/100 Dollars ($450.00) shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital fund."

3. The terms and conditions of this Amendment shall be governed by and construed in accordance with the laws of the State of North Carolina. This Amendment shall bind and run with the Property.

4. Except as modified by this Amendment, all of the terms and conditions of the Declaration shall remain in full force and effect. If there is any conflict between this Amendment and the Declaration, this Amendment shall control. Except where the context otherwise requires, all references in this Amendment to the Declaration shall be deemed to include the provisions of this Amendment. The terms and provisions of this Amendment shall be binding upon and shall inure to the benefit of the Owner(s) of the Property, their respective successors, heirs and assigns, if any.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed and delivered as of the day and year first above written.

TAYLOR MORRISON OF CAROLINAS, INC.,
a North Carolina corporation

By: ______________________
Gray Shell, Vice President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of the County and the State aforesaid, certify that Gray Shell, personally appeared before me this day and acknowledged that he is the Vice President of Taylor Morrison of Carolinas, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, he executed the foregoing instrument.

Witness my hand and official seal, this the 26th day of April, 2017.

PAMELA O. EPPS
NOTARY PUBLIC
WAKE COUNTY, NC
MY COMMISSION EXPIRES 02-27-2018

____
Notary Public

Pamela O Epps
Print Name

My commission expires: 2-27-2018

WAKE COUNTY, NC
CHARLES P. GILLIAM
REGISTER OF DEEDS
PRESENTED & RECORDED ON
06-26-2018 AT 15:49:31

BOOK: 017167 PAGE: 00449 - 00454

Drawn by and mail after recording to:
Alexander Ricks PLLC (MJH)
4601 Park Road, Suite 580, Charlotte, NC 28209

STATE OF NORTH CAROLINA

COUNTY OF WAKE

THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS

[APPLIES ONLY TO CASCADES AT STONEMILL FALLS]

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS (this "Amendment") is made as of the 22 day of June, 2018 (the "Effective Date"), by **TAYLOR MORRISON OF CAROLINAS, INC.**, a North Carolina corporation (referred to as "Declarant") (index as "Grantor" and "Grantee").

RECITALS:

WHEREAS, Declarant, successor by assignment from Parker & Orleans Homebuilders, Inc., is the Declarant under that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of January 19, 2015 and recorded on January 22, 2015 in Book 15898 at Page 2073 of the Wake County Public Registry (the "Registry"), as affected by that certain Assignment of Declarant's Rights dated as of July 20, 2015 and recorded on July 23, 2015 in Book 16094 at Page 662 of the Registry, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Stonemill Falls dated as of January 16, 2016 and recorded on January 20, 2016 in Book 16270 at Page 1820 of the Registry, as amended by that certain Second Amendment to Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of, and recorded on, April 7, 2017 in Book 16746 at Page 274 of the Registry (as amended and/or modified, the "Declaration"); and

WHEREAS, pursuant to Article XI, Section 2 of the Declaration, the Declarant may unilaterally amend the Declaration, without the consent of any other Person, so long as such amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area; and

WHEREAS, the Declarant desires to amend the Declaration such that the Stonemill Falls Homeowners Association, Inc. (the "Association") shall provide certain landscaping services for all Lots located, or to be located, within the portion(s) of the Properties currently owned by Declarant, being Phase 2 and Phase 3 of the Subdivision which are known as the "Cascades at Stonemill Falls", and being more particularly shown on Exhibit A attached hereto and incorporated herein by this reference (the "Landscaped Lots"); and

WHEREAS, the Declarant has determined that this Amendment does not adversely affect title to or use of any Owner's Lot or any Owner's use of the Common Area.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. The Recitals above are hereby incorporated into this Amendment. Capitalized terms used but not defined herein shall have the meanings given them in the Declaration.

