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WAKE COUNTY, NC 167
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
10/12/2007 AT 11:09:58

STATE OF NORTH CAROLINA

COUNTY OF WAKE

BOOK:012789 PAGE:01797 - 01814

DECLARATION OF RECREATIONAL COVENANT AND EASEMENT

THIS DECLARATION OF RECREATIONAL COVENANT AND EASEMENT ("**Declaration**") is made as of the date of its recordation in the office of the Wake County Register of Deeds, by STANDARD PACIFIC OF THE CAROLINAS, LLC, a Delaware limited liability company, formerly known as Westfield Homes of the Carolinas, LLC, on behalf of itself, its successors, successors-in-title, and assigns (the "**Declarant**"), and with the joinder and consent of SHILOH GROVE COMMUNITY ASSOCIATION, INC., a North Carolina nonprofit corporation ("**Association**").

BACKGROUND STATEMENT

Declarant is the owner of the real property described on Exhibit A to this Declaration, which is being developed as a residential planned community located in Wake County, North Carolina, known as Shiloh Grove (the "**Shiloh Grove Property**"). A portion of the Shiloh Grove Property will be dedicated to common area recreational uses ("**Common Area Recreational Property**"), and Declarant intends to develop parking, passenger drop off, bathhouse, and pool facilities on the Common Area Recreational Property ("**Recreational Facilities**"). Declarant has created a planned community for the Shiloh Grove Property by filing a Declaration of Covenants, Conditions and Restrictions for Shiloh Grove in the office of the

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Wake County Register of Deeds ("**Shiloh Grove Declaration**"), which establishes membership within the Association for each owner of a lot within the Shiloh Grove Property and the rights of such members to use the common areas within the Shiloh Grove Property, including, without limitation, the Common Area Recreational Property and the Recreational Facilities. As set forth in the Shiloh Grove Declaration, Declarant has organized the Association to acquire from Declarant, operate, and maintain the common area property within the Shiloh Grove Property, including, without limitation, the Common Area Recreational Property and the Recreational Facilities.

In connection with the rezoning of the Shiloh Grove Property ("**Rezoning Approval**") and as a condition thereof (*See Condition 2b of Ordinance #2005-084*), Declarant agreed to establish easements to use the Recreational Facilities benefiting each residential lot within the Hamlet in the Park residential subdivision, which community adjoins the Shiloh Grove Property, consists of one hundred thirty six (136) townhome units, and was developed by Declarant.

By this Declaration, Declarant intends to grant a Recreational Easement (as described below) benefiting each residential lot within Hamlet in the Park as described on Exhibit B of this Declaration (each such lot being referred to herein as a "**Hamlet Unit**") and to establish the obligation of the owner of each Hamlet Unit upon its election to use the Recreational Facilities to pay such use fees for the Recreational Easement and to comply with rules and regulations attendant thereto as the Association may establish from time to time in accordance with the Rezoning Approval and this Declaration.

Article I **Declaration of Intent and Binding Effect**

Subject to the terms and provisions hereof, Declarant hereby establishes and grants to each owner of a Hamlet Unit and its grantees and successors in title to such Hamlet Unit, for the benefit of each said owner of a Hamlet Unit as well as for the benefit of its respective Authorized Users (as defined below), and as an appurtenance to and for the benefit of each Hamlet Unit, a non-exclusive easement, right and privilege to use the Recreational Facilities over and upon the Common Area Recreational Property in accordance with the terms and conditions of this Declaration and the rules and regulations promulgated by the Association at such time as the Recreational Facilities have been developed and opened for operation as evidenced by a certificate of occupancy for the Recreational Facilities ("**Recreational Easement**"). To facilitate the exercise of the Recreational Easement, Declarant hereby further establishes and grants to each owner of a Hamlet Unit and its grantees and successors in title to such Hamlet Unit, for the benefit of each said owner of a Hamlet Unit as well as for the benefit of its respective Authorized Users, a non-exclusive access easement over and upon the roadways developed within the Shiloh Grove Property for the purpose of providing pedestrian and vehicular access to the Common Area Recreational Property.

