

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
MEADOWS OF BANKS PHASE 2 SUBDIVISION

This document prepared by and mail after recording to:

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Submitted electronically by "Adcock Law Firm, PA"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Wake County Register of Deeds.

STATE OF NORTH CAROLINA

COUNTY OF WAKE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MEADOWS OF BANKS PHASE 2 SUBDIVISION (as may be amended or supplemented as set forth herein, hereinafter the "Declaration") is made this 25th day of June 2020, by PERRY PROPERTIES & DEVELOPMENT, INC. whose address is 2016 Pagan Road, Raleigh, NC 27603 (hereinafter the "Declarant").

WITNESSETH:

A. **WHEREAS**, Declarant is the owner and developer of certain real estate in Wake County, North Carolina, known as MEADOWS OF BANKS PHASE 2 SUBDIVISION and more particularly described on Exhibit A attached hereto and made a part hereof (hereinafter the "Property" or the "Subdivision"); and

B. **WHEREAS**, Declarant is developing the Property by subdividing it into "Lots" that are to be used for residential purposes, as well as facilities and improvements, that are to be maintained and repaired by a homeowners' association to which the Owner of a Lot must belong and pay lien-supported maintenance assessments;

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding, for a period of thirty (30) years from the date hereof, upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable, in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors-in-title to any of the Property.

ARTICLE 1

**DECLARANT RIGHTS
MUTUALITY OF BENEFIT AND OBLIGATION**

Section 1.1 During the Period of Declarant Control, the Declarant reserves the following Special Declarant Rights: (i) to serve as the sole member of the Architectural Control Committee; (ii) to serve as the sole Director of the Homeowners' Association, the only Director entitled to vote; (iii) to appoint or remove any director, officer, agent or employee of the Homeowners' Association; (iv) to complete improvements indicated on plans and plats, as may be modified, of the Subdivision and to exercise any development rights; (v) to amend, modify,

waive and/or enforce this Declaration and any of the provisions herein; (vi) to annex additional property to the Subdivision and this Declaration; and (vii) all rights otherwise reserved herein.

Section 1.2 The Period of Declarant Control or Development Period means the period of time beginning at the recordation of this Declaration in the Wake County Registry, and terminating on the earlier to occur of: (i) the date that Declarant terminates in writing the Period of Declarant Control and transfers all Special Declarant Rights to the Homeowners' Association; or (ii) the date on which all Lots in the Subdivision have been conveyed by the Declarant and the construction of dwelling units and Lot improvements have been approved in writing by the Declarant and completed by the Lot Owners.

Section 1.3 Mutuality. The covenants, restrictions, and agreements set forth in this Declaration are made for the mutual and reciprocal benefit of every parcel within the Property, and are intended to create mutual equitable servitudes upon each such parcel in favor of the other parcels, to create reciprocal rights among the respective Owners, and to create privity of contract and an estate between the grantees of each and every parcel within the Property, their heirs, successors and assigns.

Section 1.4 Benefits and Burdens. Every person who is an Owner does by reason of taking title to land located within the Property agree to all terms and provisions of this Declaration and shall be entitled to its benefits and subject to its burdens.

ARTICLE 2

HOMEOWNERS' ASSOCIATION

Section 2.1 Homeowners' Association. A North Carolina non-profit corporation known as Meadows of Banks Homeowners' Association, Inc. (hereinafter the "Association" and/or "HOA" and/or "Homeowners' Association") is formed, which shall be responsible for the maintenance, repair, management and control of certain facilities and improvements as more specifically set forth in this Declaration. This is the Declaration to which the Articles of Incorporation (the "Articles") and by Bylaws (the "Bylaws") of the Association make reference.

Section 2.2 Board of Directors and Officers. The Board of Directors, and such officers as may be elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs of the Association.

Section 2.3 Rules and Regulations. By a majority vote of the Board of Directors, the Association may, from time to time adopt, amend and repeal Rules and Regulations with respect to all aspects of the Association's rights, activities and duties under this Declaration. The Rules and Regulations may, without limitation, govern the use of the Subdivision, including, but not limited to: (i) prohibiting, restricting or imposing charges for the use of any portion of the Subdivision by Owners, Residents or others; and (ii) interpreting this Declaration or establishing procedures for operation of the Association or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, or Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be maintained in the office of the Association and shall be made available to each Owner upon request.

Section 2.4 Membership of Association. Every Owner of a Lot shall be a Member of the Association. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association without the necessity of further documentation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment.

Section 2.5 Voting. The Association shall have two (2) classes of membership:

Section 2.5.1 Class A. Members. The Class A Members shall be all of the Owners, with the exception of the Declarant, who shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members of the Association. However, the vote for any such Lot shall be exercised as the Owner's thereof shall determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 2.5.2 Class B Member. The Class B Member shall be the Declarant who shall be entitled to six (6) votes for each Lot owned by the Declarant. The Class B Membership shall cease upon the expiration of the Period of Declarant Control.

