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**DECLARATION OF
CONDOMINIUM
FOR
THE AXIS AT GROVE 98 CONDOMINIUM
WAKE COUNTY, NORTH CAROLINA**

Date: November 21 , 2023

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA. (See Section 8.13)

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS. (See Section 8.13)

**DECLARATION OF
CONDOMINIUM
FOR THE AXIS AT GROVE 98 CONDOMINIUM
WAKE COUNTY, NORTH CAROLINA**

THIS DECLARATION OF CONDOMINIUM FOR THE AXIS AT GROVE 98 CONDOMINIUM (the "Declaration") is made this 21st day of November, 2023 by **Stanley Martin Homes, LLC**, a Delaware limited liability company (the "Declarant"), pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, as the same may be amended from time to time, being referred to herein as, the "North Carolina Condominium Act" or the "Act".

W I T N E S S E T H:

Declarant is the owner of that parcel of land labeled as Lot 1 shown on that certain plat of record entitled "Grove 98 – SE Phase 1 Subdivision Plat 11050 Ligon Mill Road" dated July 20, 2022 recorded in Book of Maps 2023, Pages 634-637, Wake County Registry (the "Land") totaling approximately 1.60 acres, more or less, in the Town of Wake Forest, Wake County, North Carolina. The Condominium will be located on the Land and may ultimately be developed in phases at different times and/or expanded. Declarant has constructed or anticipates constructing on the Land one (1) building containing a total of twelve (12) residential condominium units and common amenities on the Land such as sidewalks, private roads, landscaped areas and other improvements and may construct additional buildings and units, subject in all respects to Declarant's Development Rights and Special Declarant Rights set forth herein. Declarant desires to submit the Land and the improvements located and to be located on the Land (collectively, the "Property") to the terms and provisions of the Act.

In addition, Declarant has deemed it desirable to create a nonprofit incorporated owners association which will be delegated and assigned powers of maintaining and administering the common areas and facilities on the Property, administering and enforcing the covenants and restrictions created in this Declaration, levying, collecting and disbursing the assessments and charges created in this Declaration, and taking any steps or performing any acts deemed necessary or appropriate to preserve the values of condominium units within the Property and promote the recreation, health, safety and welfare of the Owners.

NOW, THEREFORE, Declarant hereby declares all of the Property shall be held, transferred, sold, conveyed, occupied and used subject to the following covenants, conditions, easements, uses, limitations, obligations and restrictions, all of which are declared and agreed to be in furtherance of a plan for the division of the Property to the form of ownership as a condominium pursuant to Act and shall be deemed to run with the land to both burden and benefit Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the Property, and his, her or its successors, heirs and assigns.

NOW THEREFORE, Declarant does hereby submit the Property to the provisions of this Declaration and the provisions of the North Carolina Condominium Act, N.C. Gen. Stat. §§ 47C-1-101, et seq.

ARTICLE I DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, the following terms, words, and phrases shall have the following meanings when used in this Declaration:

1.1 “Additional Land” shall mean and refer to such real property other than the Land that may be subjected to this Declaration pursuant to Article VI, exclusive of improvements located thereon or incorporated therein. The Additional Land may include, without limitation, all or any portion of the property described on Exhibit A-2 attached hereto

1.2 “Allocated Interest” shall mean and refer to the undivided percentage interest in the Common Elements allocated to each Unit, as set forth on Exhibit B attached hereto. In the event that the Declarant elects to exercise its Development Rights under Article VI of this Declaration to create Additional Units, this Declaration shall be revised by a Supplementary Declaration as set forth under Article VI to provide for a new allocation of Allocated Interests which shall substitute and replace Exhibit B attached hereto. The Allocated Interests shall be used to allocate the division of proceeds, if any, resulting from any casualty loss or eminent domain proceedings and shall also be used to determine each Unit’s share of Common Expenses.

1.3 “Articles” shall mean the Articles of Incorporation of the Association, as amended from time to time.

1.4 “Association” shall mean and refer to The Axis at Grove 98 Condominium Association, Inc., a corporation organized and existing under the North Carolina Non-Profit Corporation Act pursuant to and in accordance with this Declaration, the Articles, the Bylaws, and the North Carolina Condominium Act.

1.5 “Building” or “Buildings” shall mean and refer to, collectively or individually, the buildings that may be constructed on the Land by Declarant in accordance with its Development Rights. “New Buildings” shall mean or refer to, collectively or individually, the buildings that may be constructed on the Land or Additional Land by Declarant in accordance with its Development Rights and Special Declarant Rights.

1.6 “Bylaws” shall mean and refer to the bylaws of the Association and all amendments to such bylaws which may from time to time be adopted.

1.7 “Common Elements” shall mean and refer to all portions of the Condominium other than the Units and as more particularly described in Section 5.1 of this Declaration. References in this Declaration to “Common Elements” shall include Limited Common Elements unless the context clearly indicates otherwise.

1.8 “Common Expenses” shall mean and refer to any and all expenditures made by or financial liabilities of the Association, together with any allocations to reserves, pursuant to and in accordance with this Declaration, the Articles, the Bylaws, and the North Carolina Condominium Act.

1.9 “Condominium” shall mean and refer to The Axis at Grove 98 Condominium, as established by the submission of the Property to the terms of the North Carolina Condominium Act by this Declaration.

1.10 “Condominium Documents” shall mean and refer to this Declaration, the Articles, the Bylaws and the rules and regulations governing the use of the Property as the foregoing may be amended and supplemented from time to time, and all attachments and exhibits thereto.

1.11 “Declarant” shall mean and refer to Stanley Martin Homes, LLC, a Delaware limited liability company. Following recordation of a document transferring to another Person all or some of the Special Declarant Rights, pursuant to Section 7.2 of this Declaration, the term “Declarant” shall mean and refer to that transferee, with respect to the Special Declarant Rights so transferred.

1.12 “Declarant Control Period” shall mean the shorter of: (a) 120 days after conveyance of 75% of the Units (including Units what may be created pursuant to Special Declarant Rights), or (b) two years after Declarant has ceased to offer Units for sale in the ordinary course of business. Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Declarant Control Period by recording a written instrument with the Wake County, North Carolina Register of Deeds.

1.13 “Declaration” shall mean and refer to this Declaration of Condominium, as it may be amended and/or supplemented in the future.

1.14 “Development Right” or “Development Rights” shall mean and refer to the rights preserved by Declarant in Article VI of this Declaration.

1.15 “Executive Board” or “Board” shall mean and refer to the governing body from time to time of the Association as constituted in accordance with the Articles, the Bylaws and the North Carolina Condominium Act.

1.16 “Family Members” shall mean and refer to the spouse, parents, parents-in-law, brothers, sisters, children and grandchildren of a natural person.

1.17 “Land” shall mean and refer to the real property subject to this Declaration, exclusive of improvements located thereon or incorporated therein, which is more particularly described on Exhibit A-1 attached hereto, together with such additional real property as is made subject to the terms of this Declaration pursuant to Article VI.

1.18 “Limited Common Elements” shall mean and refer to those portions of the Common Elements allocated by this Declaration for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in Section 5.2 of this Declaration, and as depicted on the Plans.

1.19 “Limited Common Expense” shall mean and refer to an expense incurred by the Association for the benefit of some, but fewer than all Owners and which is collected through an assessment as provided in Section 12.3.

1.20 “Manager” shall mean any Person appointed or employed by the Association to operate, maintain and manage the Condominium.

1.21 “Master Association” shall mean and refer to The Residences at Grove 98 Master Association, Inc., a corporation organized and existing under the North Carolina Non-Profit Corporation Act pursuant to the Master Declaration.

1.22 “Master Declaration” shall mean and refer to the Master Declaration for the Residences at Grove 98 recorded in Book 19482, Page 66, Wake County Registry, as it may be amended and/or supplemented in the future. This Declaration, Declarant, and the Association constitute a Condominium Declaration, Condominium Declarant and Condominium Association, respectively, under the Master Declaration.

1.23 “Mortgage” shall mean and refer to a mortgage or deed of trust constituting a lien on a Unit.

1.24 “Mortgagee” or “Lender” shall mean and refer to the owner and holder of a Mortgage that has notified the Association in writing delivered to the Association as set forth in the Bylaws of such owner and holder’s name and address, and that it holds a Mortgage on a Unit. Such notice will be deemed to include a request that the Mortgagee be given the notices and other rights described in Article XVIII.

1.25 “North Carolina Condominium Act” shall mean and refer to Chapter 47C of the North Carolina General Statutes, as it may be amended from time to time. The North Carolina Condominium Act is sometimes referred to herein as the “Act”.

1.26 “Occupants” shall mean any natural person(s) in possession of a Unit, including Owners, Family Members, lessees, guests and invitees of such natural person(s).

1.27 “Owner” shall mean and refer to the record owner, whether one or more Persons or entities, of fee simple title to any Unit but shall exclude those Persons or entities having an interest in any Unit as merely security for the payment or performance of an obligation.

1.28 “Permittees” shall mean and refer to a Person’s tenants, subtenants, occupants, contractors, subcontractors, agents, employees, licensees and invitees, and their respective officers, directors, contractors, subcontractors, agents, employees, licensees, invitees and visitors. This definition does not imply any rights in favor of Owners that are otherwise limited under this Declaration, the other Condominium Documents or the Act.

1.29 “Person” shall mean a natural person, corporation, municipal corporation, partnership, limited liability company, association, firm, business trust, estate, trust, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.30 “Plans” shall mean and refer to the surveys, plans and specifications of the Condominium, Buildings and Property recorded in the Condominium Map Book 202–2023, Pages _____ through _____ in the Office of the Register of Deeds, Wake County, North Carolina, and any amendments or supplements to those Plans. The Plans are hereby incorporated herein by reference as if the same were attached to this Declaration.

1.31 “Property” shall mean and refer to the Land and such future improvements as may be constructed thereon or on Additional Land, consistent with this Declaration, including but not limited to the Buildings and New Buildings, if any.

1.32 “Related Parties” shall mean and refer to a party’s managers, members, partners, shareholders, officers, directors, employees, agents, attorneys, successors, assigns and affiliates.

1.33 “Special Declarant Rights” shall mean and refer to the rights reserved for the benefit of Declarant in the Condominium Documents, as more particularly described in Article VII of this Declaration.

1.34 “Unit” shall mean and refer to a portion of the Property, as more particularly described in Article IV of this Declaration, more particularly shown on the Plans, and that is the subject of individual ownership by an Owner.