Declarant, as the owner of the Shiloh Grove Property, with the joinder and consent of the undersigned Association, hereby declares that the Shiloh Grove Property and the Common Area Recreational Property to be developed thereon shall hereafter be held, sold, and conveyed subject to the covenants, conditions, restrictions, and easements contained herein, which shall run with the title to the Shiloh Grove Property. This Declaration shall be binding upon all persons having

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any right, title, or interest in any portion of the Shiloh Grove Property and the Common Area Recreational Property, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of the owners of each Hamlet Unit, except as otherwise expressly provided or limited herein. The Association acknowledges the covenants, conditions, restrictions, and easements contained herein and agrees to be bound by the terms hereof.

Article II **Recreational Easement**

2.1. Right to Use.

Each person who holds record title to a Hamlet Unit (as identified in the recorded deed of conveyance), other than a person holding title merely as security for performance of an obligation (*i.e.*, pursuant to a deed of trust or similar instrument) (each an "Owner") may exercise its rights under the Recreational Easement upon payment to the Association of the User Fee (as defined in Section 3.2 below) and shall retain its rights under such Recreational Easement so long as such person continues to hold title to such Hamlet Unit and pays the annual User Fee. However, there shall be only one Recreational Easement per Hamlet Unit. Thus, if a Hamlet Unit has more than one Owner, all co-Owners of such Hamlet Unit are jointly and severally responsible for the obligations of Recreational Easement and share the privileges of such Recreational Easement, subject to reasonable regulation by the Association's board of directors ("**Board**"). If an Owner is a corporation, a partnership, or other legal entity, its membership rights may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a writing to the Association's Secretary, except that only the Authorized Users (as defined below) of the Hamlet Unit shall be entitled to use the Recreational Facilities.

2.2. Activation of Recreational Easement.

Upon payment of any User Fee required under Section 3.2 and execution of a use agreement in such form as the Association shall require consistent with this Declaration, the Association shall activate a Recreational Easement in the name of the Owner of the Hamlet Unit, entitling the Authorized Users (as defined below) to use and enjoy the Recreational Facilities generally available for use by members of the Association in accordance with the Shiloh Grove Declaration, subject to such guest, user and service fees and such rules, regulations, and operating policies as the Association may establish from time to time. In the use agreement required by this Section, the Owner shall identify each Owner of the Hamlet Unit and provide such information regarding the Owner and Authorized Users (as defined below) as the Association deems reasonably necessary to control use and access to the Recreational Facilities and facilitate operations. In addition, the Owner shall acknowledge, on behalf of himself and all Authorized Users, the matters set forth in Article VI of this Declaration.

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2.3. Exercise of Recreational Easement Privileges.

(a) The "**Authorized Users**" of a Recreational Easement issued pursuant to this Declaration shall be as follows:

(i) in the case of an Owner or co-Owners who are natural persons, one person 18 years of age or older who is an Owner, his or her spouse, if married, or if unmarried, one "Significant Other" as defined below, and in either case, the unmarried children of such Owner and spouse or Significant Other who are 24 years of age or under and who are living with the Owner, attending school on a full-time basis, or serving in the United States Armed Services; or

(ii) in the case of an Owner which is a legal entity, one person 18 years of age or older whom an officer of such entity designates in writing to the Association ("**Designee**"), his or her spouse, if married, or if unmarried, one "Significant Other" as defined below, and in either case, the unmarried children of such Designee and spouse or Significant Other who are 24 years of age or under and who are living with the Designee, attending school on a full-time basis, or serving in the United States Armed Services; or

(iii) if an Owner leases the Owner's Hamlet Unit and completes and returns to the Association a copy of the lease and an assignment of privileges in such form as the Association may specify assigning the use privileges of such Recreational Easement to the tenant under such lease ("**Tenant**"), then upon approval by the Association, the Tenant, his or her spouse, if married, or if unmarried, one "Significant Other" as defined below, and in either case, the unmarried children of such Tenant and spouse or Significant Other who are 24 years of age or under and who are living with the Tenant in the Hamlet Unit, attending school on a full-time basis, or serving in the United States Armed Services.