Section 2.6 Maintenance Obligations of the Association. The Association, at its expense, shall maintain, operate and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Elements and all improvements that are for the common benefit of the Subdivision. Common Elements shall include without limitation the following: (a) the facilities and improvements shown on that map recorded at Book of Maps 2020 Pages 61 - 62, Wake County Registry (the "Subdivision Map" and including any recorded maps revising or modifying said Subdivision Map) that are for the common benefit of all Lots, including the following: (i) "Wet Pond Device #1"; and (ii) "20' Permanent Construction, Access, Drainage and Maintenance Easement"; and (b) all obligations of the "Responsible Party" set out in that "Stormwater Control Structure Wet Detention Maintenance Agreement" recorded at Book 17713 Page 2092 in the Wake County Registry, as the same may be amended. Common Expenses shall mean the expenses for these obligations of the Association. Expenses incurred by the Declarant for maintenance obligations of the Association, shall be reimbursed to the Declarant by the Association prior to the expiration of the Period of Declarant Control or otherwise as requested by the Declarant. Upon the expiration of the Period of Declarant Control and at the request of the Declarant, its successor and or assign, the Association shall accept all maintenance, repair and any other obligations of the Declarant associated with the Common Elements.

Section 2.6.1 The Declarant during the Period of Declarant Control and thereafter the Association shall make the determination as to when maintenance, repair, replacement and care shall be done, and its determination shall be binding; provided the Association shall be obligated to perform such actions as required by governmental agencies with jurisdiction of the Common Elements. Declarant shall have the right to employ a manager to oversee and implement the Association's maintenance obligations, and any such management

fees incurred thereby shall be paid by the Association. The Association shall also perform the other duties prescribed by this instrument or the Association's Rules and Regulations.

Section 2.7 Maintenance Obligation of the Lot Owners. The responsibilities of each Lot Owner shall include:

- (a) To clean, maintain, keep in good order, repair and replace at Owner's expense all portions of Owner's Lot and Dwelling Unit. Any repair, replacement and maintenance work to be done by an Owner must comply with the Declaration and any Rules and Regulations of the Association including architectural control and visual harmony.
- (b) To perform Owner's responsibilities in such manner so as not to unreasonably disturb other persons residing within the Subdivision.
- (c) Not to impair the use of any easement within the Subdivision without first obtaining the written consents of the Association and of the Owner or Owners for whose benefit such easements exist.
- (d) Each Lot Owner shall be deemed to agree, by acceptance of delivery of a deed to a Lot, to repair and/or replace at Owner's expense all portions of the Common Elements which may be damaged or destroyed by reason of Owner's own intentional or negligent act or omission, or by the intentional or negligent act or omission of any invitee, tenant, licensee and/or family member, including, but not limited to, any repairs necessary which result from damage incurred by pets or vehicles owned by the Lot Owner, or owned by any guest, invitee, tenant or licensee of such Lot Owner.

ARTICLE 3

COVENANT FOR ASSESSMENTS

Section 3.1 Regular Assessments. Regular Assessments for the payment of the Common Expenses shall be made in the manner provided herein and in the manner provided in the Bylaws. The Regular Assessment is established for the benefit and use of the Association and shall be used in covering payment of all of the Common Expenses. The initial Regular Assessment shall be \$240.00 per year.

Section 3.2 Special Assessment. In addition to levying Regular Assessments, and to the extent that the reserve fund is insufficient, the Association, or the Declarant if during the Period of Declarant's Control, may levy Special Assessments to construct, structurally alter or replace improvements which are a part of the Common Elements. Provided that after the expiration of the Period of Declarant's Control, the prior written consent is obtained by a majority of the Members who are voting either in person or by proxy at a meeting duly called for such purpose or unless expressly stated in the annual budget. The Declarant shall have authority to levy a Special Assessment during the Period of Declarant's Control, without prior approval of the Members of the Association or Lot Owners. If the Special Assessment is approved, the Board of Directors shall calculate each Lot's proportionate share of the Special Assessment for the capital improvements, and shall give the Lot Owner(s) written notice of the proportionate

share and of the date(s) that the Special Assessment is due and payable. Notwithstanding the foregoing, Declarant shall have no obligations to pay any Special Assessment with respect to any Lot owned by it unless there is a Dwelling Unit located upon the Lot that is occupied as a residence.

Section 3.3 Working Capital Assessment. Upon the initial transfer of record of the Lot from the Declarant (or successor declarant or designated declarant) to a Lot Owner (other than a successor declarant or designated declarant), the Lot Owner is required to pay a sum of Three Hundred and No/100 Dollars (\$300.00) as Lot Owner's initial contribution to the Association. This sum is not an advance payment of the annual Regular Assessment. Additionally, at the closing of the purchase of each Lot, each purchaser of a Lot is required to pay a *pro-rata* share of the Regular Assessment due for and in the year of closing.