If a term is defined in the portion of this Declaration prior to Article I and in Article I, to the extent of a conflict in such definitions, the definition in this Article I will control. In addition, the definitions set forth in N.C. Gen. Stat. §47C-1-103 are incorporated in this Declaration by reference, and the terms defined therein shall have the meanings set forth therein when used in this Declaration or the Condominium Documents, unless those terms are expressly defined otherwise in this Declaration or unless it is plainly evident from the context that a different meaning is intended.

ARTICLE II DESIGNATION OF CONDOMINIUM

2.1 Location and Designation. The Land on which the Buildings and other improvements are located or will be located is in Wake County, North Carolina and is more particularly described on Exhibit A-1 attached hereto and incorporated herein by reference. The Land is subjected to the terms of the North Carolina Condominium Act by this Declaration.

2.2 Name. The name of the Condominium is The Axis at Grove 98 Condominium.

ARTICLE III DESCRIPTION OF BUILDINGS

3.1 Existing Building. The existing Building consists of one (1) building containing a total of twelve (12) Units (the “Existing Building”) as shown on the Plans. The Existing Building is more particularly described in the Plans.

3.2 Potential New Buildings. As provided in Article VI, Declarant reserves Development Rights to construct up to twenty-one (21) additional Buildings (the “New Buildings”) containing an aggregate of up to two hundred sixteen (216) additional Units (“Additional Units”) on the Land or Additional Land. If Declarant exercises its Development Rights to construct such additional New Buildings containing Additional Units on the Land or Additional Land and submit the same to this Declaration, the Supplementary Declaration required by Section 6.5 of this Declaration shall contain or be recorded with a revised set of Plans which shall describe the New Buildings and Additional Units and contain certifications required by N.C. Gen. Stat. §47C-2-109.

ARTICLE IV DESCRIPTION OF UNITS

4.1 Location of Buildings. The location and dimensions of the Existing Building is shown on the Plans. If the Declarant exercises its Development Rights to create Additional Units and Limited Common Elements, the Amendment to this Declaration required by N.C. Gen. Stat. §47C-2-110 shall contain a revised set of Plans, which shall show the location of the New Building(s).

4.2 Units. The location of Units within the Existing Building and their dimensions are shown on the Plans. There are a total of twelve (12) Units in the Existing Building. Pursuant to Article VI of this Declaration, Declarant reserves the Development Right to create up to two hundred sixteen (216) Additional Units, for a total of two hundred twenty-eight (228) Units upon the Land or upon the Additional Land. The identifying number for each Unit in the Existing Building is set forth on Exhibit B, attached hereto and incorporated herein by reference, and on the Plans. If Declarant exercises its Development Right to create Additional Units and Limited Common Elements, the Supplementary Declaration required by Section 6.5 of this Declaration shall contain a new Exhibit B and contain, or be recorded with, a revised set of Plans, which shall contain new identifying numbers for the Units thereby created.

4.3 Unit Boundaries. The boundaries of each Unit are shown on the Plans and further described as follows:

(a) Upper Boundary. The upper boundary is the horizontal plane of the top surface of the wallboard in the ceilings located on the top story within the Unit. As depicted on the Plans, the ceilings in certain portions of a Unit may be at different elevations; in such cases, the upper boundary of such Unit shall not be a single horizontal plane, but shall vary with the differing ceiling elevations within different portions of the Unit.

(b) Lower Boundary. The lower boundary is the horizontal plane of the top surface of the subfloor of the lowest floor of the Unit, extended to intersections with each other and with the Perimeter Boundaries. The floor in the bottom story of a Unit may be at different elevations; in such cases, the lower boundary of such Unit shall not be a single horizontal plane, but shall vary with the differing floor elevations within different portions of the Unit.

(c) Perimeter Boundary. The perimeter boundary is the vertical plane formed by the outermost surface of the wallboard of the interior walls of the Unit, extended to intersections with each other and with the Upper Boundary and Lower Boundary as defined above.

(d) Garage. Each Unit shall include the garage which is designed and designated for the exclusive use of such Unit and which is located within the boundaries of the Unit.

(e) Stairwell. Stairwells which are for the exclusive use of one Unit will constitute a part of such Unit.

(f) Interior. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be a part of the Unit. All other portions of such walls, floors, or ceilings are a part of the Common Elements. All interior walls, partitions, fixtures, appliances, cabinets and other facilities and other improvements lying completely within the boundaries of a Unit shall be part of such Unit.

ARTICLE V COMMON ELEMENTS

5.1 Common Elements. The Common Elements include all portions of the Condominium that are not part of the Units, including, without limitation:

(a) The Land and the easement rights and other property rights appurtenant to the Land that are included within the Property and subjected to this Declaration;

(b) All improvements located on the Land outside of the Units, including without limitation, to the extent applicable, landscaped areas, surfaced parking areas, paved access roads, private roads, patios (though the foregoing may be designated as Limited Common Elements) and walkways;

(c) Any public connections and meters, vaults and manholes for utility services that are not owned by the public utility or municipal agency providing such services, until owned or maintained by the public utility or municipal agency providing such service, if applicable;

(d) All tangible personal property required for the operation and maintenance of the Condominium that may be owned by the Association; and

(e) The Limited Common Elements described in Section 5.2 below.

5.2 Limited Common Elements. The Limited Common Elements shall be composed of the following:

(a) The foundations, slabs, roofs, columns, girders, beams, supports, exterior and interior load-bearing walls, and all other structural elements of the Building(s);

(b) Those portions of any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially outside the designated boundaries of a Unit, but serving exclusively that Unit, which shall be Limited Common Elements allocated exclusively to that Unit (and any portion thereof serving more than one Unit or the Common Elements is part of the Common Elements);

(c) Any shutters, awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit;

(d) Any portions of the heating, ventilating, and air conditioning systems, and all fans, compressors, return air grills and thermostats, whether located inside or located outside the designated boundaries of a Unit, which shall be Limited Common Elements allocated exclusively to the Unit or Units that they serve; and

(e) Those areas indicated as Limited Common Elements on the Plans, including but not limited to balconies or terraces serving an individual Unit, which shall be allocated to the Unit to which such Limited Common Elements are servicing on the Plans or conveyed as a Limited Common Element in the Deed from Declarant, together with the Unit.

5.3 Undivided Interests of Owners in Common Elements. The percentage interest in the Common Elements allocated to each Unit shall be the Allocated Interest for that Unit as set forth on Exhibit B attached hereto. The Allocated Interest allocated to each Unit shall not be changed except (a) with the unanimous consent of all the Owners of all the Units and with the consent of all the Mortgagees, or (b) as may be specifically authorized elsewhere in this Declaration, including without limitation changes in the Allocated Interest resulting from the exercise of Special Declarant Rights. In particular, if Declarant exercised its Development Rights to create Additional Units and Limited

Common Elements, Declarant shall adjust the Allocated Interest for each Unit in accordance with the following formula: The Allocated Interest allocated to each Unit shall be calculated by dividing the number 100 by the total number of Units in the Condominium, excluding Units that may be, but have not been, created pursuant to Special Declarant Rights. The Supplementary Declaration required by Section 6.5 of this Declaration shall contain a new allocation of Allocated Interest calculated in accordance with the foregoing formula which shall be substituted for Exhibit B attached to this Declaration in the event that Declarant exercises its Development Rights.

5.4 Maintenance of Common Elements.

(a) The Association shall be responsible for the maintenance and repair of all Common Elements, except for: (i) routine maintenance of the Limited Common Elements, which shall be the responsibility of the Owner(s) of the Unit(s) to which they are allocated; and (ii) any maintenance or repairs caused by the negligence or intentional misconduct of any Owner or his, her or its agents, invitees or Family Members, which shall be the responsibility of that Owner.

(b) The cleanliness and orderliness of the Limited Common Elements shall be the responsibility of the individual Owner(s) having the right to the use and enjoyment of such Limited Common Elements. Notwithstanding any other provisions of this Declaration, or any provision of the Bylaws or the North Carolina Condominium Act, the obligation for maintenance, repair, or replacement of any portions of the heating, ventilating, and air conditioning systems that are Limited Common Elements, shall be the sole responsibility of the Owners of the Units to which such Limited Common Elements are allocated.

(c) The Association shall have the right, to the maximum extent permitted by the Act, to delegate responsibility for the maintenance and repair of Common Elements to the Master Association.

ARTICLE VI DEVELOPMENT RIGHTS

6.1 Creation of New Units and Limited Common Elements. Declarant reserves an option, in its sole and absolute discretion, until the fifteenth (15th) annual anniversary of the date of the recordation of this Declaration, to: (a) create and construct new Additional Units within the Land or Additional Land; (b) reconfigure, refurbish, renovate, subdivide, combine or recombine existing Units; (c) create or construct new, or reconfigure existing, Common Elements and Limited Common Elements within the Land or Additional Land; (d) subject all or portions of the Additional Land to this Declaration; and/or (e) any combination of the foregoing; and Declarant shall have access to and use of all portions of the Buildings and Land except inside Units without such Owner's permission, which such permission shall not be unreasonably withheld, conditioned or delayed (no such permission being required where access is otherwise provided to Declarant by this Declaration or the Act, including without limitation Declarant's right of access under Subsection 7.1(g) and Section 10.1 below) to the extent necessary or desirable to exercise such rights. The maximum number of Units within the Condominium that Declarant reserves the right to create, including Units in existence as of the date of recording this Declaration, is two hundred twenty-eight (228) Units. Declarant may exercise this Development Right from time to time within the fifteen (15) year period specified above, without the consent or approval of the Association or any other Owner or Mortgagee, by executing and recording a Supplementary Declaration in the manner provided in Section 6.5 below. A Supplementary Declaration shall not be required for any work (reconfiguring, refurbishing, or renovating) performed by Declarant inside the perimeter demising walls of existing Units. If Declarant exercises its Development Right to construct Additional Units or

subdivide existing Units, Declarant shall not be obligated to construct or subdivide up to the maximum number of Units as specified above but may create any number less than the maximum number specified above. Declarant reserves the right to exercise the Development Rights with respect to any portion or portions of the Property subject hereto as it deems appropriate or desirable, in its sole discretion, including, without limitation, exercising Development Rights with respect to different parcels or portions of such Land or Additional Land at different times. No assurances are provided as to the exercise of any Development Rights or as to the order in which such Land, Additional Land or portions thereof may be subjected to the exercise of any Development Rights. If a Development Right is exercised with respect to any portion of the Land or Additional Land subject to such right, it is not necessary that such right be exercised with respect to all of the Land or Additional Land or any other portion of the same. It is the intention of Declarant to create Additional Units on the Land, Additional Land, or on portions thereof, at different times (in phases); however, no assurance is made by Declarant in regard to boundaries of the specific areas within the Common Elements or within the Land, Additional Land, or any portion thereof, on which new Units may be created, and no assurance is made by Declarant in regard to the order in which those portions of the Common Elements and the Land and/or Additional Land may be subjected to the exercise of Declarant's Development Rights.

