NEW CONSTRUCTION PURCHASE AGREEMENT

1. PARTIES: Lilium Homes Inc, "Seller", NC contractor license # 88522; Classification: Residential; Limit: Unlimited and _____, "Buyer" agree as follows.

2. PROPERTY: Seller agrees to sell and Buyer agrees to purchase from Seller, Lot No. 35, Block No. _____, Subdivision: Carriage Farm, in Book of Maps 2025, Page 475, Wake County Registry together with the dwelling and other improvements built or to be built in accordance with the plans and specifications described below (the "Property"). Address: 357 Black Caviar Way, Raleigh, 27603 (city/zip), NC. No personal property is included in this sale.

Note: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

3. NEIGHBORHOOD DOCUMENTATION, OWNER'S ASSOCIATION and DISCLOSURES: (Mark and complete all that are applicable)

BUYER ACKNOWLEDGES RECEIPT OF THE FOLLOWING:

☑ Covenants, Conditions and Restrictions	☑ Homeowner's Association Disclosure
☐ Bylaws and/or Rules/Regulations	☐ Disclosure (as noted): _____
☑ Recorded Map	☐ Disclosure (as noted): _____
☐ Other (as noted): _____	☐ Other (as noted): _____

Prior to signing this Agreement, Buyer is advised to review restrictive covenants, if any, which may limit the use of the Property, and to read any declaration of restrictive covenants, bylaws, articles of incorporation, rules and regulations, and other governing documents of the owner's association(s) and/or the subdivision, if applicable. Buyer understands and agrees to be bound by and perform the obligations of owners imposed thereby upon becoming an owner.

Copies of the foregoing documents have been made available to the Buyer at the office of Seller and shall be available for further examination by Buyer at such office during regular business hours. From and after the date the deed to the Property is filed for record, Buyer agrees to comply with the provisions of applicable declarations, rules and regulations, and bylaws and to perform the obligations of a homeowner thereunder.

☐ **Covenants Not Final:** In the event this section is marked, the final declaration of covenants, conditions and restrictions (the "Covenants") for the neighborhood have not been provided to Buyer. Seller shall deliver the final Covenants to Buyer as soon as possible. Buyer shall then have three (3) days from delivery to terminate this agreement by written notice to Seller if Buyer does not approve the Covenants. In the event Buyer does not give timely notice of termination, Buyer shall be bound by this Agreement.

OWNER'S ASSOCIATION(S): As an owner of the Property, Buyer will become a member of one or more Owner's Associations ("HOA") regarding the property as set out in any declarations, covenants and/or restrictions affecting the Property and shall be required to pay a Capital Contribution ("Capital") into such association(s) at closing and periodic regular assessments ("HOA Assessments") thereafter currently estimated as follows:

$ 1,000 Capital for Carriage Farm HOA (Semiannual) HOA and ☑ Annual ☐ Quarterly ☐ Monthly HOA Assessments of $ 1500.

$ _____ Capital for _____ HOA and ☐ Annual ☐ Quarterly ☐ Monthly HOA Assessments of $ _____.

It is understood and agreed, however, that the amount of such Capital and Association Assessments is subject to change by the Association(s) without notice prior to closing and Buyer agrees to pay the amounts charged by the Association at closing and thereafter.

In the event any fee is imposed by any HOA in which Buyer will become a member for transferring the records of the HOA to register and record the ownership by Buyer ("HOA Transfer Fee"), such fee shall be paid by Buyer.

4. PURCHASE PRICE AND PAYMENT:

The Purchase Price for the Property in U.S. Dollars is $ _____ payable as follows (Mark and complete all that are applicable):

(a) ☐ _____ as Earnest Money, upon execution of this Agreement, payable to _____ as escrow agent, who shall retain it in a separate escrow account until the sale is closed, at which time it will be credited to the purchase price, or until this Agreement is otherwise terminated and the Earnest Money is disbursed in accordance with the terms of this Agreement. [See Additional Provisions Section 2]

☑ $ _____ as the total non-refundable builder fees, including any installments set out in (b) below.

☐ $ _____ Construction-to-Perm: See attached Fees Agreement, which is incorporated herein, for Fees.

☐ $ _____ Balance due at Settlement

Buyer initials _____ _____ Seller initials _____

(b) Installment non-refundable builder fees shall be paid as follows:
[NOTE: The total of any installments should equal the amount set forth in Paragraph 4(a) above.]
$_____ Date or event triggering Payment: At Time of Contract
$_____ Date or event triggering payment: _____
$_____ Date or event triggering payment: _____
$_____ Date or event triggering payment: _____
The non-refundable builder fees are not a part of the Earnest Money Deposit and will be used by Seller in the construction of the special improvements described above. The non-refundable builder fees will be credited to the Purchase Price at Settlement.

Should Buyer fail to deliver the non-refundable builder fees or any installment thereof in accordance with the terms of this subparagraph, Buyer shall have two (2) days after written notice to deliver them or the installments to Seller. In the event Buyer does not timely deliver the non-refundable builder fees, Seller shall have the right, but not the obligation, to terminate this Agreement upon written notice to Buyer.

These deposits and Payments are for builder fees, Upgrades or Options, if any, and any subsequent fees made, which shall be payable to Lilium Homes Inc **and will be used by Seller in the construction and applied to the purchase price at closing and are non-refundable.**
In addition, any deposits and Payments Toward Upgrades or Options are not refundable if Buyer is unable to obtain the Loan and Buyer terminates the Agreement as set out in paragraph 5 below.
It is acknowledged by Buyer and Seller that no real estate broker has any responsibility as an escrow agent for any fee paid.

(c) The balance of the Purchase Price in good funds at closing (including mortgage proceeds) upon delivery of the deed to Buyer.
(d) No portion of the purchase price is to be paid by a promissory note, nor may any portion of the purchase price be paid by the assumption of any existing loan.
(e) Should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice to deliver good funds to the payee. In the event Buyer does not deliver good funds as provided, the Seller shall have the right to terminate this Agreement by written notice to Buyer.

5. SOURCE OF FUNDS:
☐ Buyer will pay cash; OR

☐ Buyer will secure a loan under the following conditions:
a. Buyer agrees to make written application for the Loan and promptly pay any necessary fees and authorize any required appraisal on or before _____. Buyer further agrees to pursue qualification for and approval of the Loan diligently and in good faith and to continually and promptly provide requested documentation to the lender. Buyer shall promptly furnish Seller written confirmation from the lender of having applied for the Loan. If Buyer fails to furnish Seller written confirmation from the lender of having applied for the Loan as agreed, Seller may make written demand for compliance. If Buyer does not furnish Seller written confirmation from the lender of application within five (5) days after such demand, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not received either written evidence of the application or a waiver of the Loan Condition, and all Earnest Money and Deposits paid by Buyer shall be forfeited to Seller and such forfeiture shall not affect any other remedies available to Seller.
b. **Time shall be of the essence with respect to all dates and deadlines set forth in paragraph5(a).**

NOTE: This Contract is NOT conditioned upon the Buyer securing a loan for the Property.

6. BUYER'S PROPERTY: Buyer ☐ DOES ☐ DOES NOT have to sell or lease other real property in order to qualify for a new loan or to complete the purchase. *(Complete the following only if Buyer DOES have to sell or lease other real property:)*

Other Property Address: _____

☐ (*Check if applicable*) Buyer's other property IS under contract as of the date of this offer, and a copy of the contract has either been previously provided to Seller or accompanies this offer. *(Buyer may mark out any confidential information, such as the purchase price and the buyer's identity, prior to providing a copy of the contract to Seller.)* Failure to provide a copy of the contract shall not prevent this offer from becoming a binding contract; however, SELLER IS STRONGLY ENCOURAGED TO OBTAIN AND REVIEW THE CONTRACT ON BUYER'S PROPERTY PRIOR TO ACCEPTING THIS OFFER.