Section 3.4 Individual Assessment. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which the Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, Owner's family, Owner's pet(s) and/or Resident, the cost of such maintenance, repairs or replacements shall be the responsibility of and paid by such Owner. The Board shall have the maintenance, repair or replacement performed and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within thirty (30) days thereafter, unless an earlier date is otherwise set forth herein.

Section 3.5 Date of Commencement of Assessments; Due Dates; Determination of Regular Assessments; Fine Assessments.

Section 3.5.1 The annual Regular Assessment provided for herein shall commence as to each Owner of a Lot, except Declarant, on the first day following the initial conveyance of the Lot to the Owner and shall be adjusted according to the number of days remaining in the year. The Declarant shall not be required to pay the Regular Assessment for any Lot. The Board of Directors shall fix the amount of the annual Regular Assessment to be paid by each Member at the beginning of each calendar year. Written notice of the monthly Regular Assessment shall be sent to every Member subject thereto. The Board of Directors shall establish the due dates.

Section 3.5.2 The Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable Fine Assessment as a fine or penalty for violation of this Declaration. A lien may be filed for this Fine Assessment, and this Fine Assessment may be enforced by foreclosure and otherwise treated as a Regular Assessment.

Section 3.5.3 Both Regular and Special Assessments for a Lot Owner shall be determined by the Association based upon the proportion that each Lot bears to the aggregate number of Lots located on the Property, except those owned by Declarant which are not assessed. The Association's governing body may, at its discretion, waive the Regular Assessment for any year or part of a year for any Lot not occupied as a residence.

Section 3.6 Billing. The amount of the initial Regular Assessment shall be determined by the Declarant and or the Association. The Association shall inform each Lot Owner of the amount of the total Regular Assessment due from the Owner of that particular Lot. This Regular

Assessment will be paid annually but may be modified to be paid in monthly installments or as otherwise required by the Association. The Owner of each Lot must pay Owner's Lot's required Regular Assessment in advance for each year in which it is due, unless the Association otherwise directs. Payment is to be made to such person at such an address as the Association determines. Special Assessments are due thirty (30) days after the bill for the Special Assessment has been mailed or otherwise sent out by the Association unless the Association otherwise directs.

Section 3.7 Common Surplus. If the Regular Assessment collected in any given year is in excess of the actual Common Expenses for that year, the Board may, at its sole discretion: (a) return each Owner's share of the Common Surplus; (b) credit each Owner's share of the Common Surplus to each Owner's payment for the Regular Assessment for the following year; or (c) apply the Common Surplus to the reserve.

Section 3.8 Assessment Certificate. The Association shall, upon demand and at any reasonable time, furnish to any Owner liable for Assessments a certificate in writing signed by an Officer or other authorized agent of the Association, setting forth the status of said Assessments; *i.e.*, "current" and, if not current, "delinquent" and the amount due. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid. A reasonable charge to cover labor and materials may be made in advance by the Association for each certificate.

Section 3.9 Books and Records of the Association. The Association shall keep full and correct books of account. The Association shall make available to all Lot Owners and the holders of all first mortgages on Lots, current copies of the books, records and financial statements of the Association upon reasonable request during normal business hours. All funds collected by the Association shall be held and expended solely for the purposes designated by this Declaration and shall be deemed to be held for the use, benefit and account of the Association and all of the Lot Owners. All books and records must be kept in accordance with good and standard accounting procedures.

Section 3.10 Non-Payment of Assessment. Any Assessments levied pursuant to these covenants which are not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and/or assigns.

Section 3.10.1 If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest at a reasonable rate of ten percent (10%) per year or at such other reasonable rate set by Association in its minutes, not to exceed the maximum amount allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each Assessment. No Owner may waive or otherwise escape liability for the Assessments by non-use or waiver of use of the Common Areas or by abandonment of his Lot.

Section 3.11 Priority of Association Lien. The lien provided for in this Article shall take priority over any lien or encumbrance subsequently arising or created, except liens for real

estate taxes and assessments and liens of *bona fide* first mortgages which have been filed of record before a claim of this lien hereunder has been docketed in the office of the clerk of superior court in Wake County, and may be foreclosed in the same manner as a mortgage on real property under power of sale in an action brought by the Association in accordance with the laws of the State of North Carolina. The Association is entitled to recover its reasonable attorneys' fees and court costs and collection costs as part of the lien. In any such foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale.

Section 3.12 Disputes as to Common Expenses; Adjustments. Any Owner who believes that the portion of Common Expenses chargeable to Owner's Lot, for which an assessment lien has been filed by the Association, has been improperly charged against Owner's Lot, may bring action in an appropriate court of law.