6.2 Design and Construction. Declarant reserves the express right to exercise its sole discretion in the design and construction of New Buildings and Additional Units, including without limitation changes in style and substitution of materials and changes in size and configuration. Additional Units within the New Buildings created by the Declarant need not be of the same type and design of the existing Units. Declarant shall have the right to allocate Limited Common Elements to the Additional Units in a manner similar to the allocation of Limited Common Elements to the existing Units under Section 5.2 of this Declaration or in such other manner as Declarant determines to be necessary or appropriate.

6.3 Pre-Sale Modification. Declarant reserves an option, prior to conveying a particular Unit to a purchaser other than Declarant, to: (a) relocate Units within the Condominium (provided all affected Units are owned by Declarant at such time or Declarant obtains the written consent of the Owners of affected Units), (b) alter the size of or subdivide such Unit, and (c) combine or merge two such Units (provided such are adjacent and are both owned by Declarant at such time or Declarant obtains the written consent of the Owners of affected Units).

6.4 Expansion, Creation and Conversion of Common Elements. Declarant reserves an option, until the date which is the fifteenth (15th) annual anniversary of the recordation of this Declaration to: (a) expand the Condominium by adding additional real property thereto, provided such additional real property is subjected to the Declaration, (b) create additional Common Elements, and (c) convert Units, or any part thereof (still owned by Declarant) into Common Elements.

6.5 Supplementary Declaration. In order to exercise the Development Rights reserved under this Article VI, Declarant shall execute and record an amendment to this Declaration in accordance with N.C. Gen. Stat. §47C-2-110 (a "Supplementary Declaration"). Any Supplementary Declaration shall contain, or be recorded with, an amendment or supplement to the Plans identifying the changes (unless the Plans are not affected by the changes) and, if applicable, an amendment to Exhibit B assigning and identifying numbers to any new Units and reallocating the Allocated Interests among all Units in accordance with the formula set forth in Section 5.3. Any such Supplementary Declaration also may contain additions to the provisions of this Declaration to reflect the different character of the new Units created by Declarant, so long as such additions are adopted pursuant to Article XVI below. Declarant must comply with all applicable laws, ordinances and regulations implicated in exercising its Development Rights.

ARTICLE VII SPECIAL DECLARANT RIGHTS

7.1 Special Declarant Rights. Declarant reserves an option in its sole and absolute discretion, until the date which is the fifteenth (15th) annual anniversary of the date of recordation of this Declaration (or such longer period as may be expressly provided for herein), to exercise Special Declarant Rights. The Special Declarant Rights described in this Declaration shall apply to the Property as described herein, expressly including any Additional Land. "Special Declarant Rights" are those rights reserved for the benefit of Declarant in the Condominium Documents, and shall include, without limitation, the following rights:

(a) The right to construct or complete construction of any improvements upon the Common Elements, Land or Additional Land, including but not limited to the New Buildings.

(b) The right to use easements through the Common Elements for the purpose of completing construction.

(c) Subject to Section 9.3, the right to appoint or remove officers of the Association or members of the Executive Board during the Declarant Control Period.

(d) The right to maintain one (1) sales office, one (1) management office, and up to two (2) model Units per Building in the Condominium and to maintain signs on the Common Elements advertising the Condominium. The offices, model Units and signs will be of sizes and styles determined by Declarant and may be relocated by Declarant from time to time. At all times, the offices, model Units and signs will remain the property of Declarant and may be removed from the Property by Declarant.

(e) The right to exercise any other rights granted to or reserved by Declarant in the Condominium Documents; expressly including, without limitation, the Development Rights set forth in Article VI above.

(f) The right, at its sole discretion, to designate or allocate specific, reserved parking spaces for each Unit, for some of the Units, as visitor spaces or for short-term parking.

(g) The right of Declarant to use (Declarant hereby reserving for itself and its successors and assigns) a non-exclusive easement upon, across, over, in, and under the Property as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights, whether arising under the North Carolina Condominium Act or this Declaration, including, without limitation:

(i) easements for ingress and egress and for installation, replacement, repair and maintenance of drainage ditches and facilities, all utilities, including but not limited to water, sewer, gas, telephone, and electrical, cable and other communications systems;

(ii) easements to store materials on the Common Elements and to make such other use of the Common Elements as may be reasonably necessary or incident to the construction of the Buildings and other improvements on the Property; and

(iii) the location of these easements and rights-of-way may be made certain by Declarant and the Association by instruments recorded in the Office of the Register of Deeds of Wake County, North Carolina.

7.2 Transfer of Special Declarant Rights. Declarant may transfer or assign, collaterally or otherwise, any Special Declarant Rights created or reserved under the Condominium Documents to any Person or entity, by an instrument evidencing the transfer duly recorded in the Office of the Register of Deeds of Wake County, North Carolina. Except for the transfer of declarant rights as provided in N.C. Gen. Stat. §47C-3-104(c), the instrument shall not be effective unless it is executed by the transferor and the transferee. Upon the transfer of any Special Declarant Rights, the liability of the transferor and the transferee shall be as set forth in N.C. Gen. Stat. §47C-3-104.

7.3 Application of Special Declarant Rights. Declarant reserves the Special Declarant Rights as to the Land, Additional Land and the Property, or any portion thereof it deems appropriate or desirable, in its sole discretion including, without limitation, applying any Special Declarant Right to different parcels or portions of the Land or Additional Land at different times. No assurances are provided as to the exercise of Special Declarant Rights or the order in which those parcels or portions may be subjected to the exercise of any Special Declarant Rights. If a Special Declarant Right is exercised with respect to any portion of the Land or Additional Land subject to such right, it is not necessary that such right be exercised with respect to all of the Land, Additional Land or any other portion of the same. Unless expressly stated to the contrary, the Special Declarant Rights shall expire on upon the fifteenth (15th) annual anniversary of the recordation of this Declaration.

ARTICLE VIII RESTRICTIONS ON USE

Section 8.1 Residential Use. All Units shall be used for residential purposes only. Notwithstanding the foregoing, Units may be used (secondary to their primary use as a residence) as a home office or work studio (an “office”) provided that: (a) such office is operated by the Owner or an Occupant residing in the Unit as a principal residence; (b) there are no displays or signs indicating that the Unit is being used other than as a residence; (c) such office use does not generate significant traffic or parking usage (as determined from time to time in the sole discretion of the Board); (d) no equipment or other items related to the office are stored or otherwise kept outside the Unit; (e) such Owner has obtained from all applicable local governmental authorities and maintains in effect all required approvals for such use; and (f) the activity is consistent with the residential nature of the Condominium and complies with all applicable federal, state and local laws and ordinances. Nothing in this Section 8.1 limits Declarant’s Development Rights or Special Declarant Rights, and Declarant may maintain any Unit(s) owned by Declarant as a sales office(s) or model Unit(s) pursuant to Section 7.1.

Section 8.2 Nuisance. No obnoxious, offensive or unlawful activity shall be conducted within any Unit or on or about the Common Elements, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to the other Owners or endanger the health and safety of any Owner. Nothing shall be done or kept in any Unit or in the Common Elements that will result in the termination of, or an increase in the premium for, the policy of property insurance for the Property.

Section 8.3 Prohibitions on Use of Common Elements. The Common Elements shall not be used for the storage of personal property of any kind. Stairs, entrances, lobbies, hallways, sidewalks, yards, driveways and parking areas shall not be obstructed in any way or used for other than their intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either in his, her or its Unit or upon the Common Elements which detracts from the appearance of the Property.

Section 8.4 Garbage. Trash, garbage and other waste shall be kept in sanitary containers within each Unit, and deposited only in the common trash receptacles located within the Common Elements or as otherwise directed by the Association.

Section 8.5 Parking. No Owner or any employee, agent or invitee of any Owner shall park, store or keep any vehicle on the Property except wholly within the garage located within such Owner's Unit or the driveway approaching such garage. Bicycles may be stored at bike racks on the Property, if applicable and available, on a first-come, first-served basis, at the sole risk of their respective owners. No Owner shall block any entrances, drive aisles or fire lanes within the Property. Parking space(s), if any, that are designated exclusively to a Unit may be used only by the Owner of the Unit to which such parking space(s) is (are) allocated as a Limited Common Element and his, her or its invitees. The Property may have parking spaces designated for visitors or guests only or for short-term parking. In no event shall an Owner park, store or keep any vehicle in those parking spaces designated for guests. No boat, boat trailer, motor home, travel trailer, camper or other recreational vehicle may be stored on the Property at any time. No significant automobile repair shall be allowed in the parking areas on the Property. The Association shall have the right to tow any vehicle in violation of this Section 8.5 at its owner's expense.

Specifically, but not by way of limitation, the Association shall have the right, and so intends, to enforce the parking restrictions in this Section 8.5. In addition to having the right to tow any vehicle in violation of this Section, the Association shall have the right to levy fines as follows: (i) Fifty and No/100 Dollars (\$50.00) for the first offense during any twelve (12) month period; (ii) Seventy Five and No/100 Dollars (\$75.00) for the second offense during such twelve (12) month period; and (iii) One Hundred and No/100 Dollars (\$100.00) for each additional violation in such twelve (12) month period. Fines imposed for violation of the parking restrictions shall be considered special assessments and shall be due and payable upon receipt of the parking violation. The Association shall have the right to enforce payment of such special assessment in the same manner as it may enforce the collection of any assessments under this Declaration and the Bylaws including charging of interest, payment of late fees and imposing of a lien against the Unit. Each Owner shall be responsible for any parking violation by Owner or an Owner's Family Member, or by any lessees, guests or invitees of the Owner.

Section 8.6 Leases of Units. Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the Condominium Documents and that any failure by the lessee to comply with all of the terms of such Condominium Documents shall constitute a default under the lease. Notwithstanding the foregoing, all such leases are subject to the Declaration of Condominium and the Bylaws, rules and regulations of the Association, whether or not specifically stated in the lease. A copy of each lease (including extensions and renewals), along with full personal contact information for landlord and tenant, shall be delivered to the Association prior to tenant's occupancy, along with evidence of insurance as required under this Declaration.

Section 8.7 No Timeshares. No interest in any Unit may be subjected to a time share program as that term is defined in N.C. Gen. Stat. §93A-41(10).