2. Lot Landscaping Services. The following is hereby inserted as Section 5 of Article VI of the Declaration:

> "Section 5. Lot Landscaping for Cascades. Notwithstanding anything in this Declaration to the contrary, the Association shall maintain, but only to the extent as determined from time-to-time by the Board, the grass, shrubs, trees and other landscaping materials located in the front, side or back yards and installed by either the Declarant and/or the Association on the Landscaped Lots in a neat, orderly and attractive manner (the 'Lot Landscaping'). The Association shall not be obligated to maintain any Lot Landscaping within any enclosed or fenced areas on a Lot, unless gate(s) wide enough for the necessary equipment are left open, not just unlocked, for the Association's maintenance contractor(s). Nor shall the Association be required to perform Lot Landscaping when an unsafe condition exists on a Lot, including a loose animal. The maintenance of the Lot Landscaping may include but shall not necessarily be limited to: the cutting or trimming of grass, trees and shrubs; the re-mulching and weeding of mulched areas; removal of lawn debris and leaves; and the routine, customary application of fertilizer, pesticide and algaecide or fungicide, if necessary or recommended. The Association shall not be required to maintain any shrubbery, grass and other landscaping on any Lot other than the usual and customary landscaping provided by the Declarant or its replacement provided by the Association. The Association shall have the sole discretion to determine the time at which such Lot Landscaping shall take place, and the manner and materials to be used. Each Owner shall maintain the trees, shrubbery, grass and other landscaping that is not part and parcel of the Lot Landscaping, and all parking, pedestrian, recreational and other open areas on his Lot in a neat, orderly and attractive manner and consistent with the standards set forth in the Declaration. The Association shall have the right to remove any Lot Landscaping which becomes a nuisance."

3. Special Individual Assessments. Notwithstanding anything in the Declaration to the contrary, the Association may, from time to time and pursuant to Section 6 of Article V of the Declaration, levy special individual Assessments exclusively on the Landscaped Lots for purposes of providing the Lot Landscaping (the "Landscaping Assessments"). The Landscaping Assessments shall be paid by the Owners of the Landscaped Lots (as determined by the Board) in monthly, quarterly, semiannual, or annual installments, and shall be in addition to all other required assessments set forth in Article V of the Declaration. Until January 1, 2019, the Landscaping Assessments for each Landscaped Lot shall not exceed Ninety and No/100 Dollars ($90.00) per month, or One Thousand Eighty and No/00 Dollars ($1,080.00) per year. From and after January 1, 2019, the Landscaping Assessments shall be no more than 10% of the previous year's Landscaping Assessments. Notwithstanding any of the foregoing, in no event shall any Landscaped Lots owned by Declarant be subject to the Landscaping Assessments.

4. Working Capital Fund. Notwithstanding anything in the Declaration to the contrary, the Association may, from time to time and pursuant to Section 10 of Article V of the Declaration, also collect a separate contribution to the Working Capital Fund upon the initial sale of any Landscaped Lots (the "Additional Contribution"), which Additional Contribution shall be in addition to the contribution required upon the initial sale of all other Lots. The purpose of the Additional Contribution is to ensure that the Association will have adequate funds available to provide the Lot Landscaping.

5. The terms and conditions of this Amendment shall be governed by and construed in accordance with the laws of the State of North Carolina. This Amendment shall bind and run with the Property.

6. Except as modified by this Amendment, all of the terms and conditions of the Declaration shall remain in full force and effect. If there is any conflict between this Amendment and the Declaration, this Amendment shall control. Except where the context otherwise requires, all references in this Amendment to the Declaration shall be deemed to include the provisions of this Amendment. The terms and provisions of this Amendment shall be binding upon and shall inure to the benefit of the Owner(s) of the Property, their respective successors, heirs and assigns, if any.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed and delivered as of the day and year first above written.

TAYLOR MORRISON OF CAROLINAS, INC.,
a North Carolina corporation

By: _______________________ VP
Stephen D. Leach, Vice President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of the County and the State aforesaid, certify that Stephen D. Leach, personally appeared before me this day and acknowledged that he is the Vice President of Taylor Morrison of Carolinas, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, he executed the foregoing instrument.

Witness my hand and official seal, this the 21st day of June, 2018.