Section 3.13 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. Any purchaser of a Lot at a foreclosure sale shall automatically become a Member of the Association and shall be subject to all the provisions of this Declaration, the Bylaws and the Rules and Regulations.

Section 3.14 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot acquires title to the Lot as a result of foreclosure of the first mortgage or first deed of trust or by deed in lieu of foreclosure, such acquirer of title, its successors and/or assigns, shall not be solely liable for the share of the Common Expenses or other Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to the Lot by such acquirer, other than Assessments for which a claim of lien has been docketed with the Wake County clerk of superior court prior to the recordation of the lien being foreclosed. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Lots, including that of such acquirer, its successors and/or assigns. This provision shall not relieve the party acquiring title or any subsequent Owner of the subject Lot from paying future Assessments.

Section 3.15 Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Lot, any grantee or grantee's first mortgagee shall inform the Board of Directors in writing of such contemplated conveyance and such grantee or first mortgagee shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of all unpaid Assessments (including current Assessments) against the grantor due to the Association. Neither the grantee nor the mortgagee shall be personally obligated for any delinquent Assessments, but such delinquent Assessments, along with interest, late charges, costs and reasonable attorneys' fees, shall be a lien against the Lot in accordance with this Declaration.

Section 3.16 Late Charge. The Association may impose a charge against any Lot Owner who fails to pay any amount assessed by the Association against his Lot within ten (10) days after such Assessments are due and payable and who fails to exercise Owner's rights under this Declaration or under the laws of the State of North Carolina to successfully contest such Assessment. The amount of the late charge shall be the greater of Twenty and No/100 Dollars (\$20.00) or twenty percent (20%) of the delinquent amount, or such other amount as may be determined by the Association from time to time. Additionally, if a Lot Owner shall be in

Default of payment of an installment upon an assessment or of a single annual assessment, the Association has the right to accelerate all Assessments remaining due in the current fiscal year. The total of such Assessments, together with the delinquent Assessments, shall then be due and payable by the Lot Owner no later than ten (10) days after the delivery of written notice of such acceleration to the Lot Owner or twenty (20) days after mailing of such notice to him or her by certified mail, whichever occurs first. If such acceleration amount is not paid by the due date, the above-described late charge may be imposed on the part of such accelerated amount not paid by the due date.

Section 3.17 Miscellaneous

Section 3.17.1 The Association may change the interest rate due on delinquent Assessments (including any late charges), except that the rate cannot be changed more often than once every six (6) months. As of its effective date, the new interest rate will apply to all Assessments then delinquent.

Section 3.17.2 The Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise, any notice sent by the Association to the Lot is sufficient for any notice requirement under this Declaration.

Section 3.17.3 The lien under this Article arises automatically, and no notice of lien need be recorded to make the lien effective.

Section 3.17.4 The Assessment lien includes all collection costs, including demand letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, collection fees, and any other expenses incurred by the Association in enforcing or collecting the Assessment.

Section 3.17.5 Any Assessment otherwise payable in installments shall become immediately due and payable in full without notice upon Default in the payment of any installment. The acceleration shall be at the discretion of the Board.

Section 3.17.6 No Owner of a Lot may exempt himself or herself from liability for Owner's contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of Owner's Lot.

ARTICLE 4

HARMONY, ENVIRONMENTAL CONTROLS

Section 4.1 Architectural Control Committee. Except for original construction performed by or on behalf of Declarant or as otherwise in these covenants provided, no building, residence, dwelling, fence, electric pet fence, drive, or other structure, shall be erected, placed, altered or maintained within the Subdivision until the same has been approved by the Architectural Control Committee appointed by the Board of Directors.

Section 4.1.1 Prior to the initial construction of any improvements on the Lots and prior to the alteration or addition to any Dwelling Unit or accessory building on a Lot, the Lot Owner

proposing the improvements shall also submit to the Architectural Control Committee the proposed building plans, specifications, elevations and finish (including but not limited to exterior materials and textures), plot plans (including without limitation landscaping and site plan and setbacks) showing the proposed location of such building or structure, drives and parking areas, all of which must be approved in writing by the Board of Directors of the Association, or by any Architectural Control Committee appointed by said Board of Directors, prior to the making of improvements. The Architectural Control Committee or Board of Directors shall have the right to approve, conditionally approve or reject the proposed plans. The Architectural Control Committee or Board of Directors shall have the authority to reject an application on the grounds that the application is incomplete.

Refusal to approve plans, locations or specifications by said Board of Directors or Architectural Control Committee may be based upon any reasonable ground, including, without limitation, lack of harmony of external design, color, location or relation to surrounding structures and topography and purely aesthetic considerations which, in the discretion of said Board of Directors or Architectural Control Committee shall be deemed sufficient. After approval by the Board of Directors or Architectural Control Committee is given, no alterations may be made in such plans except by and with the prior written consent of the Architectural Control Committee or the Board of Directors. One (1) copy of all plans, specifications and related data shall be furnished to the Board of Directors or Architectural Control Committee for its records.