☐ (*Check if applicable*) Buyer's other property IS NOT under contract as of the date of this offer. Buyer's property (*check only ONE of the following options*):
☐ is listed with and actively marketed by a licensed real estate broker.
☐ will be listed with and actively marketed by a licensed real estate broker.
☐ Buyer is attempting to sell/lease the Buyer's Property without the assistance of a licensed real estate broker.

NOTE: This Contract is NOT conditioned upon the sale/lease or closing of Buyer's other property.

Buyer initials _____ _____ Seller initials _____

7. BUILDER REPORTS CONDITIONS

☑ **MARK HERE IF DWELLING CONSTRUCTION HAS COMMENCED AND THIS SECTION DOES NOT APPLY (THEN SKIP TO SECTION 8)**

☐ **(Mark here for Pre-Sales or when dwelling construction has not started):** This Agreement is contingent upon Seller obtaining the following report(s) or permits marked as "applicable" (collectively the "Reports"):

(a) **Soil Suitability** (☐ Applicable ☐ Not Applicable): A report showing the soil is suitable for the Dwelling.

(b) **Utility Availability** (☐ Applicable ☐ Not Applicable): A report showing the following utilities are available to the Property:_____.

(c) **Environmental Restrictions** (☐ Applicable ☐ Not Applicable): A report showing there is no environmental contamination, law, rule or regulation that prohibits or unreasonably limits the use of the Property for residential purposes.

(d) **Environmental Permits** (☐ Applicable ☐ Not Applicable): An Improvement Permit from any environmental regulatory agency which may have jurisdiction concerning the Real Estate which would allow the construction of the Dwelling.

(e) **Flood Hazard** (☐ Applicable ☐ Not Applicable): A report showing there is no flood hazard that prohibits or unreasonably Limits the use of the Property for residential purposes.

(f) **Septic System** (☐ Applicable ☐ Not Applicable): An Improvement Permit or written evaluation from the County Health Department ("County") allowing a (check only ONE) ☐ conventional or ☐ other _____ _____ ground absorption sewage system for a _____ bedroom home.

(g) **Private Drinking Water Well** (☐ Applicable ☐ Not Applicable): A Construction Permit from the County allowing a private drinking water well.

(h) **Zoning/Restrictive Covenants** (☐ Applicable ☐ Not Applicable): A report showing the Dwelling may be constructed in Accordance with applicable zoning and restrictive covenants.

(i) **Architectural Review** (☐ Applicable ☐ Not Applicable): A report showing approval from architectural review board/committee that the Dwelling meets applicable architectural requirements.

(j) **Land Use Permit(s)** (☐ Applicable ☐ Not Applicable): A permit or permits from any applicable local government(s) that may have jurisdiction showing approval of the Real Estate for development.

All costs and expenses of obtaining the Reports shall be borne by Seller, and Seller shall use best efforts to timely obtain the Reports. If the Reports cannot be obtained by _____ ("Builder Report Date"), Builder may terminate this Contract by delivering to Buyer written notice of termination. If the Builder has delivered such notice, this Agreement shall be terminated and all Earnest Money shall be refunded to Buyer.

8. SUBDIVISION STREET DISCLOSURE: The street upon which the Property fronts **is designated ☑ Public or ☐ Private**

If Public: The Seller certifies that the street ☐ HAS BEEN ☑ HAS NOT BEEN accepted for maintenance by the North Carolina Department of Transportation or the municipality, as applicable.

If not yet accepted for maintenance, the Seller certifies that the right of way and the design and construction of the street has been or will be in accordance with the applicable standards for subdivision streets adopted by the North Carolina Department of Transportation or by the municipality.

If Private:

- Construction of the street:
  - ☐ is complete; or,
  - ☐ shall be completed by Developer and/or Seller; and
    - ☐ will ☐ will not be constructed to applicable minimum standards of the State highway system or municipal street system; or,
  - ☐ shall be the responsibility of the Buyer as owner of the Property; or,
  - ☐ Other (specify) _____
- No street maintenance shall be performed by the North Carolina Department of Transportation or any other state or local government agency.
  - ☐ Covenants, conditions or restrictions concerning street maintenance and other restrictions and conditions of use and occupancy of the Property, are recorded at Book _____ Page _____ ; or,
  - ☐ A street maintenance agreement is recorded at Book _____ Page _____ ; or,
  - ☐ There is no street maintenance agreement and Buyer is solely responsible.

NOTE: NC General Statutes Section 136-102.6(f) (the "Statute") requires that under certain circumstances described in the Statute, a buyer must be provided a subdivision streets disclosure statement prior to entering into an agreement to buy subdivided property described in the Statute. If Buyer or Seller are uncertain whether the sale of the Property described in the Contract is subject to the Statute, they should consult a NC real estate attorney

Buyer initials _____ _____ Seller initials _____

9. CONSTRUCTION OF DWELLING.

(a) **Quality of Construction:** Seller shall construct the Dwelling (i) in accordance with the Plans and Specifications; (ii) in compliance with all laws, regulations, codes, and ordinances applicable to the construction of the Dwelling; and (iii) in a good and workmanlike manner with new, good quality materials and components.

(b) **Changes:**

(i) **Seller Changes:** Minor changes from plans may be necessary and are permitted. However, Seller shall not make any significant deviation or change in the Plans and Specifications without the prior written consent of Buyer.

(ii) **Buyer Changes:** Buyer may request changes in the construction of the Dwelling within the general scope of the Plans and Specifications, consisting of additions, deletions or other revisions.

(iii) **Change Order**: Changes under (i) and/or (ii) above shall be made only by a Change Order, which shall be in writing and signed by both Buyer and Seller ("Change Order"). Change Orders will accordingly address changes to the Purchase Price, Construction Fees, allowance amount(s), and other changes agreed to between Buyer and Seller as to the Plans and Specifications. These can affect the total price and completion date of the Property.

(c) **Construction Costs:** Seller shall provide and pay for all labor, materials, equipment, tools, clean-up, utilities, transportation, facilities, permits, fees, licenses, all plans and specifications and all other costs, charges and expenses whatsoever in connection with or related to the construction of the Dwelling unless otherwise agreed in writing.

(d) **Construction Financing:** Seller shall pay all costs, charges, and other expenses, of any nature whatsoever, for Seller's construction financing of the Dwelling.

(e) **Punch List Items**: Seller shall notify Buyer when there has been Substantial Completion (see definition below) of the Dwelling and shall schedule a mutually agreeable date and time on which Buyer shall inspect the Dwelling. Prior to Settlement, Buyer and Seller shall agree upon a written list of all deficiencies in workmanship and material that are detectable by visual examination ("Punch List Items"). Seller shall correct Punch List Items at Seller's cost within a reasonable period of time. AFTER SUBSTANTIAL COMPLETION(as defined herein), SELLER'S FAILURE TO CORRECT A PUNCH LIST ITEM PRIOR TO SETTLEMENT WILL NOT BE GROUNDS FOR DELAYING SETTLEMENT OR THE IMPOSITION OF ANY CONDITIONS ON SETTLEMENT; PROVIDED, SETTLEMENT SHALL NOT RELIEVE SELLER FROM THE OBLIGATION TO CORRECT ANY PUNCH LIST ITEM.

(f) **Delay in Construction:** If Seller is delayed at any time in the progress of construction by (i) any act or neglect of Buyer; (ii) written Change Orders; (iii) shortages of materials, adverse weather conditions, or delays in transportation which were not reasonably anticipated; or (iv) acts of God, Seller shall give as much notice as possible of the delay to Buyer and the time for Substantial Completion of construction shall be extended by a reasonable time to account for the delay(s) experienced. BUYER ACKNOWLEDGES AND UNDERSTANDS THE IMPORTANCE OF COOPERATING FULLY WITH SELLER IN ORDER TO HELP EXPEDITE THE CONSTRUCTION OF THE DWELLING AND TO AVOID OR MINIMIZE ANY DELAY IN SETTLEMENT, INCLUDING BUT NOT LIMITED TO TIMELY COMMUNICATION OF ANY REQUESTED CHANGES IN THE CONSTRUCTION OF THE DWELLING IN ACCORDANCE WITH PARAGRAPH 3(b)(ii) ABOVE AND MAKING PROMPT DECISIONS ON ANY ALLOWANCE ITEMS.