____
Notary Public

Pamela O. Epps
Print Name

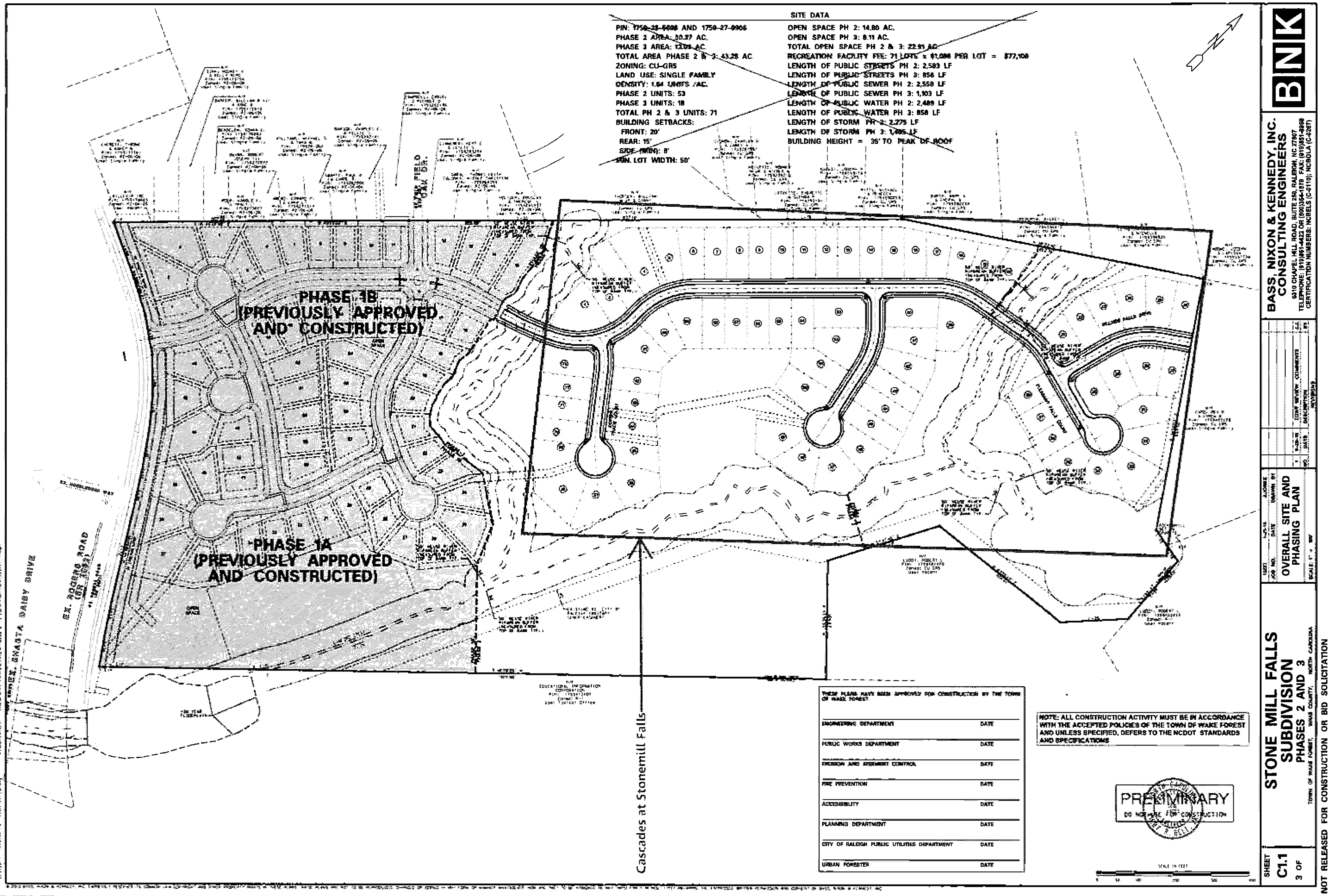
My commission expires: 2-27-23

PAMELA O. EPPS
My Commission Expires
NOTARY
PUBLIC
02-27-23
WAKE COUNTY, NC

Exhibit A
Landscaped Lots

[see attached]