Section 8.8 Animals. No animals, livestock or poultry of any kind shall be kept or maintained on the Property or in any dwelling located thereon except that domestic household pets may be kept or maintained in each Unit, provided they are not kept or maintained for commercial purposes and provided that no Owner may have, in addition to fish, not more than four (4) domesticated animals at any one time. No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) on the Property. Pets shall not be permitted to defecate in the Common Elements, and each Owner shall clean up immediately after his, her or its pet if

an accident occurs. All pets shall be registered, licensed and inoculated as required by applicable laws, ordinances and regulations. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Bylaws, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days written notice. Each Owner who keeps any animal on any portion of the Property agrees to indemnify and hold harmless the Association, Declarant and all other Owners from and against any loss, claim for damages to person or property, cause of action, or liability of any kind, and all costs of defending against the same (including reasonable attorneys' fees), arising out of or resulting from any action of an Owner's animal and shall repair at Owner's expense any damage to the Common Elements caused by an Owner's animal. An easement over and upon any Unit, the Common Elements or the Limited Common Elements is reserved for the applicable governmental authority to exercise and enforce applicable laws, ordinances and regulations relating to animal control.

Section 8.9 Utilities. The Condominium's water usage and sewer usage may be measured by one or more master-meters controlling all or multiple Units in a Building or Building(s). All submeters will report to the Association and each Unit Owner will be billed accordingly. Total electrical usage in any Unit shall not exceed the capacity of the circuits for that Unit as labeled on the circuit breaker boxes, and no electrical device causing overloading of the standard circuits may be used in any Unit without permission of the Association. All clothes dryers will have lint filters and all stove hoods will have grease screens. Such screens and filters shall be used at all times and kept clean and in good order and repair by the Owner of the Unit in which they are located.

Section 8.10 Floor Load. There shall be no excessive floor load in any Unit unless an engineering determination of the floor load capacity in the area of heavy use is approved by the Association. Items that may require an engineering determination include, but are not limited to, safes, pool tables and aquariums. Such engineering determinations shall be obtained by the Association at the requesting Owner's expense.

Section 8.11 Windows. No curtains, draperies, or blinds shall be installed or hung in any window of any Unit unless they (i) have an off-white lining or backing on the side exposed to the window and (ii) cover the full length and width of such window. No blinds shall be less than two inches in width. No storm windows shall be installed in any Unit.

Section 8.12 Architectural Control. No building, landscaping, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, change or alteration to either a Unit or the Common Elements be made, until the plans and specification showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Association, in its sole discretion; provided, however, that this sentence shall not apply to Declarant's construction of improvements or exercise of any Development Rights or Special Declarant Rights. Review and approval of any application hereunder may be made on any basis, including solely the basis of subjective aesthetic considerations only, and the Association shall not bear any responsibility for ensuring the design quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with any building codes, zoning regulations and other governmental requirements.

Section 8.13 Signs and Flags. No signs or other advertising devices shall be displayed on or about the exterior of any Unit or in the Common Elements except for signage typically used in the marketing and sale of real estate and signage as permitted by municipal code and governmental authorities. Notwithstanding the foregoing, Declarant shall have the right to maintain upon the Property advertising signs independent of this standard until all Units owned by Declarant are sold (including Additional Units that may be created pursuant to Article VI), provided those signs comply with

applicable laws, ordinances and regulations. Further, no pole or other device for the display of decorative flags shall be erected or displayed on or about the exterior of any Unit or in the Common Elements unless approved in advance by the Association, excluding the display of one (1) standard sized (not to exceed three feet by five feet) flag of the United States of America, not to hang or extend over any perimeter vertical plane of any balcony railing, which form of attachment shall be approved or disapproved by the Association. In the event that the Association approves installation of a pole or device for the display of decorative flags, any such flags displayed by an Owner shall be in good taste and shall not contain lewd or offensive displays or material. Notwithstanding any other provision of this Declaration or the Condominium Documents, Declarant may implement a signage program for the Property as determined in Declarant's reasonable discretion.

Section 8.14 Maintenance. The Owner of each Unit is responsible for maintaining his, her or its Unit as well as the Limited Common Elements appurtenant thereto. Each Owner shall keep his, her or its respective Unit and its appurtenant Limited Common Elements in a clean, neat and orderly condition and in a good state of maintenance and repair. If an Owner fails to comply with the standards or requirements of the Association relative thereto after notice and a such opportunity to cure as the Association deems reasonable under the circumstances, the Association shall assess the defaulting Owner the cost thereof and shall undertake to effect said compliance; provided, however that notice and opportunity to cure shall not be required in situations that the Board believe to be an emergency.

Section 8.15 Rules and Regulations. In addition to the use restrictions set forth in this Declaration, reasonable rules and regulations governing the use of the Property may be made and amended from time to time by the Association. Copies of such regulations and amendments thereto shall be delivered to all Owners prior to their effective date and shall thereafter be furnished by the Association to all Owners upon request. Specifically, and not by way of limitation, the Association shall have the right to make reasonable rules and regulations governing the use of the parking on the Property. No Owner shall be entitled to penetrate the roof of the Building (specifically including the floor of any terrace) without first providing detailed plans and specifications for the reason of any such penetration to the Association and obtaining prior written approval from the Association, to be granted in the Association's sole discretion and whose refusal to grant permission shall not be subject to appeal or challenge.

Section 8.16 Satellite Dishes and Antennas. In no event shall any exterior television antenna or satellite dish or other similar device be mounted or placed on the exterior surface or patio balcony of any Unit, nor shall any Unit or Owner be permitted to install any exterior television antenna or satellite dish or other similar device on the roof of any Building. The Association may, but is not obligated to, contract with one (1) satellite television service vendor to provide subscription services for all Owners. In the event an Owner desires satellite service, that Owner shall obtain satellite service solely from this vendor according to the program then established by the Association.

Section 8.17 Balconies and Terraces. The balconies and rooftop terraces, if any, allocated to each Unit shall be kept in a clean, neat and orderly condition at all times and shall not be used for storage, cooking or for the drying of laundry. In particular, towels or banners shall not be hung on railings and any dead plants shall be removed promptly. Screens and attachments to balconies or terraces are prohibited without the prior written consent of the Association. Furnishings and decorations for balconies and terraces that are visible from the ground or from other balconies and terraces are subject to the Association's prior written approval. No firepits, grills or cooking devices of any type shall be placed or used for any reason on the balconies or terrace. No indoor-outdoor carpeting, hot tub or other pool shall be installed on any balcony or terrace, nor any furniture that is of such insufficient weight that winds may dislodge them from the balcony and thus cause a hazard. Use of rooftop terraces shall be

subject to the rules and regulations governing the use of the Property, including but not limited to any restrictions on loud noises during evening and morning hours.

ARTICLE IX THE ASSOCIATION

9.1 Organization of Association. A nonprofit North Carolina corporation known and designated as The Axis at Grove 98 Condominium Association, Inc., has been organized to provide for the administration of the Property, and the Association shall administer the operation and maintenance of the Property and undertake and perform all acts and duties incident thereto in accordance with the terms of the Articles, the Bylaws, and the North Carolina Condominium Act. Every Owner shall be required to be and shall automatically be a member of the Association by virtue of his, her or its ownership interest in a Unit. With respect to matters on which the members of the Association are entitled to cast a vote, the total number of votes shall be equal to the number of Units contained within the Condominium from time to time; and the owners of each Unit will be entitled to one (1) vote. If fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be members of the Association, but the vote with respect to any such jointly owned Unit shall be cast as hereinafter provided.

9.2 Powers; Lien for Assessment. In the administration of the operation and management of the Property, the Association shall have and it is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments in the manner provided in Article XII below and in the Bylaws, and adopt, promulgate and enforce such rules and regulations governing the use of the Units and Common Elements as the Association may deem to be in the best interest of the Owners in accordance with the Bylaws. Any sum assessed by the Association remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on the Unit with respect to which such sum was assessed upon filing in accordance with N.C. Gen. Stat. §47C-3-116 and shall be enforceable by the Association in accordance with N.C. Gen. Stat. §47C-3-116 and the Bylaws, including without limitation the right to recover reasonable attorneys' fees and costs of collection.

9.3 Executive Board during Declarant Control Period. During the Declarant Control Period, Declarant reserves the right to appoint and remove any Executive Board members and Officers of the Association; provided, however, that, to the extent required by N.C. Gen. Stat. §47C-3-103(e) or a successor statute: (i) not later than sixty (60) days after conveyance by Declarant to Owners other than Declarant of twenty-five percent (25%) of all of the Units reserved to Declarant for construction hereunder (expressly including all Units that be created pursuant to Special Declarant Rights), at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than Declarant; and (ii) not later than sixty (60) days after conveyance of fifty percent (50%) of all of the Units reserved to Declarant for construction hereunder by Declarant to Owners other than Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Owners other than Declarant.

9.4 Books and Records. The Association shall maintain current copies of: (a) the Condominium Documents, as they may be amended from time to time; (b) any rules and regulations adopted by the Association from time to time; (c) such records as are required by the Bylaws and applicable law; and (d) all financial records of the Association, as required by N.C. Gen. Stat. §47C-3-118. These items shall be available for inspection, during normal business hours and upon reasonable advance notice, by any Owner, any Mortgagee, any prospective purchaser of a Unit, any insurer or guarantor of a loan secured by a Mortgage and any authorized agent of an Owner.

9.5 Right to Information. The Board shall have the right to require Owners to provide: (a) their contact information, including address, email and phone number; (b) such information within the Owner's possession or control as may be reasonably necessary for the Association to fulfill its obligations under the Condominium Documents, the Act or other applicable law; and/or (c) such information regarding the ownership, occupancy, leasing and use of the Unit as may be required by the Federal Housing Administration, the Department of Veterans Affairs or any other federal, state or local governmental or quasi-governmental authority of appropriate jurisdiction involved in regulating, purchasing, guaranteeing or insuring mortgages. Each Owner shall provide such information promptly and in any event within 10 business days after written demand.

9.6 Master Association. This Declaration and the Condominium Documents are subject to the terms and conditions of the Master Declaration and other "Governing Documents" (as defined therein). To the extent permitted by the Act and other applicable law, to the extent of a conflict between the terms of the Master Declaration and the terms of the Condominium Documents, the Master Declaration shall control; provided, however, this provision shall not be construed to prevent the enforcement of additional covenants, conditions, restrictions and easements in the Condominium Documents that do not contravene the provisions of the Governing Documents.

(a) Each Owner, by its acceptance of title to a Unit, is deemed to have irrevocably assigned to the Association, and the Association is deemed to have assumed, (i) the right to attend Member meetings of the Master Association; and (ii) the right to receive any notice, the right to cast any vote, and the right to give or withhold any approval, both as a Member of the Master Association and as an Owner under the Master Declaration, provided for in the Master Declaration, including without limitation membership votes regarding the annual budget of the Master Association and membership votes relating to amendments of the Master Declaration.