ARTICLE 5

USE RESTRICTIONS

Section 5.1 Use and Occupancy. The Association may make Rules and Regulations to govern the use and occupancy of the Subdivision. In addition, the following covenants, conditions, and restrictions, as to use and occupancy, shall run with the land and shall be binding upon each Lot Owner, Owner's heirs, tenants, licensees, successors and/or assigns.

Section 5.2 Purpose of Subdivision. Each Lot shall be used only for residential purposes, unless the Board of Directors authorizes some other use. Except for the construction, sales and management activities of the Declarant, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, may be conducted, maintained or permitted on any part of the Subdivision. To the extent permitted by law, an Owner may use a portion of Owner's Dwelling Unit for an office or studio (other than a music and/or dance studio), provided that the activities conducted therein shall not interfere with the quiet enjoyment or comfort of any other Owner or occupant, and provided, further, that such activities do not increase the normal flow of traffic or individuals in and out of the Subdivision or in and out of said Owner's Lot and such activities do not violate zoning or other land use regulations that are applicable.

Section 5.3 Obstruction of Easements and Stormwater Measures. No obstructions shall be placed in any easement, Subdivision Road, Common Elements, Ponds or stormwater measures/devices as shown on the Subdivision Map recorded in the Wake County Registry.

Section 5.4 Parking. Inoperative vehicles shall not be parked within the Subdivision unless said inoperative vehicles are parked in the garage. Boats, boat trailers and utility trailers may be kept on a Lot but must be kept in the backyard of a Lot.

Section 5.5 Animals and Pets. No livestock or poultry shall be raised, bred or kept on any Lot. Up to five (5) domesticated household pets may be kept in a Dwelling Unit or on a Lot, provided that they are not kept, bred or maintained for any commercial purpose, and that they are kept subject to the Rules and Regulations of the Association. Pets shall not constitute a nuisance or create a detrimental effect on the Subdivision or its occupants.

Section 5.7 Nuisances. No noxious or offensive activity shall be carried on in any Dwelling Unit or in the Common Elements or on the Lot of an Owner, and nothing shall be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Lot Owners or occupants.

Section 5.8 Impairment of Structural Integrity of Building. Nothing shall be done in any Dwelling Unit, or on any Lot, or in, on or to the Common Elements which will impair the structural integrity of any building or which, absent the prior written approval of the Board, would structurally change any building.

Section 5.9 Laundry or Rubbish and Open Fires in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of any Lot in a manner visible from any street. All trash, garbage or other rubbish shall be deposited only in covered sanitary containers. No open fires shall be permitted on any part of the Subdivision other than fires in charcoal grills or other similar cooking devices or decorative fire pits located upon the Lots.

Section 5.10 Prohibited Activities. Except as otherwise provided in this Declaration, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, shall be conducted, maintained or permitted on any part of the Subdivision. A Lot Owner is permitted to place and maintain one (1) standard "For Sale" sign in the yard or in the window of his Dwelling Unit; provided, however, it is of a typical size within the industry or within an area expressly permitted by the Board of Directors. No other sign that is visible from the outside of Dwelling Units may be placed on any part of the Subdivision except as expressly permitted by this Declaration of the Board of Directors. Declarant and/or the Board shall have the right to immediately remove and dispose of those items in violation of this Declaration. A Lot Owner must obtain the prior written consent of the Board of Directors in the event a Lot Owner desires to maintain a "For Sale" sign which is not of a typical size within the industry, or desires to maintain other displays or advertising, unless otherwise provided for under the Rules and Regulations. The right is reserved by the Declarant to use any such unsold or unoccupied Dwelling Units or other structures in the Subdivision as models and/or offices in connection with the construction, sale or rental of Dwelling Units or Lots.

Section 5.11 Trash Disposal. Each Lot Owner shall deposit all trash, garbage or other rubbish as directed and instructed by the Board. All Builders must have a suitable trash container on the Lot during construction. Lot Owners shall keep trash containers at all times in each Lot Owner's garage, or in such other location where the trash container is not visible from a street,

except on the days on which trash, garbage or other rubbish is collected by the local waste removal authorities. Any trash containers placed outside by the Lot Owners in the location designated for collection by the local waste removal authorities shall only remain in such location for a period not to exceed twenty-four (24) hours. The Board shall have the right to dispose of any trash, garbage or other rubbish of a Lot Owner in violation of this Article, and may assess the Lot Owner for the cost of such removal, which amount shall be payable on the date the next installment of the regular assessment is due.

Section 5.12 Nondiscrimination. No Owner (including the Declarant), or any employee, agent or representative thereof, shall discriminate upon the basis of sex, race, age, color, creed or national origin in the sale, lease, use or rental of any Lot or Dwelling Unit.