(g) **Radon Inspection**: Buyer shall have the option, at Buyer's expense, to have the Property tested for radon prior to Settlement. The test result shall be deemed satisfactory to Buyer if an indoor air test indicates an average radon level of less than 4.0 pico curies per liter of air **(as of January 1, 1997, EPA guidelines reflect an "acceptable" level as anything less than 4.0 pico curies per liter of air).** If the indoor air test result exceeds the above-mentioned level, Seller shall remediate to bring the radon level within the satisfactory range. Upon the completion of remediation, Buyer may have another indoor radon test performed at Seller's expense, and if the test result indicates a radon level less than 4.0 pico curies per liter of air, it shall be deemed satisfactory to Buyer. The test result for radon or similar radiological chemicals in well water shall be deemed satisfactory to Buyer if the water test does not show the presence of radon or similar radiological chemicals which exceed local or federal government health regulations. If the water test result does exceed local or federal government health regulations for radon or similar radiological chemicals, Seller shall remediate to bring the water quality into compliance. Upon the completion of the remediation, Buyer may have another water test performed at Seller's expense, and if the test result indicates compliance with local or federal government health regulations, it shall be deemed satisfactory to Buyer.

(h) **Buyer Inspections:** Buyer may complete inspections and provide a written Punch List to Seller no more than 7 days following the Notice of Substantial Completion (See Section 12). Seller will endeavor to complete the Punch List work agreed upon prior to Closing. However, Closing may precede completion of the Punch List work as set out in Section 12. (Also see Additional Provisions Section 5).

10. EXPENSES, CLOSING COSTS, AND ATTORNEY: Unless otherwise agreed, Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, appraisal, title search, title insurance, HOA Transfer Fees, recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price.

Seller shall pay for the preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement and for excise tax (revenue stamps) required by law. The parties shall pay their own attorney's fees unless otherwise provided herein.

Seller shall pay at closing $_____ toward any of Buyer's expenses associated with purchase of the Property, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay, but excluding any portion disapproved by Buyer's lender. Buyer will be responsible for any additional costs incurred to comply with FinCen requirements, including any filing or attorney fees.

Buyer agrees to use _____ as the closing attorney and understands their right to choose their own.

11. **ADDITIONAL PROVISIONS and ADDENDA:** All of the Additional Provisions attached hereto are expressly incorporated herein by reference and shall apply to this Agreement.

Additionally, the following Addenda are attached hereto and made a part of this Agreement: (Mark and complete all that are applicable):
☐ Plans and specifications, which shall be subject to reasonable modification during construction on the Property.
[Note: The above selection should be marked and the addendum initialed and attached or the Alternative Plans and Specifications section below should be marked and completed if construction is substantially not complete.]
☐ Cut-sheets, elevations, and/or floor plans, which shall be subject to reasonable modification during construction on the Property.
☐ Options and Upgrades Addendum
☐ Other Addenda (as noted) _____

Alternative Plans and Specifications Provision

☐ The Plans and Specifications are not suitable for attachment. However, they are identified as follows: _____ (Clearly identify the Plans and Specifications).

These Plans and Specifications have been reviewed and approved by Buyer and are made a part of this Agreement, but shall be subject to reasonable modification during construction on the Property as set out above.

12. SETTLEMENT AND CLOSING: (Mark and complete only one of the sections below which shall apply) Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before the Closing Date ("Settlement") at a time and a place designated by Buyer in the reasonable proximity of the Property.

☑ **COMPLETED CONSTRUCTION: (Only fill out if construction IS complete.)** Closing shall be on or before _____ (the "Closing Date").

If either party is unable to Close by the Closing Date, then provided that the party is acting in good faith and with reasonable diligence to proceed to Closing, such party shall be entitled to reasonable delay of the Closing Date and shall give as much notice as possible to the non-delaying party and Closing agent. In such event, however, either party for whom the Closing Date is delayed shall have a maximum of seven (7) days from the Closing Date, or any extension of the Closing Date agreed-upon in writing, in which to Close.

In the event Buyer is unable to complete Closing on or before seven (7) days after the Closing Date, or any extension of the Closing Date agreed-upon in writing, then Buyer shall pay to Seller at Closing a per diem carrying charge in the amount of $_____ per day from that date until Closing occurs or the Agreement is terminated. In the event Buyer fails to complete Closing on or before seven (7) days after the Closing Date, or any extension of the Closing Date agreed-upon in writing, Seller may terminate this Agreement by written notice to Buyer and all sums paid to Seller shall belong to Seller and all Earnest Money shall be paid to Seller.

☐ **CONSTRUCTION NOT COMPLETE AT TIME OF AGREEMENT: (Only fill out if construction IS NOT complete.)** The anticipated completion date is on or about N/A ("Anticipated Completion Date"). It is understood and agreed that this is an estimated date only. Closing shall be within fourteen (14) days after written notice from Seller to Buyer of Substantial Completion as defined herein ("Closing Date"). Provided, however, the Closing Date will not be any earlier than the Anticipated Completion Date unless the parties agree in writing. Buyer and Seller will agree upon the exact Closing Date in accordance with the above, but failing any agreement being reached, the Closing Date shall be the first business day occurring 14 days after the written notice from Seller of Substantial Completion.

A. **"Substantial Completion"** shall mean the completion of the construction of the Dwelling in accordance with the Plans and Specifications and any other special provisions that may be part of the Contract to the degree that: (i) it is habitable and broom-clean, (ii) a certificate of occupancy has been issued by the appropriate governmental authority having jurisdiction over the construction of the Dwelling and delivered to Buyer, and (iii) only Punch List Items remain to be corrected.

B. **Delayed Completion:** The parties recognize that adverse weather, unavailability of material, strikes and other conditions beyond the reasonable control of Seller may delay completion and it is, therefore, agreed by the parties that in the event, and only in the event, that the home is not Substantially Completed within one hundred-twenty (120) days after the Anticipated Completion Date because of such conditions, Buyer shall have the right to declare this Agreement null and void. However, Seller shall not be required to return to Buyer the sums paid under paragraph 4, and Buyer's and Seller's rights shall cease and terminate without liability on the part of either party.

C. **Final Inspection:** Within seven (7) to ten (10) days of receipt of the certificate of occupancy by the Authority Having Jurisdiction (AHJ), or if there is none, within seven (7) to ten (10) days after receiving Seller's certificate of substantial completion, the Buyer will deliver to Seller a signed punch list identifying any workmanship or materials not conforming to the Contract plans and specifications, and/or any claimed deficiencies in workmanship or materials. Deficiencies in workmanship or materials shall be defined by the Residential Performance Guidelines, a publication of the National Association of Home Builders. Seller, at its own expense, shall then timely correct all workmanship and materials and rectify all deficiencies in accordance with the Residential Construction Performance Guidelines. Upon completion of this punch list work, Buyer shall deliver to Seller a signed Certificate of Acceptance. Any failure of Buyer to inspect within the three-day period and/or deliver a signed punch list shall constitute acceptance of the workmanship and materials and acknowledgement that the construction has been completed in accordance with the Contract plans and specifications.

D. **Delayed Closing**: In the event Buyer is unable to complete Closing on the Closing Date, or any extension of the Closing Date agreed-upon in writing, then Seller may delay the Closing and Buyer shall pay to Seller at Closing a per diem carrying charge in the amount of $ 200 per day from that date until Closing occurs or the Agreement is terminated. In the event Buyer fails to complete Closing on or before seven (7) days after the Closing Date, or any extension of the Closing Date agreed-upon in writing, Seller may terminate this Agreement by written notice to Buyer and all sums paid to Seller shall belong to Seller and all Earnest Money shall be paid to Seller.