(b) The Condominium Representatives, as defined in the Master Declaration, shall be selected, removed and hold office in the same manner as Board members of the Association.

(c) The Association will collect and remit to the Master Association all assessments levied by the Master Association pursuant to the Master Declaration against the Property subject to this Declaration.

ARTICLE X EASEMENTS AND PROPERTY RIGHTS

10.1 Access by the Association. The Association, or any Person authorized by it, shall have the right of access to each Unit and to the Limited Common Elements to the extent necessary for performance by the Association of its obligations, specifically including, to the extent applicable, maintenance, repair, or replacement of the Property. Without limiting the generality of the foregoing, the Association and any Person authorized by it shall be entitled to access through stairwells (including but not limited to those within a Unit) where reasonably necessary to access the roof or top of a Building.

10.2 Encroachment Easements. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if such encroachment shall occur hereafter as a result of (a) the settling or shifting of any Building, or (b) any construction, reconstruction, restoration, alteration, repair or replacement by Declarant or the Association pursuant to this Declaration, there shall exist a valid easement for the encroachment and for the maintenance of same for so long as such Building shall stand. If any Building, any Unit, or any portion of the Common Elements is partially or totally destroyed by fire or other casualty or as a result of condemnation or eminent domain proceedings, and subsequently is rebuilt, any

encroachment of parts of the Common Elements upon any Unit, or of parts of any Unit upon the Common Elements, due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

10.3 Easements over Common Elements. Declarant, until all Units owned by Declarant are sold (including all Units that may be created pursuant to Article VI), or the Association, at any time, may grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines; pipes; ducts; sewer lines; water lines; gas mains and lines; telephone broadband and television or cable television wires, cables and equipment; electrical conduits; fiber optic lines; and wires over, under, along and on any portion of the Common Elements and Limited Common Elements outside Unit Boundaries; provided, however, that any such easements granted by the Association that may affect or interfere with any Development Rights or Special Declarant Rights are subject to Declarant's prior written consent. Each Owner hereby grants to Declarant or the Association, as applicable, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner such instruments as may be necessary to effectuate the foregoing. Declarant shall have an easement over the Common Elements and the Limited Common Elements outside Unit Boundaries as may be reasonably necessary to complete the construction of the Buildings as well as post-construction improvements and modifications within the Property or within such additional land. Any easements depicted or described on the Plans shall be valid easements hereunder for the benefit of the Association and/or other parties identified in the Plans.

10.4 Emergency Access. In case of any emergency originating in or threatening any Unit or its Limited Common Elements or the Common Elements, regardless of whether the Owner is present at the time of such emergency, the Association, or any other Person authorized by it, shall have the right to enter any Unit or its Limited Common Elements for the purpose of remedying or abating the cause of such emergency and making any other necessary repairs not performed by the Owners, and such right of entry shall be immediate.

Notwithstanding anything in this Declaration to the contrary, each Owner, by acquisition of a Unit, acknowledges that any drive isles located within the Property are private and not required to be maintained by the Town of Wake Forest or any government entity.

10.5 Drainage Easement. Until that date which is the fifteenth (15th) annual anniversary of the recordation of this Declaration, Declarant reserves an easement over and under the Property to maintain and to 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 grading of the soil, or take any other similar action reasonably necessary. After such action has been completed, Declarant shall restore the affected property to its original condition to the extent practicable. Declarant shall give the Association thirty (30) days' advance written notice of Declarant's intent each time it plans to exercise its rights pursuant to this Section.

10.6 Easements Affecting the Condominium. The Units, Common Elements and Limited Common Elements shall be, and the same are hereby subject to the restrictions, easements, conditions, and covenants set forth on Exhibit C attached hereto and incorporated herein by this reference.

10.7 Relocation of Boundaries; Subdivision; Partitioning.

(a) Relocation of Boundaries Between Adjoining Units. The boundaries between adjoining Units may be relocated upon application to the Association by the Owners of such adjoining Units ("Adjoining Owners") and upon approval by the Association of such application; provided, however, that no such relocation of boundaries and interests, if applicable, shall be

binding upon any Mortgagee holding a Mortgage on any Unit whose boundaries are relocated, unless consented to in writing by such Mortgagee. Any such application to the Association must be in such form and contain such information as may be reasonably required by the Association, and shall be accompanied by, a plat and/or detailing the proposed relocation of boundaries. Unless the Association determines within thirty (30) days after submission to it of the application that the proposed relocation of boundaries is unreasonable, the application shall be approved. Any relocation of boundaries pursuant to this paragraph shall not affect the interests in the Common Elements allocated to each Unit. Upon approval of the proposed relocation of boundaries, the Association shall cause to be prepared and filed, at the Adjoining Owners' expense, an amendment to this Declaration and a plat which identifies the Units involved, describes and depicts the altered boundaries, and gives the dimensions of the altered Units. Such amendment shall also contain operative words of conveyance and be signed by the Adjoining Owners and consented to by their Mortgagees, if any, and shall be indexed in the Wake County Registry in the names of the Adjoining Owners.

(b) Subdivision of Units. No Unit may be subdivided except as permitted in Article VI and Article VII of this Declaration.

(c) Partitioning. The Common Elements are not subject to partition. The interests in the Common Elements allocated to each Unit shall not be conveyed, devised, encumbered, partitioned or otherwise dealt with separately from each such Unit, and the interests in the Common Elements allocated to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such interests are not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon the Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit's Allocated Interests unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the identifying number assigned thereto on the Plans shall, without limitation or exception, be deemed and construed to affect the entire Unit and its Allocated Interest. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its Allocated Interest by more than one Person or entity as tenants in common, joint tenants, or as tenants by the entirety or any other form permitted by law.

10.8 Conveyance or Encumbrance of Common Elements. While the Property remains subject to this Declaration and to the provisions of the North Carolina Condominium Act, no conveyances or security interests or liens of any nature shall arise or be created against the Common Elements without the consent by vote of at least eighty percent (80%) of the votes in the Association, including at least eighty percent (80%) of all votes held by Owners other than Declarant and at least eighty percent (80%) of all Mortgagees. Every agreement for the performance of labor or the furnishing of materials to the Common Elements, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and that the right to file a mechanic's lien or other similar lien by reason of labor performed or material furnished is subordinated to this Declaration and to the lien of assessments for Common Expenses provided for in Section 9.2 of this Declaration. Nothing in this Section 10.8 shall be construed to limit the right of any Owner to convey or to encumber its Allocated Interest as an appurtenance to and in connection with the conveyance or mortgaging of his, her or its Unit.

10.9 Nature of Interest in Unit. Every Unit, together with its Allocated Interest, shall for all purposes be and it is hereby declared to be and constitute a separate parcel of real property.

10.10 Security. THE ASSOCIATION OR THE DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS THAT DIRECTLY OR INDIRECTLY IMPROVE SECURITY ON THE PROPERTY; HOWEVER, EACH OWNER AND OCCUPANT, FOR HIMSELF OR HERSELF AND HIS, HER OR ITS TENANTS, GUESTS, LICENSEES, INVITEES, AND OTHER PERMITTEES, ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR THE DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY ON THE PROPERTY. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT NON-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE PROPERTY AND COMMIT CRIMINAL ACTS ON THE PROPERTY NOR DOES THE ASSOCIATION GUARANTEE THAT CRIMINAL ACTS ON THE PROPERTY WILL NOT BE COMMITTED BY OTHER OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER AND OCCUPANT TO PROTECT HIS, HER OR ITS PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER AND OCCUPANT. NEITHER DECLARANT NOR ITS RELATED PARTIES NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN.

ARTICLE XI TOWN OF WAKE FOREST PROVISIONS

11.1 Stormwater Control Measures. The Unified Development Ordinance of the Town of Wake Forest (the “Code”) may require that stormwater runoff from the Property be controlled and nitrogen loading from stormwater runoff from the Property be reduced. If so required, to comply with the Code, stormwater control measures have been installed by Declarant and shall be maintained by the Association as Common Elements or Limited Common Elements in strict compliance with the applicable Stormwater Operations and Maintenance Manual and Budget by which the Property is or may become bound (if any), so at all times, the stormwater control measures shall perform as designed and shall comply with the Stormwater Agreement, the Code and applicable regulations, rules and directives of the Town of Wake Forest. The expenses for maintenance of such stormwater control measures by the Association shall be Common Expenses (or, if applicable, Limited Common Expenses). Failure to maintain the stormwater control measures constitutes a violation of the Code potentially subjecting the Association to significant civil penalties and other enforcement actions. The Declarant reserves the right to amend this Declaration without the consent of any other party to comply with the Code.

Without limiting the generality of the foregoing, the Property is subject to that certain Town of Wake Forest Stormwater Control Facilities/BMPs Operation and Maintenance Agreement recorded in Book 19144, Page 371, Wake County Registry.

ARTICLE XII ASSESSMENTS

12.1 Taxes. Every Unit, together with its Allocated Interest shall be separately assessed and taxed by each assessing authority for all types of taxes authorized by law. Each Owner shall be liable solely for the amount taxed against his, her or its individual Unit; provided, however, some Units may not initially be separately assessed with respect to Wake County *ad valorem* property taxes until transfer of title from Declarant to an Owner.

12.2 Common Expenses. Except as otherwise provided in this Declaration or in the Bylaws, each Owner on a monthly basis, and as special assessments may require, shall contribute an equal base amount plus a proportionate percentage share of all Common Expenses in accordance with the definition of "Common Expenses" set forth in Article I herein, the Bylaws, and the provisions of the North Carolina Condominium Act. If Declarant exercises its Development Rights to create Additional Units and Limited Common Elements, Declarant shall adjust the Allocated Interest for each Unit in accordance with Section 5.3. Due dates for payment of Common Expenses shall be established by the Association and shall be collected at least quarterly and may be collected monthly. Notwithstanding when assessments are commenced, for the calendar year in which the assessments are commenced, Declarant agrees to pay any excess of Common Expenses of the Association over the amount of assessments collected from Owners (except to the extent the deficit results from nonpayment by Owners other than Declarant). It is acknowledged and agreed that the budget, including reserve amounts, is merely an estimate and shall not affect the Association's ability to levy assessments as herein provided, and all Owners are therefore advised to maintain sufficient personal reserves in order to pay any such assessments. The Association also has the right to impose additional assessments for shortfalls in the budget versus actual Common Expenses (upon approval by no less than sixty-seven percent (67%) of the votes in the Association), for damage or loss caused by one Owner in particular, and for Units that require extra utility services to the extent not separately metered.