A "Significant Other" is an individual who resides with an unmarried Owner, unmarried Designee, or unmarried Tenant and whom the Owner, Designee, or Tenant has designated as a "Significant Other" by written notice to the Association. Such designation may be changed no more than once in any calendar year upon payment of such change fees as the Association may establish.

(b) All privileges of Recreational Easement shall be limited to operating hours and subject to such policies and rules, including such disciplinary procedures and sanctions, as the Association may establish and modify from time to time.

(c) Nothing herein shall obligate Association to offer or maintain food and beverage service nor shall anything herein dictate the level of service or hours of operation of any food and beverage service provided.

2.4. No Ownership or Membership Interest. No Owner, by virtue of ownership of a Hamlet Unit or by virtue of holding a Recreational Easement in the Association, acquires any ownership or beneficial interest or other vested interest whatsoever in the Common Area Recreational Property or the Shiloh Grove Property, but only the privilege of using and enjoying the Recreational Facilities in accordance with this Declaration and the Association's policies and

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rules, which are subject to change from time to time. No Owner, by virtue of ownership of a Hamlet Unit or by virtue of holding a Recreational Easement in the Association, shall be a member of the Association or have any rights under the Shiloh Grove Declaration.

Article III
Obligation to Pay User Fees

3.1. Covenant to Pay. Each Owner, upon activating its Recreational Easement, covenants and agrees to pay to the Association the User Fee required under Section 3.2, subject to the terms of this Declaration.

3.2. User Fee.

(a) At such time as the Recreational Facilities have been developed and opened for operation as evidenced by a certificate of occupancy for the Recreational Facilities, each Owner of record title to a Hamlet Unit shall have the right to activate its Recreational Easement upon payment to the Association of a non-refundable, annual use fee in the amount of Three Hundred Dollars (\$300.00) ("User Fee"). On the second anniversary of the opening of the Recreational Facilities and on each subsequent anniversary, the User Fee shall automatically increase by the percentage increase, if any, in the Consumer Price Index during the most recent 12-month period for which such information has been reported. If an Owner of a Hamlet Unit elects to activate its Recreational Easement after the second anniversary of the opening of the Recreational Facilities, it shall be required to pay the amount of the User Fee then in effect. Once activated, an Owner of a Hamlet Unit must pay its User Fee on an annual basis in accordance with payment dates established by the Association. **Annual User Fees shall not be pro-rated.** Once activated, an Owner's rights under the Recreational Easement may lapse if the User Fee is not paid annually. In such event, such Owner must pay the User Fee then in effect to re-activate its right to exercise the Recreational Easement.

The "Consumer Price Index," as used in this Declaration, shall refer to the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers (South Region; Base: 1982-84 = 100). In the event the compilation and/or publication of the CPI shall be substantially revised, transferred to any other governmental department or bureau or agency or shall be discontinued, then the index (or a substitute procedure which reasonably reflects and monitors fluctuations in consumer prices) most nearly the same as the CPI shall be used to make the calculations envisioned herein, or in the event no such alternative index exists or a dispute arises concerning the selection of such alternative index, the Association shall have the final right and power to select and/or formulate such an alternate index.

(b) The User Fee provided for in this Section 3.2 shall be paid directly to the Association. In the event an Owner of a Hamlet Unit is not current in the payment of its User Fee, its right to exercise the Recreational Easement shall be suspended until payment of the User Fee is made.

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(c) Any change in ownership of a Hamlet Unit resulting in any portion of the ownership interest coming to rest in the hands of a person or entity that did not hold an ownership interest on the date the Recreational Easement was activated shall constitute a change in ownership requiring payment of another User Fee pursuant to subsection (a) above.

Each Owner transferring his or her ownership interest in a Hamlet Unit shall be responsible for informing the subsequent Owner in writing of this obligation prior to entering into a contract for the sale of the Hamlet Unit or otherwise transferring any interest in the Hamlet Unit.