E. **Suspension of Work:** If Buyer fails to timely make any payment obligations due under this agreement, or fails to comply with any other material obligation under this contract, the Seller may, in its discretion, suspend construction work until such payment is made or obligation fulfilled.

DEED: The deed is to be made to _____.

13. ZONING AND ASSESSMENTS: Seller warrants that there are no restrictions, zoning, easement or other governmental regulations that would prevent the reasonable use of the Property for residential purposes. Seller further warrants that there are no encumbrances or special assessments, either pending or confirmed, for sidewalk, paving, water, sewer or other improvements on or adjoining the Property. Notwithstanding the foregoing, Seller shall pay all owners' association assessments and all governmental assessments confirmed through the time of closing, if any, and Buyer shall take title subject to all pending assessments, if any, unless otherwise agreed as follows:

14. FLOOD HAZARD DISCLOSURE/CONDITION (Choose and mark ONE of the following alternatives):

☐ To the best of Seller's knowledge, the Property **IS** located partly or entirely with a designated Special Flood Hazard Area. Buyer understands that it may be necessary to purchase flood insurance in order to obtain any loan secured by the Property from any federally regulated institution or a loan insured or guaranteed by an agency of the U.S. Government.

☑ To the best of Seller's knowledge, the Property **IS NOT** located partly or entirely with a designated Special Flood Hazard Area. If, following the execution of this Agreement, it is determined that any permanent improvements on the Property are located within a designated Special Flood Hazard Area according to the current FEMA flood map, or if this Agreement is subject to a loan condition and Buyer's lender requires Buyer to obtain flood insurance as a condition of making a loan, then in either event Buyer shall have the right to terminate this Agreement upon written notice to Seller, and all monies paid by Buyer to Seller pursuant to this Agreement shall be returned to Buyer.

15. WARRANTIES:

(a) LIMITED WARRANTY OF CONSTRUCTION: Unless otherwise provided herein, Seller hereby warrants that, for a period of one (1) year from the date of Closing or the date Buyer occupies the Property, whichever comes first, Seller will make all necessary repairs and corrections to the house on the Property, either interior or exterior, structural or non-structural, that shall become necessary by reason of faulty construction, labor or materials or unreasonable non-conformity of construction to the plans and specifications. At Seller's sole option, Seller may either (i) make such repairs and corrections, (ii) replace any faulty or non-conforming item or condition, or (iii) pay to Buyer the reasonable cost of such repair, correction or replacement. This limited warranty: (1) is for the benefit of Buyer only and may not be assigned nor shall it inure to the benefit of any other person or entity, and (2) shall survive closing and the delivery of the deed.

(b) WARRANTIES OF COMPONENTS: Seller shall assign, to the extent reasonably possible, and deliver to Buyer at closing all guarantees and warranties of all components contained in or that are part of the improvements to the Property. Buyer shall be responsible for compliance with any registration, maintenance obligations, and notice and claim procedures set forth therein.

(c) STATE WARRANTIES: North Carolina law mandates that certain express and/or implied warranties are included as a matter of law in the purchase of new construction. These warranties may cover such issues as structural defects or latent defects. It is recommended that Buyer seek guidance from a NC licensed attorney regarding such warranties.

16. INSULATION DISCLOSURE: Seller hereby discloses that Seller has purchased, paid for, and employed an independent contractor to install insulation in the Property as follows:

☐ Insulation installed at the Property will be in accordance with the specifications attached to this Agreement; or

☑ Insulation installed at the Property will be as set out as follows:

	FLOORS*	CEILINGS	WALLS
TYPE	TO CODE	TO CODE	TO CODE
THICKNESS	TO CODE inches	TO CODE inches**	TO CODE inches**
R-FACTOR	R-TO CODE	R-TO CODE	R-TO CODE

* **Disclosure does not apply to dwellings constructed on concrete slabs.**

** **Thickness may vary due to normal settling and presence of beams, rafters, studs and other structural members.**

Buyer initials _____ _____ Seller initials _____

17. **LIVING AREA MEASUREMENT:** The approximate living area of the residence that has been built or is to be built on the Property may have been observed by or represented to Buyer in various ways and places. It is understood and agreed between Buyer and Seller that "living area" square footage as represented by Seller and Seller's agents has been based upon builder plan dimensions and is subject to change without notice during construction. Buyers may verify actual living area measurements as improvements are completed prior to closing. However, this Property and the house constructed on it are not being sold on a "per square foot" pricing basis. Although the completed improvements should substantially comply with agreed plans and specifications, no adjustment will be made in price because of discrepancies in living area in the completed improvements.

18. **MINERAL, OIL AND GAS RIGHTS DISCLOSURE:** Mineral, oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral, oil and gas rights from the owner or by reservation of the mineral, oil and gas rights by the owner. If mineral, oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface minerals, oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of mineral, oil and gas rights, Seller makes the following disclosures:

Buyer Initials ____ 1. Mineral, oil and gas rights were severed from the Property by a previous owner. ☐Yes ☐No ☑No Representation

Buyer Initials ____ 2. Seller has severed mineral, oil and gas rights from the Property. ☐Yes ☑ No

Buyer Initials ____ 3. Seller intends to sever the mineral, oil and gas rights from the Property prior to transfer of title to Buyer. ☐Yes ☑ No

[**NOTE:** This Paragraph contains a **disclosure only**, and in no way modifies the obligations of the Seller to deliver fee simple title to Buyer as described in Paragraph 1 of the Additional Provisions. In the event any severing of oil and gas rights to the Property has occurred or is planned, it is necessary that the terms of such must be agreed upon by Buyer as part of this Agreement or in a related agreement.]

19. **ENTIRE AGREEMENT:** This Agreement, along with the signed Addenda, if any, and the matters expressly referred to herein, constitute the entire agreement between the parties. No representations, warranties, undertakings or promises whether oral, implied or otherwise have been made by either Seller or Buyer unless expressly stated herein or unless mutually agreed upon in writing between the Seller and Buyer.

HOWARD PERRY & WALSTON REALTY INC. D/B/A COLDWELL BANKER HOWARD PERRY AND WALSTON AND THE JIM ALLEN GROUP INC. ALONG WITH ANY OF THEIR AGENTS OR INDEPENDENT CONTRACTORS MAKE NO REPRESENTATIONS AS TO THE LEGAL VALIDITY OR ADEQUCY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: _____ Date: _____

_____ Date: _____

Seller: _____ Date: _____

_____ Date: _____

Notice Address: _____

_____

Notice Address: _____

_____

AGENTS:

Selling Firm: _____ Firm License #: _____

Individual Agent: _____ License #: _____

Acting as: ☐ Buyer's Agent ☐Seller's (sub)agent ☐Dual Agent ☐Designated Dual Agent

Selling Agent Mailing Address: _____

Selling Agent Email: _____ Fax: _____ Phone _____

Listing Firm: COLDWELL BANKER HOWARD PERRY and WALSTON/Jim Allen Group Firm License # C1232

Individual Agent: Daniel Harmon /Jim Allen MLS ID r11804 License # 274409

Acting as: ☑Seller's (sub)agent ☐Dual Agent ☐Designated Dual Agent

Individual Listing Agent Email: daniel@JimAllen.com Fax: _____ Phone: 910-818-3956

EARNEST MONEY ACKNOWLEDGMENT:

357 Black Caviar Way Raleigh, NC 27603
Property Address

I/WE HEREBY ACKNOWLEDGE RECEIPT OF THE EARNEST MONEY DESCRIBED IN THE FOREGOING PURCHASE AGREEMENT AND AGREE THAT THE EARNEST MONEY WILL BE HELD AND DISBURSED IN ACCORDANCE WITH THIS AGREEMENT (See Additional Provisions Section 2.)

Firm:

By: _____ Date: _____

DEPOSIT ACKNOWLEDGEMENT:

I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING DEPOSIT(S) AND/OR PAYMENT:

$ _____ Deposit paid to Seller.

$ _____ Deposit paid to Seller for _____.