No Owner shall be exempted from liability by waiving the use or enjoyment of any or all of the Common Elements or by abandoning its Unit. No Owner shall be entitled to a diminution or abatement in its Allocated Interest of Common Expenses for any inconvenience or discomfort arising from: (a) the failure or interruption of any utility or other services; (b) the making of repairs or improvements to the Common Elements or any Unit; or (c) any action taken by the Executive Board to comply with law. Declarant may, but shall not be obligated to, loan the Association money to the extent that Common Expenses paid by the Owners are inadequate. This advance shall be to the Association and on terms generally available to Declarant from its lending institution. Declarant, if also an Owner, shall also be responsible for the payment of assessments as otherwise required by this Article.

12.3 Assessment for Limited Common Expenses. The Association shall assess the costs it incurs or reasonably expects to incur in connection with the maintenance, repair and, when necessary, replacement of the Limited Common Elements. Each Owner who uses or benefits from the Limited Common Element maintained, repaired or replaced by the Association shall pay an amount based upon a formula in which the numerator is the number of Units owned by the Owner which benefitted from the maintenance, repair or replacement, and the denominator is the total number of such Units.

12.4 Budget. The Executive Board shall adopt a proposed budget for Common Expenses for each fiscal year of the Association (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the first sale of a Unit). The Board shall endeavor to adopt the proposed budget prior to January 15 of the applicable year. This proposed budget shall include all anticipated revenues, the anticipated Common Expenses, and any surplus or deficit in the budget from the prior years. Within thirty (30) days after adoption of any proposed budget, the Executive Board shall send each Owner a summary of that proposed budget along with notice of a scheduled meeting of the Association to consider ratification of the budget. The date of that meeting shall be not less than ten (10) nor more than sixty (60) days following the notice of the meeting. The proposed budget shall be deemed ratified unless a majority of the votes of the Association reject the budget. A quorum need not be present at the ratification meeting. The budget as ratified shall be the basis for calculating the Owners' liability for Common Expenses during the calendar year. Following ratification of the budget, the Executive Board shall calculate the amount of each Unit's Allocated Interest of Common Expenses and shall send a notice of that amount to each Owner of a Unit. The failure or delay of the Executive Board to prepare or adopt a budget or to determine the Common

Expenses for any calendar year shall not be deemed a waiver, modification or release of the Owners' obligation to pay its Allocated Interest of Common Expenses. In such event, the Allocated Interests in Common Expenses that were computed on the basis of the Common Expenses for the prior calendar year shall continue to be payable until a new budget is adopted and ratified.

12.5 Surplus Funds. The term "Surplus Funds" means and refers to all funds and other assets of the Association, including the excess of receipts of the Association from assessments, rents, profits and revenues from whatever source, over the amount of Common Expenses. The Surplus Funds shall be owned by the Owners in equal shares, based upon the total number of Units in the Condominium from time to time; provided, however, that the Surplus Funds shall be held by the Association in the manner and subject to the terms, provisions and conditions of this Declaration imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance proceeds, which shall be made in the manner provided in Section 13.6, or upon termination of the Condominium, any attribution or distribution of, or credit for, Surplus Funds which may be made from time to time shall be made to the then Owners in proportion to their Allocated Interests.

12.6 Fines. The Executive Board may impose fines on any Owner, Occupant or Unit for a failure to comply with this Declaration. To the extent required by N.C. Gen. Stat. § 47C-3-107.1 or a successor statute, Owner shall be entitled to notice of the charge, opportunity to be heard and present evidence, and notice of the decision in accordance. Fines shall be paid not later than thirty (30) days after notice of the assessment is given to the offending Owner. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise entitled under law. Any fine paid by the offending Owner shall nevertheless be deducted from or offset against any damages that the Association may otherwise be entitled to recover by law from that Owner. Fines shall be as follows:

- (a) First non-compliance or violation: a fine not in excess of Fifty Dollars (\$50.00).
- (b) Second non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).
- (c) Third and subsequent non-compliance or violation, or violations that are of a continuing nature: a fine not in excess of One Hundred Dollars (\$100.00) for each week of continued violation or non-compliance.

12.7 Working Capital Contribution. When Declarant first conveys a particular Unit to a purchaser other than Declarant, an amount equal to the greater of two (2) months of the Allocated Interest in Common Expenses for the Unit or \$1,000.00 shall be collected from the purchaser and paid to the working capital funds of the Association and/or the Master Association. The foregoing shall not constitute an advance payment of Common Expenses or other assessments by such Owner.

12.8 Statements. The Association shall furnish statements of unpaid assessments due with respect to a Unit to the Unit's Owner or authorized agent within ten (10) business days of request. The Association may impose a reasonable fee for such statements, and a reasonable expediting fee if a statement is requested within 48 hours of a closing. Such fees shall not exceed the maximum established from time to time by the Act, which, as of the date of this Declaration, is \$200 per statement or \$300 per expedited statement.

12.9 Interest. The unpaid amount of any assessment shall bear interest from its due date at eighteen percent (18%) per annum or the maximum legal rate of interest then prevailing, whichever is lesser.

ARTICLE XIII INSURANCE

13.1 Property Insurance. The Association shall cause to be obtained and maintain at all times a policy of property insurance on all Buildings (ISO special form or its equivalent) and all improvements on the Property as originally constructed, without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company, such coverage to be in an amount not less than one hundred percent (100%) of the replacement cost of the Buildings at the time such insurance is purchased and at the time of each renewal thereof with a commercially reasonable deductible. The policy shall be issued by an insurance company properly licensed to do business in the State of North Carolina. The policy shall provide that each Owner is an insured person with respect to his, her or its Unit and his, her or its allocated interest in the Common Elements. The policy shall contain, to the extent available, a special condominium endorsement providing as follows: (i) for waiver of subrogation against any Owner, and any Owner's employees or agents; (ii) that it may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and Mortgagees (or such advance notice as is available upon commercially reasonable terms); (iii) that no act or omission by any Owner, unless acting within the scope of his, her or its authority on behalf of the Association, will preclude recovery upon such policy; and (iv) that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. Each property insurance policy shall provide for the issuance of certificates or mortgagee endorsements to Mortgagees upon request. Any improvements or betterments made by Owners other than Declarant must be insured by said Owner's insurance policy.

13.2 Liability Insurance. The Association shall obtain and maintain a policy of commercial general liability insurance (current ISO form or its equivalent) in such limits as the Executive Board may from time to time determine, covering each member of the Executive Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence or the minimum then required by the Act. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days prior written notice to the Association and to all insureds, including all Owners and Mortgagees (or such advance notice as is available upon commercially reasonable terms). The Executive Board shall review such limits annually.

13.3 Fidelity Coverage. The Association may obtain such fidelity coverage against dishonest acts on the part of all persons responsible for handling funds belonging to or administered by the Association as it may deem necessary. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Executive Board, but in no event less than one half the annual budgeted amount of Common Expenses, or the amount required by any Mortgagee, whichever is greater.

13.4 Other Insurance Policies. The Association shall be authorized to obtain such other insurance coverage, including worker's compensation or employee liability insurance, as the Association shall determine from time to time desirable or necessary.

13.5 Premiums and Deductibles. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association and charged as a Common Expense. Notwithstanding the preceding sentence to the contrary, in the event that a casualty occurs wholly within the boundaries of a Unit and does not affect any other Units or Common Elements, the Owner of such Unit shall be wholly responsible for any deductible amount in such policy of insurance relating to such claims.

13.6 Distribution of Insurance Proceeds. All insurance policies procured by the Association shall provide that all losses shall be adjusted with, and all proceeds shall be payable to, the Association or an insurance trustee designated by the Association. The sole duty of the Association or insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes set forth herein and for the benefit of the Owners and their Mortgagees in the following shares (or as otherwise required by the Act, including without limitation N.C. Gen. Stat. § 47C-2-118 in the event of termination of the Condominium):

(a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his, her or its Mortgagee, if any, each Owner's share to be the same as such Owner's Allocated Interest.

(b) Proceeds on account of damage to Units shall be held in the following undivided shares:

(i) When the damage is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association.

(ii) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's Allocated Interest.

(c) In the event that a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Mortgagee and the Owner as their respective interests may appear.

(d) Proceeds of insurance policies received by the Association or insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:

(i) If it is determined, as provided in Article XIV below, that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired,

A. the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium;

B. the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the owners of those Units and of the Units to which those Limited Common Elements were allocated or to their Mortgagees, in proportion to their respective Allocated Interests; and

C. the remainder of the proceeds shall be distributed to all Owners or Mortgagees, as their interests may appear, in proportion to their respective Allocated Interests.

(ii) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners and their Mortgagees, if any, jointly in proportion to each Owner's Allocated Interest.

13.7 Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon its personal property, any and all fixtures, improvements or betterments made or installed in a Unit by or for an Owner after such Unit has been conveyed to such Owner by the Declarant, and any other items that are not expressly required to be insured by the Association pursuant to N.C. Gen. Stat. § 47C-3-113, public liability insurance, and such other insurance coverage as he, she or it may desire. Each Owner shall obtain and maintain public liability insurance coverage in the amount of at least \$100,000.00 for bodily injury, including deaths of Persons and property damage, arising out of a single occurrence and, to the extent required by Declarant or the Association, name Declarant and/or the Association as additional insureds. Each Owner shall file a copy of each such individual policy with the Association within thirty (30) days after purchase and shall provide, upon renewal, evidence of such renewal. Each such policy shall also provide that such policy cannot be terminated or cancelled without thirty (30) days' notice to the Association (or such advance notice as is available upon commercially reasonable terms).

13.8 Miscellaneous. All insurance obtained pursuant to this Declaration shall be in accordance with the provisions and requirements of the Act.

ARTICLE XIV DUTY TO REPAIR OR RECONSTRUCT

14.1 Reconstruction and Repair. In the event of damage to or destruction of any Building as a result of fire or other casualty, the Association shall arrange for the prompt restoration and replacement of the damaged or destroyed Building unless: (a) the Condominium is terminated in accordance with the provisions of Article XVII below, or (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) the Owners decide not to rebuild by a vote of eighty percent (80%) of the votes in the Association, including one hundred percent (100%) of the votes held by Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units to which are assigned Limited Common Elements not to be rebuilt. Unless one of the preceding three conditions occurs, the Association shall arrange for the prompt repair and restoration of the damaged or destroyed Building, not including any decoration or covering for walls, ceilings, or floors, or furniture, furnishings, fixtures or equipment (unless the subject insurance policy covers a portion or all of such loss, in which event the Association shall repair or replace such covered property if damaged), and the Association shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments and in accordance with the provisions of Section 13.6(d)(ii) of this Declaration. The cost of repair and restoration in excess of the insurance proceeds and reserves shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plans. If the Owners vote not to rebuild any Unit, that Unit's Allocated Interest shall be automatically reallocated upon the vote as if the Unit had been condemned under N.C. Gen. Stat. §47C-1-107(a).