3.3. Independent Covenant. In order for an Owner of a Hamlet Unit to exercise its rights under the Recreational Easement, it must pay a User Fee to the Association. Upon activation of the Recreational Easement, the obligation to pay the User Fee shall be mandatory for each year in which the Owner desires to exercise its rights under the Recreational Easement and shall be a separate and independent covenant on the part of the Owner(s) of each Hamlet Unit. Upon payment, no Owner may exempt himself or herself from liability for the paid User Fee by non-use of the Recreational Facilities, abandonment of his Hamlet Unit, or any other means. No diminution or abatement of the User Fee or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Article IV

Administration and Obligations of Association

4.1. Administration.

(a) Board of Directors. The Association shall be governed by a board of directors as provided in its Articles of Incorporation, its bylaws, and the Shiloh Grove Declaration. Until the expiration of the period of Declarant control as set forth in the Shiloh Grove Declaration, the Declarant shall have the right to appoint the members of the Board and the officers of the Association. Thereafter, the members of the Association shall have the right to elect the Board as provided in bylaws and the Shiloh Grove Declaration.

(b) Membership. The members of the Association shall be limited to the lot owners within the Shiloh Grove Property. The Owners of Hamlet Units shall not be members of the Association.

(c) Voting. The Owners of Hamlet Units shall have no right to vote on matters in the Association.

4.2. Maintenance and Operation. The Association shall be responsible for management, operation, and control of the Common Area Recreational Property and shall maintain it in good condition and repair and in continuous operation, subject to such reasonable operating hours and seasonal closings as the Association may reasonably establish and subject to

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the right of the Association to temporarily close the facilities to host private functions or as may be reasonably necessary to perform maintenance or repairs.

The Association may enter into leases, licenses, and management or operating agreements with respect to the Common Area Recreational Property, for payment or no payment, as the Board deems appropriate. The Association may permit use of the Recreational Facilities by persons other than members of the Association and Authorized Users and may charge guest and other user fees, in such amount as the Board may establish, for such use.

4.3. Insurance. Upon completion and opening of the Recreational Facilities, the Association shall obtain and maintain continuously in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area Recreational Property. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of such property insurance shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes; and

(b) Commercial general liability insurance on the Common Area Recreational Property, insuring the Association and its members for damage or injury caused by the negligence of the Association or any of its members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies.

The insurance policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of this Section. In the event of an insured loss, if the Board reasonably determines, after notice and an opportunity to be heard, that the loss is the result of the negligence or willful misconduct of one or more the Owners of Hamlet Units or their Authorized Users, or guests, then the Board may assess the full amount of such deductible against such Owner(s) and their Hamlet Units.

4.4 Restoring Damaged Improvements. In the event of damage to or destruction of portions of the Common Area Recreational Property, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. The Association shall repair or reconstruct damaged improvements if its members entitled to cast at least 80% of the total votes in the Association, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the

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Association within such 60-day period, then the period shall be extended until such funds or information are available.

4.5. Compliance and Enforcement. Every Owner of a Hamlet Unit and Authorized User must comply with this Declaration and such rules as the Association may adopt from time to time to regulate use and conduct on the Common Area Recreational Property and the Recreational Facilities. Each Owner shall be responsible for ensuring compliance by the Owner's Authorized Users and guests, and may be sanctioned for their violations and for any damage to the Common Area Recreational Property or Recreational Facilities that any of them may cause. The Association and its members, the Declarant, and every affected Owner of a Hamlet Unit shall have the right to file suit at law or in equity to enforce this Declaration. In addition, the Board may impose sanctions for violations of this Declaration and the rules, including without limitation:

(a) imposing reasonable monetary fines. If an Authorized User or guest violates the Declaration or rules and a fine is imposed, the fine may, but need not, first be charged to the violator; however, if the fine is not paid by the violator within the time period set by the Board, the sponsoring Owner of the Hamlet Unit shall pay the fine upon notice from the Board;

(b) suspending any Owner's right to use the Recreational Facilities (A) for any period during which the Owner's account remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation. Suspension of a Owner's right shall suspend the use privileges of all Authorized Users and guests of such Owner;

(c) expelling any person from the Common Area Recreational Property or confiscating its personal property in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);

(d) bringing suit at law for monetary damages or in equity to stop or prevent any violation, or both.