$ _____ Payment made to Seller for (describe as for upgrades, options, etc.) _____

_____.

Listing Agent: _____ Date: _____
OR
Seller or Seller's Representative: _____ Date: _____

ADDITIONAL PROVISIONS

1. POSSESSION:
Possession will be given upon Closing and receipt in full by Seller of all monies due and payable by the terms of this Agreement. Seller shall remove, by the date possession is made available to Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property. Seller shall furnish a general warranty deed conveying to Buyer a fee simple marketable title to the Property, free and clear of all encumbrances except (a) those liens and encumbrances specifically set forth in this Agreement; (b) covenants, rights, restrictions, reservations, easements and conditions of record including such thereof as may be contained in the Declaration and Bylaws governing the homes and Common Areas; (c) real estate taxes and assessments both general and special for the current year not yet due and payable; and (d) zoning ordinances, it any. If Seller cannot convey clear title to the premises as required, Seller may terminate this Agreement whereupon all funds deposited by Buyer and documents shall be returned to the Buyer and this Agreement shall be null and void and the parties release each other from any further liability hereunder.

2. EARNEST MONEY:
The Buyer and Seller acknowledge that, in the event of a dispute between Seller and Buyer over the return or forfeiture of any Earnest Money held in escrow by a licensed real estate broker ("Broker") as Escrow Agent, the Broker is required by state law to retain said Earnest Money in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a Broker is holding the Earnest Money, the Broker may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions N.C.G.S. §93A-12.
The parties agree that a real estate brokerage firm acting as Escrow Agent may place any Earnest Money deposited by Buyer in an interest bearing trust account and that any interest earned thereon shall be disbursed to the Escrow Agent monthly in consideration of the expenses incurred by maintaining such account and records associated therewith.

3. DEFAULT:
Except as expressly provided for herein, if Buyer shall default in any of the payments or obligations called for in this Agreement and such default shall continue for fifteen (15) days after notice from Seller to Buyer, then in such event Seller may terminate this Agreement and all amounts paid toward the purchase price will be forfeited to Seller and such forfeiture shall not affect any other remedies available to Seller. In the event of a default of this Agreement by Seller and such default shall continue for fifteen (15) days after notice from Buyer to Seller, then in such event, the sums paid by Buyer shall be returned to Buyer, and this Agreement shall terminate and neither party shall have any further liability to the other party under this Agreement.

4. PRORATIONS:
Prorations for the closing of this transaction shall be as follows:

(a) Ad valorem taxes (both real and personal property) on the home shall be prorated on a calendar year basis as of the date of filing of the deed for record.

(b) Seller shall pay all municipal or governmental special assessments which constitute a lien on the Property as of the Closing Date. All on-site improvements have been paid or will be paid by Seller.

(c) The amount of any prepaid monthly assessment of the homeowners association for common expenses paid by Seller with respect to the Property shall be prorated as of the date the deed is filed for record.

5. ACCESS TO PROPERTY, BUYER INSPECTION AND PUNCH LIST:
Buyer understands and agrees that Seller shall control the Property prior to Closing and may impose any restrictions and limitations on access to the Property as may be necessary in Seller's sole discretion to maintain safety and keep the Property secure. Buyer agrees that Buyer or anyone acting for or at the direction of Buyer shall only go upon the Property after receiving the express permission of Seller and to abide by all rules or restrictions that Seller may notify Buyer of from time to time. Buyer will indemnify, defend and hold Seller and Seller's agents harmless from all claims made by Buyer's agents due to their inspection of Property, including reasonable legal expenses. Buyer agrees not to interfere with any work being performed on the Property by Seller or Seller's agents. Unless otherwise stated herein: (i) the electrical, plumbing, heating and cooling systems and built-in appliances, if any, shall be in good working order at closing; (ii) the roof, gutters, structural components, foundation, fireplace(s) and chimney(s) shall be performing the function for which intended and shall not be in need of immediate repair; (iii) there shall be no unusual drainage conditions or evidence of excessive moisture adversely affecting the structure(s); and (iv) the well/water and septic/sewer systems, if any, shall be adequate, not in need of immediate repair and performing the function for which intended. Buyer shall have the option to have the above listed systems, items and conditions inspected by a reputable inspector or contractor, at Buyer's expense (unless otherwise provided in this Agreement). IN THE EVENT OF ANY PRIVATE INSPECTIONS BY BUYER OR PUNCH LIST ITEMS PROPOSED BY BUYER, SELLER RESERVES THE RIGHT TO REFUSE TO CORRECT ITEMS THAT ARE NOT IN VIOLATION OF LOCAL BUILDING CODES OR THAT MEET LOCAL GENERAL AND CUSTOMARY BUILDING PRACTICES. If any repairs are necessary, Seller shall have the option of completing them or refusing to complete them.

Buyer initials _____ _____ Seller initials _____

If Seller elects not to complete the repairs, then Buyer shall have the option of accepting the Property in its present condition or terminating this Agreement, in which case all monies paid by Buyer to Seller shall be refunded. Closing shall constitute acceptance of each of the systems, items and conditions listed in (i), (ii), (iii) and (iv) above in its then existing condition unless provision is otherwise made in writing. Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors during Buyer's inspection of Property. Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions This indemnity shall survive this Contract and any termination hereof.

IF BUYER OBTAINS A VETERAN'S ADMINISTRATION (VA) LOAN, SELLER SHALL PAY THE COST OF ANY WELL/WATER AND SEPTIC/SEWER INSPECTION.

6. FIRE OR OTHER CASUALTY:
The risk of loss or damage by fire or other casualty prior to closing shall be upon Seller.

7. TERMITES:
Unless otherwise stated herein, Seller shall provide at Seller's expense a new construction termite certificate from a licensed pest control operator on a standard form in accordance with the rules of the North Carolina Structural Pest Control Committee.

8. FOUNDATION PLOT:
Seller shall furnish to Buyer a preliminary Foundation Plot.

9. DESIGNATION OF LIEN AGENT; LABOR OR MATERIAL:
If required by N.C.G.S. §44A-11.1, Seller shall have designated a Lien Agent, and Seller shall deliver to Buyer as soon as reasonably possible a copy of the appointment of Lien Agent. Seller shall furnish at closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all charges for labor or materials, if any, furnished to the Property within 120 days prior to the date of closing have been paid and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

10. ADDITIONAL COSTS/EXPENSES:
Seller may unilaterally charge Buyer additional fees for an increase in costs and/or expenses in the form of escalation charges and fuel surcharges. These may occur if, after the effective date of the contract, the total actual cost of labor, building materials, and/or equipment rental exceed five percent (5%) of the contract price, through no fault of Seller.

11. ASSIGNMENTS:
This Agreement may not be assigned without the written consent of Buyer and Seller.

12. PARTIES:
This Agreement shall be binding and shall inure to the benefit of the parties and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

13. SURVIVAL:
Any provisions herein contained which by its nature and effect if required to be observed, kept or performed after the closing shall survive the closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

14. NOTICE:
Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with this transaction contemplated by this Agreement may be given to a party or a party's agent by sending or transmitting it to any mailing address, e-mail address or fax number set forth in this Agreement for such party or agent or to such other address provided by Buyer or Seller for the receipt of notices hereunder.

15. COMPUTATION OF DAYS:
For purposes of this Agreement, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Agreement was required to be performed or made.

16. MARKETING COLLATERALS:
It is agreed that the Seller may use any information about the Property or photographs of the Property for marketing purposes

17. PROJECT PLANS-COPYRIGHT:
The parties agree that the ownership of architectural plans and drawings are protected by U.S. Copyright Law. Seller represents and warrants that the copyright for any plans or drawings, including preliminary designs, that have been furnished by Seller are either the sole property of Seller, have been duly licensed from a third party for legal use under copyright law, or have been taken from architectural works that are in the public domain. These plans and drawings may not be copied, sold, modified or used in the construction of other real property without express written permission. The Buyer represents and warrants that any plans and/or sketches which the Buyer has supplied to Seller are either the sole property of Buyer, have been duly licensed from a third party for legal use under copyright law, or have been taken from architectural works that are in the public domain. Buyer agrees to indemnify, defend and hold Seller harmless from all liability and expenses which may be incurred, to include legal fees and court costs, from any third-party claims of copyright infringement involving the use of Buyer's submitted plans or sketches.