14.2 **Obligations of Owners.** Each Owner will, at his, her or its sole cost and expense, keep and maintain his, her or its Unit in good order and repair in accordance with the Plans, and will make no structural addition, alteration or improvement to his, her or its Unit without the prior written consent of the Association, except as specifically permitted by this Declaration or authorized under N.C. Gen. Stat. §47C-2-111. Upon the failure of an Owner to so maintain his, her or its Unit after notice and a such opportunity to cure as the Association deems reasonable under the circumstances, the Association shall be authorized to maintain, repair or restore such Unit, and the cost thereof shall be charged to such Owner and constitute a lien on the Unit until paid; provided, however that notice and opportunity to cure shall not be required in situations that the Board believes to be an emergency.

ARTICLE XV UNITS SUBJECT TO CONDOMINIUM DOCUMENTS

All present and future Owners and occupants of the Units shall be subject to and shall comply with the provisions of the Condominium Documents, as they may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Condominium Documents are accepted and ratified by such Owner or Occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the Property and shall bind any Person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance, whether or not the Condominium Documents are expressly described or cited therein.

ARTICLE XVI AMENDMENT TO AND SUPPLEMENT OF DECLARATION

Except in cases of (a) amendments that may be permitted by N.C. Gen. Stat. §§47C-1-107 (regarding eminent domain), 47C-2-108(b) (regarding limited common elements), 47C-2-109(d) (regarding development rights), 47C-2-110 (regarding development rights), 47C-2-112(a) (regarding relocation of boundaries between adjoining units), 47C-2-118(b) (regarding termination of the Condominium), (b) decisions, alterations and changes made by Declarant as provided for in the Declarant Control Period, (c) exercise of Special Declarant Rights, or (d) as is otherwise specifically authorized herein, this Declaration may be amended only by the vote or written agreement of the Owners of Units to which not less than sixty-seven percent (67%) of the votes in the Association are allocated. Except for the exercise of Development Rights and Special Declarant rights, and except to the extent expressly permitted by the other provisions of this Declaration, any amendment which amends or alters the Allocated Interest of any Unit, increases the number of Units, changes the boundaries of any Unit, changes the use to which any Unit is restricted, or modifies the terms of this Article XVI, shall require the written approval of all Owners, together with the consent of all their respective Mortgagees. No amendment to the Declaration shall be effective until executed on behalf of the Association by any officer designated for that purpose and recorded in the office of the Register of Deeds of Wake County, North Carolina. No amendment to this Declaration shall be adopted or passed which shall impair or prejudice the rights and priorities of any Mortgagee without the written consent of such Mortgagee. During the Declarant Control Period, or for such longer period as Declarant owns any Unit or has a Development Right to create additional Units, no amendment to this Declaration shall be effective without the written consent of Declarant.

ARTICLE XVII TERMINATION

The Condominium may be terminated and the Property removed from the provisions of the North Carolina Condominium Act only by agreement of the Owners of Units to which not less than eighty percent (80%) of the votes in the Association are allocated, and as evidenced by execution of a termination agreement, or ratification thereof, by the requisite number of Owners and Mortgagees. The termination shall comply with the requirements of N.C. Gen. Stat. §47C-2-118, and must be recorded in the Office of the Register of Deeds of Wake County, North Carolina before it becomes effective. Following the recordation of the termination agreement, the interests of the Owners and Mortgagees in the Property shall be as provided in N.C. Gen. Stat. §47C-2-118.

ARTICLE XVIII MORTGAGEE PROTECTION

18.1 General Provisions. This Article XVIII establishes certain standards and covenants for the benefit of Mortgagees. This Article XVIII is supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the event of any conflict between the provisions of the Condominium Documents and the provisions of this Article XVIII, the provisions of this Article XVIII shall control.

18.2 Rights to Examine Books and Records. Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year. The financial statement and report shall be audited by an independent certified public accountant if elected by the Association, reasonably required by a Mortgagee or required by applicable law.

18.3 Mortgagee's Rights to Notice. Any Mortgagee (including, for purposes of this Section 18.3, any insurer or guarantor of a loan secured by a Mortgage that has notified the Association in writing of its name and address, and that it insures or guarantees a Mortgage) shall have the right to receive from the Association prompt written notice of the following:

(a) Default under any of the terms and provisions of the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by such Mortgagee, which default remains uncured for a period of sixty (60) days.

(b) Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a Mortgage held, insured or guaranteed by such Mortgagee.

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

(d) Any proposed action by the Association, the Executive Board, or the Owners, which under the terms of the Condominium Documents requires the consent of all or any portion of the Mortgagees.

18.4 Other Mortgagee Rights.

(a) Notwithstanding anything contained herein to the contrary, any Mortgagee or other purchaser at a foreclosure sale who obtains fee ownership of a Unit pursuant to foreclosure under power of sale, judicially or under any other remedy contained in a Mortgage shall not be liable for unpaid assessments which accrued against the Unit prior to such Mortgagee or purchaser obtaining title to such Unit. Any representative of a Mortgagee may attend and address any meeting that an Owner may attend.

(b) Any amendment to the Condominium Documents resulting in a material adverse nature to Mortgagees must be agreed upon by Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject to Mortgages. Written notice of the proposed amendments must be sent to Mortgagees by certified or registered mail, return receipt requested. In the event Mortgagees do not respond within sixty (60) days after receipt of said notice, Mortgagees consent shall be deemed granted.

(c) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by Mortgagees representing fifty-one percent (51%) of the votes of Units subject to Mortgages.

18.5 Enforcement. The provisions of this Article XVIII are for the benefit of all Mortgagees and their successors, and may be enforced by any of them by any available means.

ARTICLE XIX CONDEMNATION

If all or any part of the Condominium is taken in condemnation or by eminent domain, the award for such taking shall be distributed in accordance with the procedure set forth in N.C. Gen. Stat. §47C-1-107.

ARTICLE XX MISCELLANEOUS PROVISIONS

20.1 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity and enforceability of the remainder of this Declaration, and in such event, all the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

20.2 Waiver. No provisions contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

20.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

20.4 Law Controlling. This Declaration and the Condominium Documents shall be construed and controlled by and under the laws of the State of North Carolina.

20.5 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership as provided in the North Carolina Condominium Act. Throughout this Declaration wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.

ARTICLE XXI

DISPUTE RESOLUTIONS AND LIMITATION ON LITIGATION

21.1 Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes. The Association, Declarant and its Related Parties, all Owners, all other persons or entities subject to this Declaration, and any person or entity not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Condominium in order to avoid the emotional and financial costs of litigation. Accordingly, to the extent permitted under applicable law, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the Articles, the Bylaws, or the Association rules and regulations, (collectively "Claim"), except for Exempt Claims under Section 21.2, shall be resolved using the procedures set forth in Section 21.3 below in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

21.2 Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 21.1 above:

- (a) Any suit by the Association against any Bound Party to enforce the provisions relating to assessments;
- (b) Any suit by the Association to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions relating to architectural control or use restrictions;
- (c) Any suit between Owners (other than Declarant or its Related Parties) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of North Carolina in the absence of a claim based on the Declaration, Bylaws, Articles or rules of the Association, if the amount in controversy exceeds \$10,000.00;
- (d) Any suit arising out of any written contract between Owners and which would constitute a cause of action under the laws of the State of North Carolina in the absence of the Declaration, Bylaws, and Articles; and
- (e) Any suit in which all parties are not Bound Parties.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 21.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 21.3 shall require the approval of the Association.

21.3 Mandatory Procedures for All Other Claims. To the extent permitted under applicable law, all claims other than Exempt Claims shall be resolved using the following procedures:

(a) Notice. Any Bound Party having a claim (“Claimant”) against any other Bound Party (“Respondent”), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the “Notice”), stating plainly and concisely:

(i) The nature of the Claim, including date, time, location, persons involved and Respondent’s role in the Claim;

(ii) The basis of the Claim (i.e., the provisions of this Declaration, the Bylaws, the Articles or rules or other authority out of which the claim arises);

(iii) What Claimant wants Respondent to do or not to do to resolve the Claim;

(iv) That the Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

(i) Each Claimant and Respondent (the “Parties”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good negotiation.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if it believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

(i) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice or within such other period as may be agreed upon by the Parties (“Termination of Negotiations”), Claimant shall have 30 additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(iii) If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth when and where the Parties met, that the parties are at an impasse, and the date that mediation was terminated.

(iv) Each Party shall, within five days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent. The Respondent shall make a formal written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration. To the extent permitted under applicable law, any and all claims, disputes and controversies by and between the Declarant, Association and/or Owners or any combination thereof arising from or related to the Condominium (including Units, Common Elements and Limited Common Elements), any improvements to the Land, the sale of the Land, including, without limitation, any claim of breach of contract or warranty, negligence, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this Article XXI, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of the American Arbitration Association in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by, all successors and assigns of the Parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement and, notwithstanding provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this Article XXI shall be determined by arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

(e) Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with the above and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any award following arbitration, then any other Party may file suit or initiate administrative proceedings to

enforce such agreement or award without the need to again comply with the procedures set forth above and, in such event, the Party taking action to enforce the agreement or award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

21.4 Litigation. To the extent permitted under applicable law, (a) any litigation by the Association other than the Exempt Claims set out above, or (b) any arbitration against the Declarant or its Related Parties shall both require an affirmative vote of eight-five percent (85%) of the members of the Association prior to the institution of such litigation. If and to the extent allowed by applicable law, no lawsuit shall be permitted against the Declarant or its Related Parties.

ARTICLE XXII LIMITATION OF LIABILITY; DISCLOSURES; GENERAL CONTRACTOR PROVISIONS

22.1 Limitation of Liability. N.C. Gen. Stat. § 47C-4-114 provides implied warranties that the premises within a Condominium are free from defective materials, constructed in a workmanlike manner, constructed in accordance with sound engineering and construction standards and that such premises may be used for a particular purpose. Except for those warranties mandated by the Act or other applicable law, Declarant shall not be deemed to have made any warranty, express or implied, of any kind or nature whatsoever, with respect to the units or the Condominium.