In any action to enforce the Declaration or rules, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

Article V **Additional Rights of Declarant**

5.1 Right to Notice; Opportunity to Inspect and Correct.

(a) The Declarant reserves, for itself and others it may designate, the right but not the obligation to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Common Area Recreational Property and a

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perpetual nonexclusive easement of access throughout the Common Area Recreational Property to the extent reasonably necessary to exercise such right; and

(b) No person or entity shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Common Area Recreational Property in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless the Declarant and any general contractor involved in the design or construction have been first notified in writing and given an opportunity to meet with such person or entity to discuss the concerns and conduct their own inspection.

5.2. Right to Transfer or Assign the Declarant's Rights

Any or all of the Declarants' special rights and obligations set forth in this Declaration may be transferred in whole or in part to other persons. However, such a transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration. No such transfer or assignment shall be effective unless it is in a recorded instrument the Declarant signs. The foregoing sentence shall not preclude the Declarant from permitting other persons to exercise, on a one-time or limited basis, any right reserved to the Declarant in this Declaration where the Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence the Declarant's consent to such exercise.

Article VI
Notices and Disclosures

6.1. Safety and Security. Each Owner, Authorized User, and guest shall be responsible for their own personal safety and the security of their property while using the Recreational Facilities. The Association may, but shall not be obligated to, maintain or support certain activities designed to promote or enhance the level of safety or security that each person provides for himself or herself and his or her property. However, neither the Association nor the Declarant shall have any liability for any loss or injury by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any security or safety systems or measures will be effective in all circumstances. The Association, its Board, and the Declarant are not insurers or guarantors of security or safety and each Owner and Authorized User assumes all risks of personal injury and loss or damage to property resulting from acts of third parties.

6.2. Assumption of Risk. Each Owner and each Authorized User, by use of the Recreational Facilities, assumes all risks associated with the use of the Recreational Facilities and agrees to release the Declarant and the Association from and indemnify them against any and all losses, expenses, liens, claims, demands, and causes of action of every kind and character for death, personal injury, property damage or any other liability, damages, fines, or penalties, including costs, attorneys' fees and settlements, whether or not

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based on the acts or omissions of the Association or the Declarant, resulting from, arising out of or in any way connected with the use of the Recreational Facilities by the Owner, Authorized Users of the Owner's Recreational Easement, and guests, or if an Owner is a legal entity, by its approved designee(s), their Authorized Users, and guests, except to the extent that the same are the direct result of the gross negligence or willful misconduct of the Association or the Declarant or their employees. As used in this paragraph, "Association" shall include the Association and its members, and the heirs, successors, assigns, officers, directors and employees of the Association and its members, and all persons, corporations, partnerships, and other entities with which it is or may in the future become affiliated. Also, as used in this paragraph, "Declarant" shall include Standard Pacific of the Carolinas, LLC and its successors, assigns, officers, directors and employees, and all persons, corporations, partnerships, and other entities with which it is or may in the future become affiliated.

6.3. No Liability for Personal Property. Each Owner and each Authorized User, by use of the Recreational Facilities:

(a) assumes sole responsibility for its personal property and acknowledges that the Association and the Declarant shall not be responsible for any loss or damage to any personal property which any such person may use or store on the Common Area Recreational Property, whether in lockers or elsewhere; and

(b) acknowledges and understands that he or she shall be liable for any property damage or personal injury occurring on the Common Area Recreational Property as a result of such person's actions, or at any activity or function which the Association operates, organizes, arranges, or sponsors, whether or not on the Common Area Recreational Property, which Owner or its Designee(s), or their respective Authorized Users or guests, may cause. If Owner or Authorized User arranges or sponsors any activity or function on the Association premises, Owner shall be responsible for any such damage or injury even if Owner did not cause such damage or injury.

6.4. No Guarantee of Adequate Capacity. The Recreational Facilities are available for use on a first come, first served basis. Usage patterns for facilities such as the Recreational Facilities can vary greatly from one facility to another and from one season to another depending upon a variety of factors, including distance from residences, season, availability of other amenities, and other circumstances. No representation or warranty is made or authorized by Declarant, the Association, or any of their agents that the Recreational Facilities are of a size or capacity to accommodate all persons who may be authorized and desire to use them at any one time. If capacity is exceeded at any time, the Association reserves the right to turn away Owners, Authorized Users, and their guests. In such event, neither the Association nor the Declarant shall have any duty to provide alternative facilities or for any cost incurred by the Owner, Authorized User, or guest in securing alternative facilities.