Section 5.13 Setbacks. All setbacks shall meet the setback requirements as set out by Subdivision Map and Wake County. All setbacks, soil and erosion control measures and devices, tree protection zones, buffers, sight triangles and other matters identified on the recorded map of the Subdivision shall be complied with by each Lot Owner.

Section 5.14 Additional Use Covenants.

Section 5.14.1 All improvements constructed on Lots shall commence within one (1) year of conveyance of the Lot and shall be completed within one (1) year from the commencement of construction (commencement shall mean grading and/or Lot clearing).

Section 5.14.2 All Dwelling Units shall face the Subdivision's Road and all driveways shall connect to said Road.

Section 5.14.3 No Dwelling Unit shall be permitted on any Lot which has in the main structure less than 2,400 square feet of finished living area for a two-story Dwelling Unit, or 2,000 square feet of finished living area for a ranch, one-story Dwelling Unit. Basements, porches, garages and storage areas shall not be included when calculating the finished living area. The Declarant reserves the right to waive up to five percent (5%) of above square footage requirements.

Section 5.14.4 No mobile homes, manufactured homes, modular or prefabricated homes shall be allowed on the Property or the Subdivision, except for model homes or structures used for marketing homes or Lots in the Subdivision. No pre-engineered prefabricated storage buildings are permitted. All storage or outbuildings shall be incidental to residential use and all such buildings shall be constructed using similar types of materials as the residence. The plans for storage buildings or outbuildings shall be approved by the Architectural Control Committee.

Section 5.14.5 All Dwelling Units shall have concrete driveways and a minimum two (2) car garage. All Dwelling Units shall have a brick or stone foundation. All front porch railings must be painted. Approval shall be obtained by the Architectural Control Committee before installing a swimming pool and all swimming pools shall be in ground. No above ground swimming pools shall be permitted. All exterior materials shall be new building materials. Exterior siding shall be fiber cement, brick, stone or a combination thereof.

Section 5.14.6 All fencing in the Subdivision must be uniform and preapproved in writing by the Architectural Control Committee. All fencing shall be located in back yards with a five (5) foot maximum height for all fencing. All fencing shall be black wrought iron or aluminum. No chain link fences are allowed.

Section 5.14.7 All alterations and additions to Dwelling Units and accessory buildings shall be subject to the architectural controls contained herein.

Section 5.15 No Lot shall be further subdivided.

Section 5.16 All driveway pipes shall be purchased and installed by the Lot Owner and must be concrete and installed in accordance with North Carolina Department of Transportation (hereinafter "NCDOT") rules and regulations. In the event the driveway pipes, ditches or other improvements within the public dedicated right-of-way are not in compliance with NCDOT standards as applicable, the Lot Owner shall take such action, at its sole and absolute costs to correct any non-compliance such that the Subdivision roads can be accepted by NCDOT in its maintenance system. All driveways shall have a stone or masonry headwall.

Section 5.17 Declarant, subject to the conditions herein, will maintain the public dedicated Subdivision Road, or portions thereof, until such time as NCDOT, and/or other local or state governmental agency(s), maintains the same. The term "Maintenance" includes patching, paving, grading, adding gravel or rock to fill ruts, holes and washed-out sections, necessary to the Subdivision's Roads in a condition acceptable for general circulation of vehicles for residential streets with similar traffic patterns and vehicle counts as the Subdivision Roads. Provided, however, nothing in this Declaration shall be construed as requiring Declarant to bear the cost of anything other than maintenance, and maintenance shall not include improvements to the roads beyond their condition as constructed, and shall not mean or refer to widening, landscaping or any other upgrading, unless such improvements are necessary for NCDOT to take over said road.

Section 5.18 Declarant shall not be responsible for repairing damages caused by, or maintenance necessitated by, either permanent or temporary improvements made or installed within the Subdivision Roads right-of-way, by or at the direction of the Property owners who own property adjoining the Subdivision Roads. "Improvements" shall include without limitation all driveway pipes, ditches, trees, vegetation (excluding grass), signs, grading and other improvements installed or constructed in or affecting the Subdivision Roads right-of-way. The Property owners who caused any such damage shall be responsible for its repair.

Section 5.18.1 Declarant shall not be responsible for repairing damages caused by, or maintenance necessitated by, the parking or use of vehicles or other Personal Property within the Subdivision Roads right-of-way, by or at the direction of the Property owners who own property adjoining Subdivision Roads or their invitees. "Vehicles" and "Personal Property" shall mean all vehicles, including without limitation: cars, trucks, boats, recreational vehicles, golf carts, all-terrain vehicles and trailers. The Property owners who caused any such damage shall be responsible for its repair.