22.2 Disclosures. Condominium living is a form of shared living, with each Owner purchasing a separate living space that shares many common elements with other units, other people and other building systems, walls, fire protection, security, steel and concrete structure, internal building equipment and systems, stairways and the like. Owners may hear sounds from their neighbors, whether next door or from the street level due to traffic, pedestrians, trains, and other activities. Owners may hear sounds or feel vibrations from building systems transmitting through the structure or exterior or from unit to unit of the building. Owners may hear noises or smell odors or feel vibrations from other Units. Owners may experience variability in the performance of building systems, including but not limited to common systems such as HVAC chilled water availability and potable water pressure. Owners actual unit square footage may not be the anticipated square footage noted on the unit plan and/or in the plans and specifications for the Unit and/or Condominium, nor may locations and dimensions of walls, doors, electrical outlets, appliances, cabinetry and other items be installed as shown on the plans and specifications, as large scale commercial construction is inherently imprecise due to inexact field measurements, material unavailability and/or labor shortages, substitutions or alterations in designs or materials, and field conditions that result in departures from written plans and specifications to accommodate construction considerations at the discretion of the architect, general contractor, and/or Declarant, as well as departures from plans and specifications made to comply with then-current code and field instructions from municipal building inspections during construction. Owners are purchasing a Unit of general size in a Condominium of general size and general construction quality, not a specific amount of square footage nor according to any specific plans and specifications. Owners shall not make any future claim against Declarant or the Association due to a departure or deviation from specific plans and specifications. Owners will not be entitled to collect any monetary award or damage from any departure or deviation from specific plans and specifications, or any claim that said plans and specifications were incomplete or inappropriate for the application of construction. Owners may experience, as in any developed environment, building construction on a nearby or adjacent lot that creates noise, dust, nighttime artificial light, view obstructions, changes in public road patterns that affect access to the property, street noise with pedestrian and vehicular traffic at any time, higher levels of

necessary building operation and maintenance expense over time, and other such characteristics. These and other circumstances are common to condominium living in developed settings and therefore the Declarant makes no expressed or implied warranties or representations therefor.

ARTICLE XXIII EXHIBITS

The following exhibits are attached to and are an integral part of this Declaration:

- (a) Exhibit A-1 Legal Description of Land
- (b) Exhibit A-2 Legal Description of Additional Land
- (c) Exhibit B Schedule of Units and Percentage Interests
- (d) Exhibit C Easements

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Declarant has executed and sealed this Declaration as of the day and year first above written.

DECLARANT:

STANLEY MARTIN HOMES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, certify that W. Hampton Pitts personally came before me this day and acknowledged that he is a/the Division President of Stanley Martin Homes, LLC, a Delaware limited liability company and acknowledged the due execution of the foregoing instrument as the act of said company.

Witness my hand and official stamp or seal, this ____ day of _____, 2023.

_____, Notary Public

Print Name: _____

My Commission Expires: _____, 20__

[Affix Seal]

CERTIFICATE OF COMPLETION
Structural Components
THE AXIS AT GROVE 98 CONDOMINIUM

I, _____, an architect registered under the provisions of Chapter 83A of the North Carolina General Statutes, hereby certify in accordance with Section 47C-2-101(b) of the North Carolina General Statutes all structural components of the Building(s) designated Building(s) _____ containing or comprising any units thereby created known as The Axis at Grove 98 Condominium located at _____, Wake Forest, North Carolina are substantially completed in accordance with the architectural building design plans for The Axis at Grove 98 Condominium.

This the _____ day of _____, 202__.

[SEAL]

Architect:

Acknowledgment of Architect:

County of _____

State of _____

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that _____ he _____ or _____ she _____ voluntarily _____ signed _____ the _____ foregoing _____ document _____.

(Name of individual signing above)

Witness my hand and official seal, this the _____ day of _____, 202__.

(Official Seal)

Official Signature of Notary

_____, Notary Public

Notary's printed or typed name

My commission expires: _____

[**NOTE – SUBJECT TO CHANGE/OMISSION SO LONG AS N.C.G.S. 47C-2-101(b) IS SATISFIED**]

CERTIFICATE OF COMPLETION

Mechanical Systems

THE AXIS AT GROVE 98 CONDOMINIUM

I, _____, an engineer registered under the provisions of Chapter 89C of the North Carolina General Statutes, hereby certify in accordance with Section 47C-2-101(b) of the North Carolina General Statutes all mechanical systems of the Building(s) designated Building(s) _____ containing or comprising any units thereby created known as The Axis at Grove 98 Condominium located at _____, Wake Forest, North Carolina are substantially completed in accordance with the architectural building design plans for The Axis at Grove 98 Condominium.

This the _____ day of _____, 202__.

[SEAL]

Engineer: _____

Acknowledgment of Engineer:

County of _____

State of _____

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that _____ he _____ or _____ she _____ voluntarily _____ signed _____ the _____ foregoing _____ document _____.

(Name of individual signing above)

Witness my hand and official seal, this the _____ day of _____, 202__.

(Official Seal)

Official Signature of Notary

_____, Notary Public

Notary's printed or typed name

My commission expires: _____

[NOTE - SUBJECT TO CHANGE/OMISSION SO LONG AS N.C.G.S. 47C-2-101(b) IS SATISFIED]

EXHIBIT A-1

LEGAL DESCRIPTION OF LAND SUBJECTED TO THE DECLARATION

BEING all of Lot 1 containing approximately 1.60 acres as shown on the plat entitled “Grove 98 – SE Phase 1 Subdivision Plat [Correction Plat](#) 11050 Ligon Mill Road” dated ~~July 20, 2022~~[September 26, 2023 recorded in Book of Maps 2023, Pages 2021-2024, Wake County Registry, which corrects the plat](#) recorded in Book of Maps 2023, Pages 634-637, Wake County Registry.

EXHIBIT A-2

**LEGAL DESCRIPTION OF ADDITIONAL LAND THAT MAY BECOME SUBJECT TO THE
DECLARATION**

The Additional Land may include, without limitation, all or part of the following property:

BEING all of the property shown on and subject to the plat entitled “Grove 98 Phase 2 Subdivision Plat [Correction Plat](#) 11050 Ligon Mill Road” dated July 20, 2022 recorded in Book of Maps 2023, Pages 2014-2020, Wake County Registry, which corrects the plat recorded in Book of Maps 2023, Pages 1534-1540, which corrected the plat recorded in Book of Maps 2023, Pages 1052-1058, Wake County Registry.

EXHIBIT B

SCHEDULE OF UNITS AND ALLOCATED INTERESTS

Building #	Unit#	Total Percent Interest
A1	1	8 and 1/3%
A1	2	8 and 1/3%
A1	3	8 and 1/3%
A1	4	8 and 1/3%
A1	5	8 and 1/3%
A1	6	8 and 1/3%
A1	7	8 and 1/3%
A1	8	8 and 1/3%
A1	9	8 and 1/3%
A1	10	8 and 1/3%
A1	11	8 and 1/3%
A1	12	8 and 1/3%
TOTAL:	-	100.00%

~~[NOTE — THIS EXHIBIT B, THE DEFINITION OF “EXISTING BUILDING” AND RELATED PROVISIONS ARE SUBJECT TO CHANGE IF MORE THAN ONE BUILDING IS COMPLETE AT THE TIME OF RECORDING; ADDITIONALLY BUILDING AND UNIT NUMBERS ARE SUBJECT TO CHANGE]~~

EXHIBIT C

EASEMENTS

1. Taxes and assessments for the year 2023 and subsequent years not yet due and payable;
2. This Declaration, as amended and supplemented from time to time;
3. The Plans, as amended and supplemented from time to time;
4. Building restriction lines, easements, rights of way or any other facts as shown on plat recorded in Book of Maps 1935, Page 12; Book of Maps 2014, Page 1067; Book of Maps 2016, Page 2049; and Book of Maps 2020, Page 517, Wake County Registry.
5. Easement set forth in instrument recorded in Book 4372, page 663, Wake County Registry.
6. Memorandum of Action by the Department of Transportation recorded in Book 10638, Page 2714 and in connection therewith Consent Judgment in favor of the Department of Transportation recorded in Book 11880, Page 1797, Wake County Registry.
7. Deed of Easement with General Warranty for Sanitary Sewer Easement & Temporary Construction Easement to the City of Raleigh recorded in Book 15912, page 1399, Wake County Registry.
8. Ordinance 2019-23, An Ordinance to Extend the Corporate Limits of the Town of Wake Forest, North Carolina recorded in Book 17796, Page 2500, Wake County Registry.
9. Any right, easement, setback, interest, claim, encroachment, encumbrance, violation, variation, or other adverse circumstance affecting the Title regarding the matters shown on that survey entitled "ALTA/NSPS Land Title Survey Property of Wegmans Food Markets, Inc." by Dan Gregory, P.L.S., dated July 9, 2021.
10. Declaration of Covenants, Conditions, Easements and Restrictions (Planned Unit Development) filed for record in Wake County Registry in Book 18467, Page 1829.
11. Building restriction lines, easements, rights of way or any other facts as shown on plat recorded in Book of Maps 2021, Pages 910-915 and Book of Maps 2021, Page 1192, Wake County Registry.
12. Declaration of Covenants, Conditions, Easements and Restrictions (SEQ Parcel) filed for record in Wake County Registry in Book 18600, Page 2321.
13. Rights of First Refusal as contained in that Deed recorded in Book 18600, Page 2313, Wake County Registry.
14. Town of Wake Forest Stormwater Control Facilities/BMPs Operation and Maintenance Agreement recorded in Book 19144, Page 371, Wake County Registry.
15. Utility Easement in favor of Public Service Company of North Carolina, Incorporated recorded in Book 19315, Page 1458, Wake County Registry.
16. Declaration of Easements recorded in Book 19482, Page 163, Wake County Registry.
- ~~17. 15-Easements, covenants, conditions and restrictions contained in the Master Declaration.~~
- ~~18. 16-Building restriction lines, easements, rights of way or any other facts as shown on plat recorded in Book of Maps 2023, Pages 634-637, Wake County Registry.~~
19. Building restriction lines, easements, rights of way or any other facts as shown on plat recorded in Book of Maps 2023, Pages 2021-2024, Wake County Registry.

The Condominium may be benefited by, or become subject to, additional easements arising amendments to the foregoing, arising from the exercise of Development Rights and/or Special Declarant Rights or as otherwise provided in the Declaration.

[NOTE - THE CONDOMINIUM MAY BE BENEFITED BY, OR BECOME SUBJECT TO, ADDITIONAL EASEMENTS PRIOR TO RECORDATION]

Summary report: Litera Compare for Word 11.3.0.46 Document comparison done on 11/21/2023 10:30:45 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4857-8433-2368/6/Stanley Martin (Grove 98) Condominium Declaration.docx	
Modified DMS: nd://4857-8433-2368/7/Stanley Martin (Grove 98) Condominium Declaration.docx	
Changes:	
Add	31
Delete	69
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	100