6.5. Susceptibility to Storm Damage; Closure. The Common Area Recreational Property is located in a region that is subject to hurricanes, tropical storms, high winds, and periodic flooding. Any of these natural occurrences could result in substantial damage to the Common Area Recreational Property and destruction of the Recreational Facilities, which could

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make all or portions of the Common Area Recreational Property temporarily or permanently unavailable for use. Neither the Declarant nor the Association shall have any obligation to secure alternative facilities for use by Owners. No warranty or representation is made by the Declarant, the Association, or any agent of any of them that the Recreational Facilities can be rebuilt in accordance with the original plans if destroyed.

Article VII
General

7.1. Notice. Any notice provided for in this Declaration shall be served personally or shall be mailed by registered or certified mail, or delivered by reliable courier or overnight delivery service with tracking capability, to the addresses specified below, unless the Association, Declarant or Owner of a Hamlet Unit has specified, by written notice in accordance with this Section, a different address for delivery of notices, in which case the notice shall be addressed to such different address:

- (a) if to the Association:

Shiloh Grove Community Association, Inc.
8045 Arco Corporate Drive, Suite 210,
Raleigh, North Carolina 27617
Attn: Allison Greenhut

- (b) if to the Declarant:

Standard Pacific of the Carolinas, LLC
8045 Arco Corporate Drive, Suite 210,
Raleigh, North Carolina 27617
Attn: Keith Wood

- (c) if to an Owner, at the address of such Owner's Hamlet Unit.

All such notices shall, for all purposes, be deemed delivered and received (i) upon personal delivery to the addressee, (ii) upon courier delivery to the address of the address, signed for by the addressee or another person residing or employed at such address; or (iii) on the third day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

7.2. Amendment. So long as Declarant has the right to appoint a majority of the members of the Board, Declarant may unilaterally amend this Declaration. Otherwise, this Declaration may be amended only by an instrument signed by the Association and by the mandatory membership homeowners association having jurisdiction pursuant to other recorded covenants over at least a majority of the Hamlet Units subject to this Declaration, and by Declarant, so long as Declarant has any rights under this Declaration. Any amendment shall take effect upon recording in the Office of the Register of Deeds of Wake County, North Carolina,

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unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any mortgage, deed of trust, or contract between the Owner and a third party will affect the validity of such amendment.

7.3. Duration; Termination. This Declaration may be terminated only by an instrument recorded in the Office of the Register of Deeds of Wake County, North Carolina, signed by the Association and by Declarant, so long as Declarant has any rights under this Declaration, and by the mandatory membership homeowners association(s) having jurisdiction pursuant to other recorded covenants over at least a majority of the Hamlet Units subject to this Declaration. Unless terminated as provided herein, this Declaration shall have perpetual duration. If North Carolina law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall run for a period of 20 years and shall automatically be extended at the expiration of such period for successive periods of 20 years each. If any provision of this Declaration is judicially determined to be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

7.4. Transfer of Common Area Recreational Property. The transfer of title to the Common Area Recreational Property or any of the Recreational Facilities shall not affect the continued validity or enforceability of this Declaration, unless terminated in accordance with Section 7.3.

7.5. Construction; Severability. This Declaration shall be governed by and construed under North Carolina law. Invalidation of any provision of this Declaration, in whole or in part, by judgment or court order shall not affect other provisions.

7.6. Waiver. No failure of Declarant, the Association, or an Owner to exercise any right or power under this Declaration or to insist upon strict compliance with this Declaration and no custom or practice at variance with the terms of this Declaration shall constitute a waiver of the right thereafter to demand exact compliance with the terms of this Declaration.

7.7. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

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IN WITNESS WHEREOF, the Declarant has executed this Declaration with the joinder and consent of the undersigned Association as of the date first above written.