18. IMPERVIOUS SURFACE AREA DISCLOSURE:
All construction within a protected watershed may be subject to limitations on the amount of impervious surface area (driveways, sidewalks, rooftops, etc.). The recorded subdivision plat should indicate if any impervious surface limitations exist and what they are.

19. ROCK AND UNSUITABLE SOILS:
If Seller discovers soils unsuitable for footings specified by the project engineer, including rock, existing underground tanks, septic tanks or fields, Buyer will pay the cost of removal of such materials or structures and replacement with suitable materials. Should these discoveries add to the cost of construction (such as rock, in-fills or unstable soil, an abnormally high water table, inadequate soil

percolation, existing foundations and other constructs, or hazardous materials), the Seller may suspend work and shall promptly notify Buyer. The Buyer shall have the right to investigate the condition within _____day(s) of notification. The parties will make a good-faith effort to mutually agree upon the appropriate corrective measures, which may include hiring a third-party expert, assessing the costs for additional work to be performed, and/or extending the time for work completion. Any such additional work shall be written as change orders and signed by the parties. If the parties cannot agree on corrective measures, the Seller may provide written notice of cancellation of the contract to Buyer due to the unforeseen site condition. Cancellation due to an unforeseen site condition shall be deemed to be by mutual consent of the parties without recourse or default and any deposits shall be refunded to Buyer.

20. ORAL AGREEMENTS:

Seller shall not be held responsible for any oral commitments by Seller or Seller's sub-contractors. If Buyer believes there are statements or understandings that are not reflected in this Purchase Agreement or any written Change Orders, Buyer must identify same and arrange with Seller to put such statements or understandings into writing as a part of this Agreement or any Change Order.

21. DISPUTE RESOLUTION:

Any and all disputes between the parties, including but not limited to a dispute relating to or arising out of any alleged breach of contract, any alleged breach of statutory obligation, any claim for damages against the Seller, any claim of negligence, fraud, breach of warranty, or any consumer protection act violation, shall be resolved as follows:

a. First, either party may request mediation by giving written notice to the other. The notice shall include a brief description of the disagreement. Neither party is required to accept mediation. If an offer to mediate is accepted, the parties shall select and agree upon a JAMS approved mediator. The parties agree that mediated results are non-binding, but the parties may reduce any mediation resolution to writing and treat it as a binding contract. The cost of mediation shall be equally divided among the parties.
b. Next, any matter not resolved by mediation shall be decided by mandatory arbitration. The parties shall agree upon a JAMS approved arbitrator. Decisions of the arbitrator shall be binding on the parties and the parties agree not to appeal the arbitrator's decision.

22. ATTORNEY'S FEES:

Unless otherwise provided for in this Contract, all reasonable attorney's fees and legal expenses incurred by one party, that arise out of the breach this Contract by the other party, or that arise by a failure in the other party's obligations, shall be paid by the party who has breached or who has otherwise failed to perform.

23. JURISDICTION:

The provisions of this Contract shall be interpreted and governed in accordance with the laws of the state of North Carolina.

24. ENTIRE CONTRACT:

This Contract, together with exhibits and any supplementary document specifically referenced in this Contract, constitutes the entire agreement between Seller and Buyer with respect to matters contained in this Contract, superseding all prior oral or written representations and agreements. No waiver, modification or change of any of the Contract terms shall be valid unless in writing and signed by all parties hereto, except for change orders which shall be valid when signed by Buyer.

[This space intentionally left blank.]

Buyer initials _____ _____ Seller initials _____

Docusign Envelope ID: E7A4DED8-91AA-844E-83BC-842BB4E5D005

BUYER AGENT COMPENSATION ADDENDUM

(Only use this form when Seller is providing a credit to Buyer in Form 2-T, Form 12-T, or Form 800-T.)

"**Seller**": Lilium Homes Inc

"**Buyer**": _____

"**Property**": 357 Black Caviar Way, Raleigh, NC 27603

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Seller and Buyer for the Property.

1. **Compensation and Affirmation by Buyer**: In addition to any other concessions, credits, or expenses Seller has agreed to pay in the Contract, if any, Seller will pay at Closing $_____ or 2.5% of the Purchase Price toward Buyer's obligation to pay their real estate agent. Buyer affirms that the scope of their agency agreement includes the Property, and that the amount in this paragraph is not more than the amount Buyer has agreed to pay their agent.

2. **Negotiability**: Buyer and Seller both affirm that they have an independent, contractual duty to pay their own agent, and that no agent can be a third-party beneficiary of this Contract. *Seller understands they have no duty to pay any Buyer Agent Compensation unless agreed to herein. The amount, format, or rate of real estate compensation is not fixed by law and is fully negotiable.*

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

NC REALTORS® MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: (Name) _____ (Signature) _____ (Date) _____

Buyer: (Name) _____ (Signature) _____ (Date) _____

Entity Buyer: (Name of LLC, Corp., Trust, etc.) _____

By: (Name & Title) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Entity Seller: (Name of LLC, Corp., Trust, etc.) Lilium Homes Inc

By: (Name & Title) Juana Martinez, President (Signature) DocuSigned by: 49A7778A4A6E4D7... (Date) 9/23/2026

© 7/2026

Docusign Envelope ID: E7A4DED8-91AA-844E-83BC-842BB4E5D005

OWNERS' ASSOCIATION DISCLOSURE ADDENDUM

Property: 357 Black Caviar Way, Raleigh, NC 27603

Buyer: _____

Seller: Lilium Homes Inc

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Buyer and Seller for the Property.

For the purposes of this Addendum, "Development" means any planned community or condominium project, as defined by North Carolina law, which is subject to regulation and assessment by an owners' association.

Any representations made by Seller in this Addendum are true to the best of Seller's knowledge, and copies of any documents provided by Seller are true copies relating to the Development, to the best of Seller's knowledge. Seller does not warrant the accuracy, completeness, or present applicability of any representation or documents provided by Seller, and Buyer is advised to have all information confirmed and any documents substantiated during the Due Diligence Period.

1. Seller represents to Buyer that the Property is subject to the following owners' association(s) [insert N/A into any blank that does not apply]:

☑ Name of Association 1: Carriage Farm HOA whose regular assessments ("dues") are $750 per semi-annual. The name, address and telephone number of the president of the owners' association or the association manager is: Wake HOA, George Pittman, gpittman@wakehoa.com, 919-790-5350
Owners' association website address, if any: _____

☐ Name of Association 2: _____ whose regular assessments ("dues") are $_____ per _____. The name, address and telephone number of the president of the owners' association or the association manager is: _____
Owners' association website address, if any: _____

2. Seller represents to Buyer that the following services and amenities are paid for by the above owners' association(s) from the regular assessments ("dues"): (Check all that apply)

- ☑ Master Insurance Policy
- ☑ Real Property Taxes on the Common Areas
- ☑ Casualty/Liability Insurance on Common Areas
- ☑ Management Fees
- ☐ Exterior Building Maintenance
- ☐ Exterior Yard/Landscaping Maintenance
- ☐ Trash Removal
- ☐ Pest Treatment/Extermination
- ☑ Legal/Accounting
- ☑ Street Lights
- ☐ Water
- ☐ Sewer
- ☐ Private Road Maintenance
- ☐ Parking Area Maintenance
- ☑ Common Areas Maintenance
- ☐ Cable
- ☐ Internet service
- ☐ Storm Water Management/Drainage/Ponds
- ☐ Gate and/or Security
- ☐ Recreational Amenities (specify):
- ☐ Other (specify) _____
- ☐ Other (specify) _____

