

Prepared by and return to: Moore & Alphin, PLLC (ab), 3733 National Drive, #100, Raleigh, NC 27612

STATE OF NORTH CAROLINA

COUNTY OF WAKE

**FIRST AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES
AND LIENS FOR SANCTUARY AT YATES
MILL**

This First Amendment to Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Sanctuary at Yates Mill (this "Amendment") is made and entered into as of the date set forth in the notary acknowledgment below, by **SANCTUARY PARTNERS, LLC**, a North Carolina limited liability company, as "Declarant."

WITNESSETH:

WHEREAS, Sanctuary Partners, LLC previously recorded that certain Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Sanctuary at Yates Mill (together with all subsequent amendments and supplements, the "Declaration") in Book 17221, Page 43, and Book 17865, Page 408, Wake County Registry; and

WHEREAS, the Declarant wishes to amend the Declaration.

NOW, THEREFORE the Declarant wishes to delete Section 5 of Article V in its entirety and replace it with the following;

Section 5. Notice and Quorum for Action Authorized Under Section 4. 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 or more than thirty (30) days prior to the meeting. At such meeting, the presence of Members or their proxies entitled to cast ten percent (10%) 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 (1/2) of the required quorum at the preceding meeting.

1. Pursuant to Article XI, Section 2 of the Declaration, no member approval is required for this amendment to be effective.
2. Except as specifically amended by this First Amendment, the Declaration, remains unchanged and in full force and effect.

FURTHERMORE, the Declarant wishes to amend Article V, Section 3. Annual Assessments to add the following provision:

(i) Assessment Loan. It is anticipated that until Declarant has sold a certain number of Lots (which number has not yet been determined, and which number is referred to herein as the "Break-even Number"), the Annual Assessments collected by the Association will not be sufficient to pay all common expenses on a current basis, but that the anticipated Annual Assessments collected after the Break-even Number of Lots has been sold will exceed common expenses. To fund this shortfall, Declarant reserves the right, but is not obligated, to make a loan (the "Assessment Loan") to the Association, as provided below, until cash flow from the Annual Assessments is sufficient to pay common expenses. If Declarant elects to make the Assessment Loan, then Declarant shall advance to the Association the amount by which the common expenses exceed the Annual Assessments collected for such year. The Association shall have the affirmative obligation to repay the Assessment Loan to the Declarant in accordance with the terms hereof, with no interest thereon except as otherwise provided in this section. The Association shall use proceeds advanced to the Association only to pay the above described shortfall in common expenses. The Association shall repay the Assessment Loan to Declarant in monthly installments or as otherwise determined by Declarant commencing at such time as sales of Lots reach the Break-even Number, until the balance of the Assessment Loan has been repaid to Declarant in accordance with its terms; provided, however, an Assessment Loan shall in no event be repaid to Declarant later than December 31, 2025, unless earlier accelerated due to a default by the Association. After maturity, whether by acceleration or otherwise, if the Assessment Loan remains unpaid, the outstanding balance shall bear interest at the rate of fifteen percent (15%) per annum compounded monthly. Each Owner of a Lot, by acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed in any such deed or other conveyance, is hereby deemed to covenant and agree (and such covenant further shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot), that such an Assessment Loan is reasonable and was made by Declarant and accepted by the Association in good faith and at arm's length.

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

[signature on the following page]



DECLARANT:**Sanctuary Partners, LLC**By: Thomas J. Anhut

Thomas J. Anhut, Manager

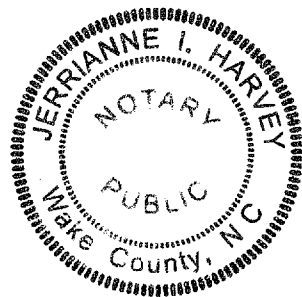
Date Signed: NOVEMBER 4, 2021

STATE OF NORTH CAROLINE – 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: **Thomas J. Anhut**

Date: 11/5, 2021

(Stamp or Seal)

Jerrianne I. Harvey
Notary PublicMy commission expires: 12/16/25