DECLARANT:

STANDARD PACIFIC OF THE CAROLINAS, LLC,
a Delaware limited liability company

By: *G. B. Methuen*
Name: GRAY B. METHUEN
Title: DIR. OF LAND DEVELOPMENT

Wake County, North Carolina

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

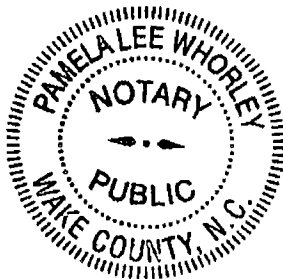
Gray B Methuen
(Print name of signatory in blank above)

Date: 10/11/07

My Commission Expires:
9/8/2008

[Affix Notary Stamp or Seal]

Pamela Lee Whorley
Notary Public
Print Name: Pamela Lee Whorley



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JOINDER AND CONSENT

The undersigned Association hereby joins in and consents to this Declaration as of the date first above written.

SHILOH GROVE COMMUNITY ASSOCIATION,
INC., a North Carolina non-profit corporation

By: Randy Talton
Name: RANDY TALTON
Title: PRESIDENT

Wake County, North Carolina

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

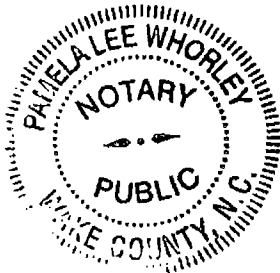
Randy Talton
(Print name of signatory in blank above)

Date: 10/11/07

My Commission Expires:
9/8/2008

[Affix Notary Stamp or Seal]

Pamela Lee Whorley
Notary Public
Print Name: Pamela Lee Whorley



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EXHIBIT A

Shiloh Grove Property

Beginning at a point located in the western edge of the right of way of Church Street (SR 1637) said point being the northeast corner of that certain ten (10) foot wide additional right of way strip for said Church Street dedicated on plat recorded in Book of Maps 2002, Page 393, Wake County Registry and running thence with the northern property line of the property of the now or formerly Westfield Homes of NC, Inc. development known as Hamlet in the Park Subdivision as shown on said recorded plat, two (2) calls as follows: (1) North 89 degrees 10 minutes 35 seconds West 1077.68 feet to an existing iron pipe; and (2) North 83 degrees 23 minutes 55 seconds West 118.78 feet to a concrete monument, a corner with the property of the now or formerly Carolina Power & Light Company; thence with the property line of said Carolina Power & Light Company property three (3) calls as follows: (1) North 89 degrees 44 minutes 12 seconds West 534.76 feet to a concrete monument; (2) South 06 degrees 45 minutes 00 seconds West 366.93 feet to a point; and (3) North 85 degrees 47 minutes 55 seconds West 441.03 feet to a concrete monument, a corner with the property of the now or formerly Research Triangle Foundation; thence with the property line of said Research Triangle Foundation property two (2) calls as follows: (1) North 85 degrees 47 minutes 55 seconds West 223.97 feet to a concrete monument located in the future right of way of Triangle Parkway as shown on plat of survey recorded in Book of Maps 2002, Page 2115, Wake County Registry; and (2) North 05 degrees 49 minutes 34 seconds East 1208.20 feet to a concrete monument, a corner with the property of the now or formerly Acacia Credit Fund 10 A, LLC; thence with the property line of said Acacia Credit Fund 10 A, LLC property North 17 degrees 30 minutes 34 seconds East 424.36 feet to an existing iron pipe; thence South 89 degrees 43 minutes 09 seconds East 622.16 feet to an existing iron pipe; thence South 88 degrees 09 minutes 52 seconds East 729.72 feet to an existing iron pipe, a corner with the property of the now or formerly Charlie and Aree Mayo; thence with the property line of said Charlie and Aree Mayo property two (2) calls as follows: (1) South 00 degrees 48 minutes 48 seconds West 353.53 feet to an existing iron pipe; and (2) North 66 degrees 40 minutes 28 seconds East 131.08 feet to a point, a corner with the property of the now or formerly Charlie Mayo; thence with the property line of said Charlie Mayo property South 03 degrees 59 minutes 16 seconds West 106.58 feet to an existing iron pipe located in the property line of the now or formerly Elton E. Tabon property; thence with the property line of said Elton E. Tabon three (3) calls as follows: (1) South 63 degrees 07 minutes 51 seconds West 199.74 feet to an existing iron pipe; (2) South 09 degrees 22 minutes 59 seconds East 99.95 feet to an existing iron pipe; and (3) North 63 degrees 06 minutes 15 seconds East 200.05 feet to an existing iron pipe, a corner with the now or formerly Chavis Estille property; thence with the property line of said Chavis Estille property South 08 degrees 00 minutes 13 seconds East 100.02 feet to an existing iron pipe located in the property line of the now or formerly Alice E. Lindsey property; thence with the property line of said Alice E. Lindsey property four (4) calls as follows: (1) South 62 degrees 36 minutes 52 seconds West 217.27 feet to an existing iron pipe; (2) South 08 degrees 04 minutes 35 seconds East 221.05 feet to an existing iron pipe; (3) North 62 degrees 34 minutes 44 seconds East 417.02 feet to an existing iron pipe; and (4) North 36 degrees 59 minutes 01 second East 25.27 feet to an existing iron pipe located in the southern terminus of the right of way of Barbee Road (SR 1706) and being a corner with the property of