Section 5.19 In the event improvements installed or constructed by the Lot Owner or its predecessor-in-interest cause NCDOT to refuse to accept the Subdivision's Roads or any part hereof, the Lot Owner of the Lot for which such improvement is appurtenant thereto shall be responsible for repairing or modifying such improvements such that NCDOT will accept said Road.

ARTICLE 6

ROADS, UTILITIES & EASEMENTS

Section 6.1 Roadway Easement. Declarant grants to all Lot Owners the non-exclusive right of ingress and egress on, over and across the Subdivision Roads.

Section 6.2 Stormwater Measures. All stormwater controls, soil and erosion control and/or measures and devices shown on those plats of the Subdivision or otherwise applicable shall be maintained and repaired by the Association in accordance with this Declaration and all applicable federal, state and/or local laws, rules, ordinances and regulations.

Section 6.3 General Easements. An easement is hereby reserved and/or granted in favor of the Declarant and/or the Association in, on, over and through the Lots for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, policing, replacing and otherwise dealing with the Common Elements, utilities and stormwater and erosion control, including all improvements thereon as required or permitted by the Subdivision's plans or applicable law. An easement is hereby reserved in favor of Declarant over the Subdivision for the purpose of advertising or promoting sales of Lots or Dwelling Units in the Subdivision.

Section 6.4 Reservation of Access Easement by Declarant. Declarant reserves an easement for itself, its grantees, successor and/or assigns, to enter upon the Subdivision for access, including ingress and egress for both vehicles and pedestrians, to and from any public street, road, land, walkway or right-of-way, for the purpose of completing improvements in the Subdivision.

Section 6.5 Common Elements. The Common Elements are required by governmental agencies and are to be maintained and repaired in accordance with all applicable governmental laws, rules, and regulations.

Section 6.6 Street Lighting. The Declarant reserves the right to subject the Subdivision to a contract with Duke Energy or other utility company for the installation of street lighting and underground electric cables, which requires a continuing monthly payment to any such utility company be each Lot Owner.

Section 6.7 Water Utility System. The Subdivision and Lots will be served by a private water utility system ("Water Utility System"). The Declarant reserves the right to grant easements over, across and under the Lots, to the Water Utility System provider. All improvements associated with the Water Utility System shall be exempt from this Declaration. The Water Utility System provider, its agents, and contractors shall have an unobstructed easement of ingress, egress, regress and access over, under and across the Lots and streets to operate, maintain, repair and replace the facilities associated with the Water Utility System. Each

individual Lot Owner is solely responsible for maintenance and repair of the Service Line serving the Owner's Lot in accordance with specifications imposed by the Water Utility System provider. The "Service Line" is the portion of the Water Utility System that extends from the Water System Utility meter for each Lot to the Dwelling Unit. The portion of the Water Utility System extending from the Water System Utility meter on each Lot to the main line located in or near the public street, shall not be included in the term Service Line. The Lot Owners are prohibited from erecting or placing any structure that interferes with the Water Utility System and any easement associated therewith. The Lot Owners shall not place any contaminant within any well site easement associated with the Water Utility System. The provider of the Water Utility System shall have the unilateral right to immediately and without notice, remove any structure that interferes with the Water Utility System and any contaminant from any easements associated with the Water Utility System. If a Lot Owner refuses or fails to remove any structure or contaminant as requested by the Water Utility System provider, the Water Utility System provider shall be entitled to reimbursement for all costs and expenses of doing the same, from the Lot Owner responsible for such structure or contaminant. The Water Utility System provider is entitled to use the any and all easements associated with the Water Utility System as necessary and appropriate for the operation, maintenance, repair, interconnection and installation of water mains and appurtenant system equipment. This includes without limitation the removal of all trees, roots, limbs, shrubs, underbrush and parts thereof that interfere with Water Utility System and associated facilities. The Water Utility System provider shall not be required to replace any trees, roots, limbs, shrubs, underbrush and part thereof including other obstacles erected within any easement associated with the Water Utility Easement.

ARTICLE 7

ENFORCEMENT

Section 7.1 Enforcement. The Association, Declarant or any Lot Owner may enforce these covenants, conditions and restrictions. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate (the "Violating Party") any covenant, condition or restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. In addition to all other amounts due on account of said violation or attempted violation, the Violating Party shall be liable to the parties enforcing the covenants and/or restrictions of this Declaration (the "Enforcing Parties") for all reasonable attorneys' fees, costs and expenses of collection and/or litigation and court costs incurred by the Enforcing Parties. Failure or forbearance by the Association or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any lawsuit filed to enforce this Declaration by injunction or restraint, there shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants, conditions or restrictions cannot be adequately remedied by action at law or by recovery of damages.