3. As of this date, there are no other dues, fees or Special Assessments payable by the Development's property owners, except:

REALTOR®

This form jointly approved by:
North Carolina Bar Association
NC REALTORS®

EQUAL HOUSING OPPORTUNITY

STANDARD FORM 2A12-T
Revised 7/2025
© 7/2026

Buyer initials _____ _____ Seller initials DS _____

4. As of this date, there are no unsatisfied judgments against or pending lawsuits involving the Property, the Development and/or the owners' association, except: N/A

5. The fees charged by the owners' association or management company in connection with the transfer of Property to a new owner (including but not limited to document preparation, move in/move out fees, preparation of insurance documents, statement of unpaid assessments, and transfer fees) are as follows:

One Time Capital Contrubution by Buyer of $1,000 at Closing

6. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the following items affecting the Property, including any amendments:

- Seller's statement of account
- master insurance policy showing the coverage provided and the deductible amount
- Declaration and Restrictive Covenants
- Rules and Regulations
- Articles of Incorporation
- Bylaws of the owners' association
- current financial statement and budget of the owners' association
- parking restrictions and information
- architectural guidelines

The parties have read, understand and accept the terms of this Addendum as a part of the Contract.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

NC REALTORS® AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: (Name) _____ (Signature) _____ (Date) _____

Buyer: (Name) _____ (Signature) _____ (Date) _____

Entity Buyer: (Name of LLC, Corp., Trust, etc.) _____

By: (Name & Title) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Entity Seller: (Name of LLC, Corp., Trust, etc.) Lilium Homes Inc

By: (Name & Title) Juana Martinez, President (Signature) DocuSigned by: 49A7778A4A6E4D7... (Date) 9/23/2026

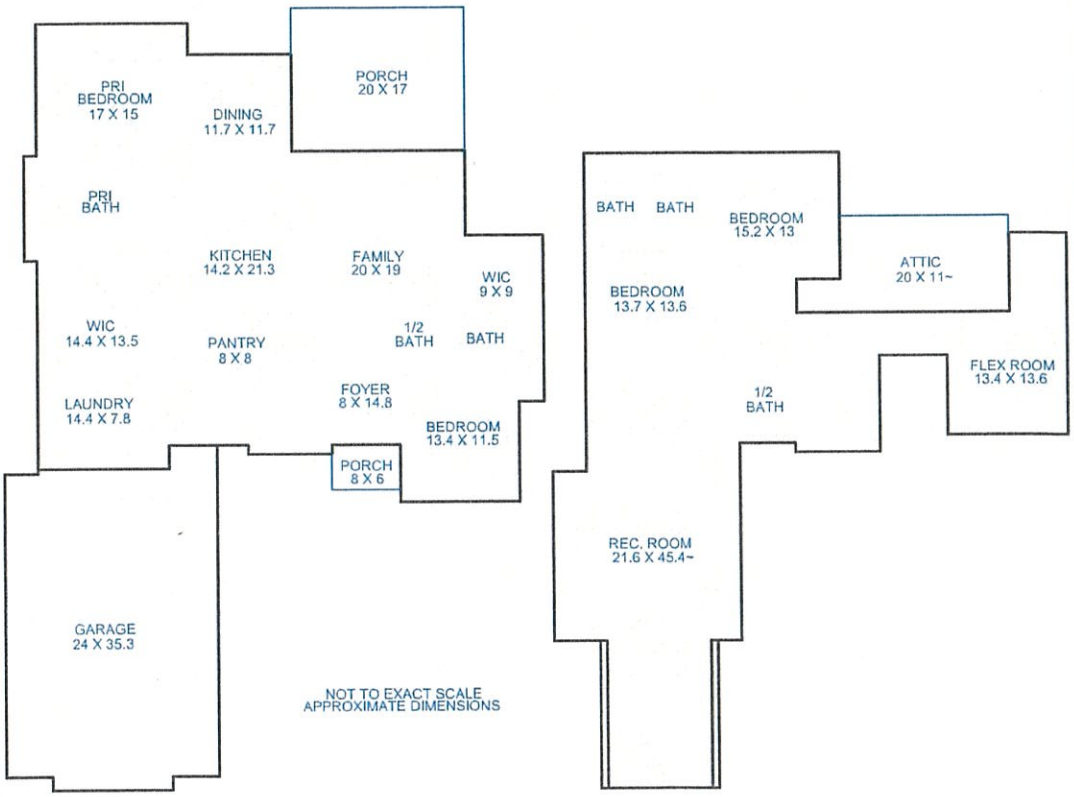
© 7/2026

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO

File No.: 262177 Parcel No.:
Property Address: 357 BLACK CAVIAR WAY
City: RALEIGH County: State: NC ZipCode:
Owner:
Client: Daniel Harmon/THE JIM ALLEN GROUP Client Address:
Appraiser Name: Inspection Date:

SKETCH



Sketch by ApexSketch

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GLA1	First Floor	1.0	2576.9	245.0	2576.9
GLA2	Second Floor	1.0	2171.6	323.8	
	Second Floor	-1.0	-14.1	36.8	
	Second Floor	-1.0	-14.1	36.8	2143.4
GAR	Garage	1.0	957.7	132.4	957.7
	Net LIVABLE	cnt	4	(rounded)	4,720