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the now or formerly Carrie Coleman; thence with the property line of said Carrie Coleman South 12 degrees 44 minutes 54 seconds East 120.65 feet to a point, a corner with the property of the now or formerly Eparchy of Saint Maron of Brooklyn; thence with the property line of said Eparchy of Saint Maron of Brooklyn property three (3) calls as follows: (1) South 06 degrees 37 minutes 54 seconds West 156.69 feet to an existing iron pipe; (2) South 00 degrees 28 minutes 53 seconds West 173.12 feet to an existing iron pipe; and (3) North 77 degrees 24 minutes 27 seconds East 450.12 feet to an existing iron pipe located in the western edge of the right of way of Church Street (SR 1637); thence with said right of way of said Church Street (SR 1637) in a southerly direction, along a curve to the right, having a radius of 2968.00 feet, an arc distance of 237.54 feet and a delta angle of 04 degrees 35 minutes 08 seconds to the point and place of beginning containing 53.4693 acres as shown on plat of survey entitled "Boundary Survey for Westfield Homes of the Carolinas, Town of Morrisville, Wake County, North Carolina" dated January 13, 2006, prepared by Edmund H. Davenport, Professional Land Surveyor of Bass, Nixon & Kennedy, Inc. and shown on plat of survey entitled "Boundary Survey, Property of Eula Barbee Heirs, Town of Morrisville, Cedar Fork Township, Wake County, North Carolina" dated April 17, 2006, prepared by Edmund H. Davenport, Professional Land Surveyor of Bass, Nixon & Kennedy, Inc. and recorded in Book of Maps 2006, Page 726, Wake County Registry.

There is specifically excluded from the above-described tract of parcel of land Lots 1, 2, 3, 4 and the right of way of Fiona Circle as shown on plat of survey entitled "Final Subdivision Plat, Subdivision of Barbee Road Tract for Tri Properties, LLC, Cedarfork Township, Wake County, North Carolina" recorded in Book of Maps 2004, Page 808, Wake County Registry.

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EXHIBIT B

Hamlet Units

BEING all those certain tracts or parcels of land designated as Lots 1 through 89, inclusive, Hamlet in the Park Subdivision Phase I as shown on plat of survey entitled "Final Plat, Hamlet in the Park Phase I, Morrisville, Wake Co., N.C." and recorded in Book of Maps 2002, Pages 1292 and 1293, Wake County Registry, which plat is referenced for a more particular description.

AND BEING all those certain tracts or parcels of land designated as Lots 90 through 136, inclusive, Hamlet in the Park Subdivision Phase II as shown on plat of survey entitled "Final Plat, Hamlet in the Park Phase II, Morrisville, Wake Co., N.C." and recorded in Book of Maps 2002, Page 1860, Wake County Registry, which plat is referenced for a more particular description.

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Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.



Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

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