Section 7.1.1 In addition to all other remedies of the Association, the Association shall have the right to assess a maximum fine of One Hundred and No/100 Dollars (\$100.00) per day (or such higher amount as may be allowed by law) per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws or Rules and Regulations of the

Association after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

Section 7.1.2 In addition to the above rights, the Association may also enter upon a Lot or any land upon which a violation exists to remove any violation, perform maintenance or make repairs thereon which is the responsibility of a Lot Owner who has failed to remove said violation or to perform such maintenance or make such repairs (i) after having given such owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency.

Section 7.1.3 Any action brought by the Association hereunder may be brought in its own name, in the name of its Board or in the name of its managing agent. In any case of flagrant or repeated violation by a Lot Owner, he or she may be required by the Association to give sufficient surety or sureties for Owner's future compliance with the covenants, conditions and restrictions contained in this Declaration, the Bylaws and the Rules and Regulations.

Section 7.2 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 7.3 Restrictions Run With Land. The easements or other permanent rights or interests herein created and the covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Declarant or the Owner of any Dwelling Unit subject to this Declaration, their respective legal representatives, heirs, successors, and/or assigns.

Section 7.4 Amendment. The Declarant may amend this Declaration at any time and for any reason during the Period of Declarant Control. After the Period of Declarant Control, the Association may amend this Declaration at any time, as long as said amendments are consistent with the design, scheme and purposes of this Declaration, by the affirmative vote or written agreement of the majority of the Lot Owners. Any amendment to this Declaration must be recorded with the Wake County Register of Deeds. Following the end of the Development Period, no such agreement to amend, in whole or in part, shall be effective unless written notice of the proposed amendment is sent to every Member at least thirty (30) days in advance of any action taken, and no such amendment shall be effective with respect to any permanent easements or other permanent rights or interests relating to the Common Elements herein created (unless such amendment is consented to in writing by Declarant and all other beneficiaries of such permanent easements, rights of interests, etc.).

Section 7.5 Reservation of Special Declarant Rights. Declarant reserves the right to maintain sales and management offices, model units, construction trailers, storage or staging areas, and advertising signs upon Lots or the Common Elements and upon Lots owned by Declarant until the expiration of the Development Period. During the Development Period, Declarant shall have the right to annex additional Lots or Common Elements into the Subdivision by filing a supplement to this Declaration with the Wake County Register of Deeds, together with an amendment to the Plat (if applicable). Such additional Lots or Common Elements need not be contiguous to the Property. Declarant shall have the right to assign all or a

portion of any rights or easements reserved herein by a written assignment thereof and recorded with the Wake County Register of Deeds.

Section 7.6 Binding Determination. In the event of any dispute or disagreement with or between any Owner(s) relating to, or of any other disputes, disagreements or questions regarding the interpretation or application of the provisions of this Declaration or the Articles or Bylaws of the Association, the determination thereof shall be (i) by Declarant for so long as Declarant retains control of the Association, and (ii) thereafter by the Board of Directors of the Association, shall be final and binding on each and all such Owners; provided, that any determination which directly or indirectly affects Declarant shall require Declarant's prior consent to become binding upon Declarant.

Section 7.7 Captions and Titles. All captions, titles or headings in this Declaration are for the purpose of reference and convenience only and are not deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

Section 7.8 Notices. Except as otherwise provided in this Declaration, any notice to any Owner under this Declaration shall be in writing, shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three (3) days after mailing (postage prepaid) to the last known address of such Owner set forth in the books of the Association. The address of an Owner shall be at the Owner's Lot (or any of them if more than one (1)) unless otherwise specified in writing to the Association. The Articles and Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

Section 7.10 Governing Law. This Declaration shall be deemed to be made under and shall be construed in accordance with and shall be governed by the laws of the State of North Carolina, and suit to enforce any provision hereof or to obtain any remedy with respect hereto shall be brought in state court in Wake County, and for this purpose each Owner hereby expressly and irrevocably consents to the jurisdiction of said court.

[Remainder of this page intentionally left blank. Signatures and notary acknowledgement are on the following pages]

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

Perry Properties & Development, Inc.

By: _____

Jonathan Perry, President

Seal-Stamp



NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the State aforesaid, certify that Jonathan Perry personally came before me this day and acknowledged that he is a President of Perry Properties & Development, Inc. a North Carolina corporation and that by authority duly given and as the act of Perry Properties & Development, Inc., the foregoing instrument was signed in its name by its President.

Witness my hand and official stamp or seal this 25 day of June 2020

Paula M. Whitsett

Notary Public

PAULA M. WHITSETT

Printed Name of Notary Public

My commission expires: 13 Aug 23

EXHIBIT A

Legal Description

Being all of those lots identified as lot numbers 24, 25, 26, 27, 28, 29, 30, 31, 32 and 33 on that plat entitled Meadows of Banks Phase 2 and recorded at Book of Maps 2020 Pages 61-62; together with all roads, streets, easements, common elements and land shown on said plat.