EXHIBIT A



BK017167PG00454

WAKE COUNTY, NC
CHARLES P. GILLIAM
REGISTER OF DEEDS
PRESENTED & RECORDED ON
08-30-2018 AT 09:23:02

BOOK: 017229 PAGE: 01612 - 01614

Drawn by and mail after recording to:
Alexander Ricks PLLC (MJH)
4601 Park Road, Suite 580, Charlotte, NC 28209

STATE OF NORTH CAROLINA

COUNTY OF WAKE

**FOURTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS**

THIS FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEMILL FALLS (this "Amendment") is made as of the 29 day of August, 2018 (the "Effective Date"), by **TAYLOR MORRISON OF CAROLINAS, INC.**, a North Carolina corporation (referred to as "Declarant") (index as "Grantor" and "Grantee").

RECITALS:

WHEREAS, Declarant, successor by assignment from Parker & Orleans Homebuilders, Inc., is the Declarant under that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of January 19, 2015 and recorded on January 22, 2015 in Book 15898 at Page 2073 of the Wake County Public Registry (the "Registry"), as affected by that certain Assignment of Declarant's Rights dated as of July 20, 2015 and recorded on July 23, 2015 in Book 16094 at Page 662 of the Registry, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Stonemill Falls dated as of January 16, 2016 and recorded on January 20, 2016 in Book 16270 at Page 1820 of the Registry, as amended by that certain Second Amendment to Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of, and recorded on, April 7, 2017 in Book 16746 at Page 274 of the Registry, and as amended by that certain Third Amendment to Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Stonemill Falls dated as of June 22, 2018, and recorded on June 26, 2018 in Book 17167 at Page 449 of the Registry (as amended and/or modified, the "Declaration"); and

WHEREAS, pursuant to Article XI, Section 2 of the Declaration, the Declarant may unilaterally amend the Declaration, without the consent of any other Person, in order to clarify any ambiguous provisions contained therein; and

WHEREAS, the Declarant desires to amend the Declaration to clarify the definition of "Lot(s)" set forth in Article I, Section 19.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. The Recitals above are hereby incorporated into this Amendment. Capitalized terms used but not defined herein shall have the meanings given them in the Declaration.

2. Definitions. The following sentence is hereby inserted at the end Article I, Section 19 of the Declaration:

> "Notwithstanding the foregoing, for the sole purpose of determining the number of votes pursuant to Article III, Section 2 of the Declaration and for no other purpose, the term 'Lot' shall also include any numbered parcel of land within the Property which is intended for use as a site for a Dwelling and is shown on any development plan for the Property that has been approved by the applicable governmental authorities, regardless of whether said Lot is shown on a recorded plat."

3. The terms and conditions of this Amendment shall be governed by and construed in accordance with the laws of the State of North Carolina. This Amendment shall bind and run with the Property.

4. Except as modified by this Amendment, all of the terms and conditions of the Declaration shall remain in full force and effect. If there is any conflict between this Amendment and the Declaration, this Amendment shall control. Except where the context otherwise requires, all references in this Amendment to the Declaration shall be deemed to include the provisions of this Amendment. The terms and provisions of this Amendment shall be binding upon and shall inure to the benefit of the Owner(s) of the Property, their respective successors, heirs and assigns, if any.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed and delivered as of the day and year first above written.

TAYLOR MORRISON OF CAROLINAS, INC.,
a North Carolina corporation

By: ______________________
Name: Jeremy D. Medlin
Title: Vice President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of the County and the State aforesaid, certify that Jeremy Medlin personally appeared before me this day and acknowledged that he is the Vice President of Taylor Morrison of Carolinas, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, he executed the foregoing instrument.

Witness my hand and official seal, this the 27th day of August, 2018.

____
Notary Public

Pamela O. Epps
Print Name

My commission expires: 2-27-23

PAMELA O. EPPS
My Commission Expires
NOTARY
PUBLIC
02-27-23
WAKE COUNTY, NC