© iLOOKABOUT (US) Inc. dba Apex Software

PRELIMINARY PLOT PLAN FOR

LILIUM HOMES

LOT 35, CARRIAGE FARMS SUBDIVISION

357 BLACK CAVIAR WAY

REF: B.M. 2025, PG. 472–475

PANTHER BRANCH TOWNSHIP

WAKE COUNTY, NORTH CAROLINA

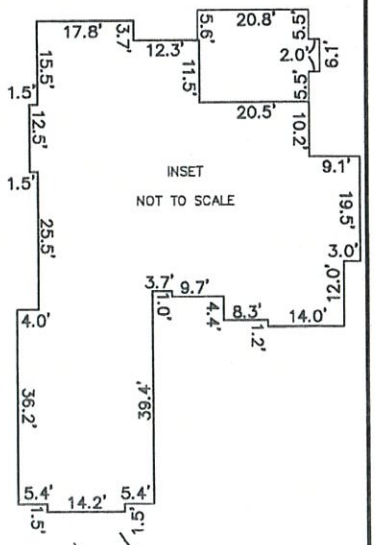
APRIL 25, 2025

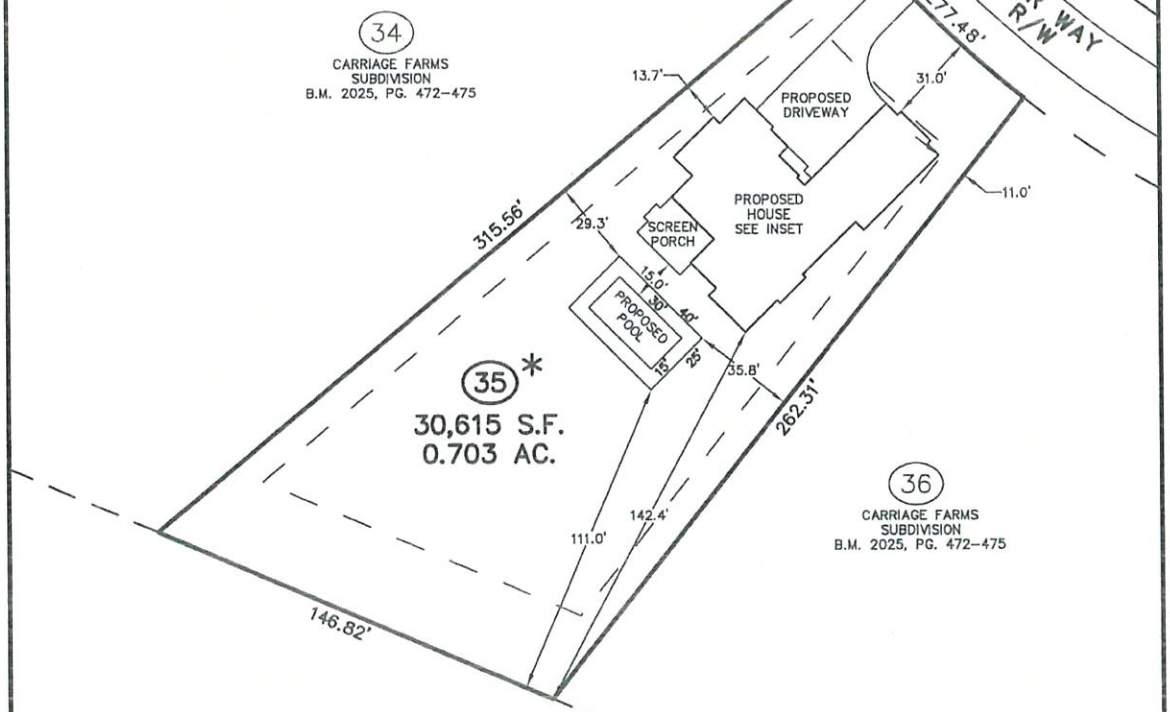
REVISED SEPTEMBER 18, 2025

ZONED R–30

50 25 0 50 100

SCALE 1"=50'





OPEN SPACE

IMPERVIOUS SURFACE TABLE

HOUSE	3,555 S.F.
SCREEN PORCH	364 S.F.
POOL APRON	550 S.F.
DRIVEWAY/SIDEWALK	1,454 S.F.
MISC/UTILITIES	36 S.F.
TOTAL IMPERVIOUS AREA	5,959 S.F.
MAX IMPERVIOUS ALLOWED	7,000 S.F.

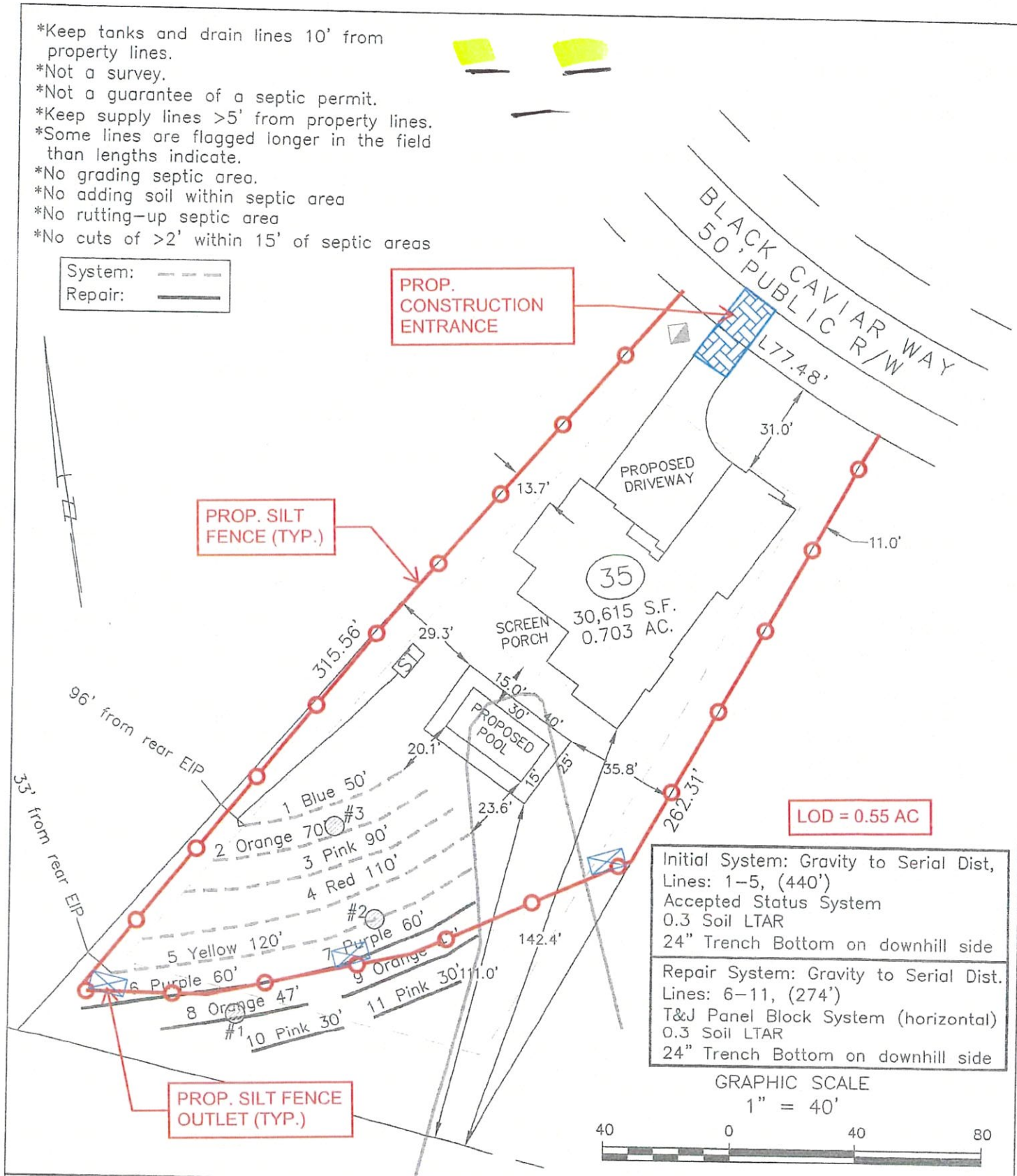
THIS SURVEYOR DOES NOT WARRANTY THE ACCURACY OF ARCHITECTURAL DIMENSIONS. THEY ARE TO BE VERIFIED BY THE CONTRACTOR.



CMP
Professional Land Surveyors
C–1525
333 S. White Street
Post Office Box 1253
Wake Forest, N.C. 27588
(919)556–3148

NOTES:
–THIS PLAN DOES NOT REFLECT AN ACTUAL SURVEY. IT IS A PRELIMINARY PLAN AND SHOULD BE USED FOR ITS INTENDED PURPOSE ONLY.
–NOT FOR RECORDATION, CONVEYANCES, OR SALES.

*Keep tanks and drain lines 10' from property lines.
*Not a survey.
*Not a guarantee of a septic permit.
*Keep supply lines >5' from property lines.
*Some lines are flagged longer in the field than lengths indicate.
*No grading septic area.
*No adding soil within septic area
*No rutting-up septic area
*No cuts of >2' within 15' of septic areas



Central Carolina Soil Consulting, PLLC
1900 South Main Street, Suite 110
Wake Forest, North Carolina 27587
Phone (919)569-6704 Fax (919)569-6703

4-Bedroom Septic Layout
Lot 35, Carriage Farm Subdivision
Wake County, North Carolina

Job#:	5353
Drawn By:	JR & PC
Date:	11/20/2025
Revision:	

I, MICHAEL A. MOSS CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY PERFORMED UNDER MY SUPERVISION FROM REFERENCES AS NOTED HEREON; THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION SHOWN IN THE REFERENCES; THAT THE RATIO OF PRECISION OR POSITIONAL ACCURACY AS CALCULATED IS GREATER THAN 1:10000; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL

THIS 17TH DAY OF FEBRUARY A.D. 2025

PROFESSIONAL LAND SURVEYOR L-3794 LICENSE NUMBER

THAT THE SURVEY CREATES A SUBDIVISION OF LAND WITHIN THE AREA OF A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE THAT REGULATES PARCELS OF LAND.

PROFESSIONAL LAND SURVEYOR L-3794 LICENSE NUMBER

NORTH CAROLINA PROFESSIONAL SEAL L-3794 LAND SURVEYOR MICHAEL A. MOSS

MINIMUM BUILDING SETBACKS

FRONT	30'
REAR	30'
SIDE	10'

DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
PROPOSED SUBDIVISION ROAD
DESIGN STANDARDS CERTIFICATION

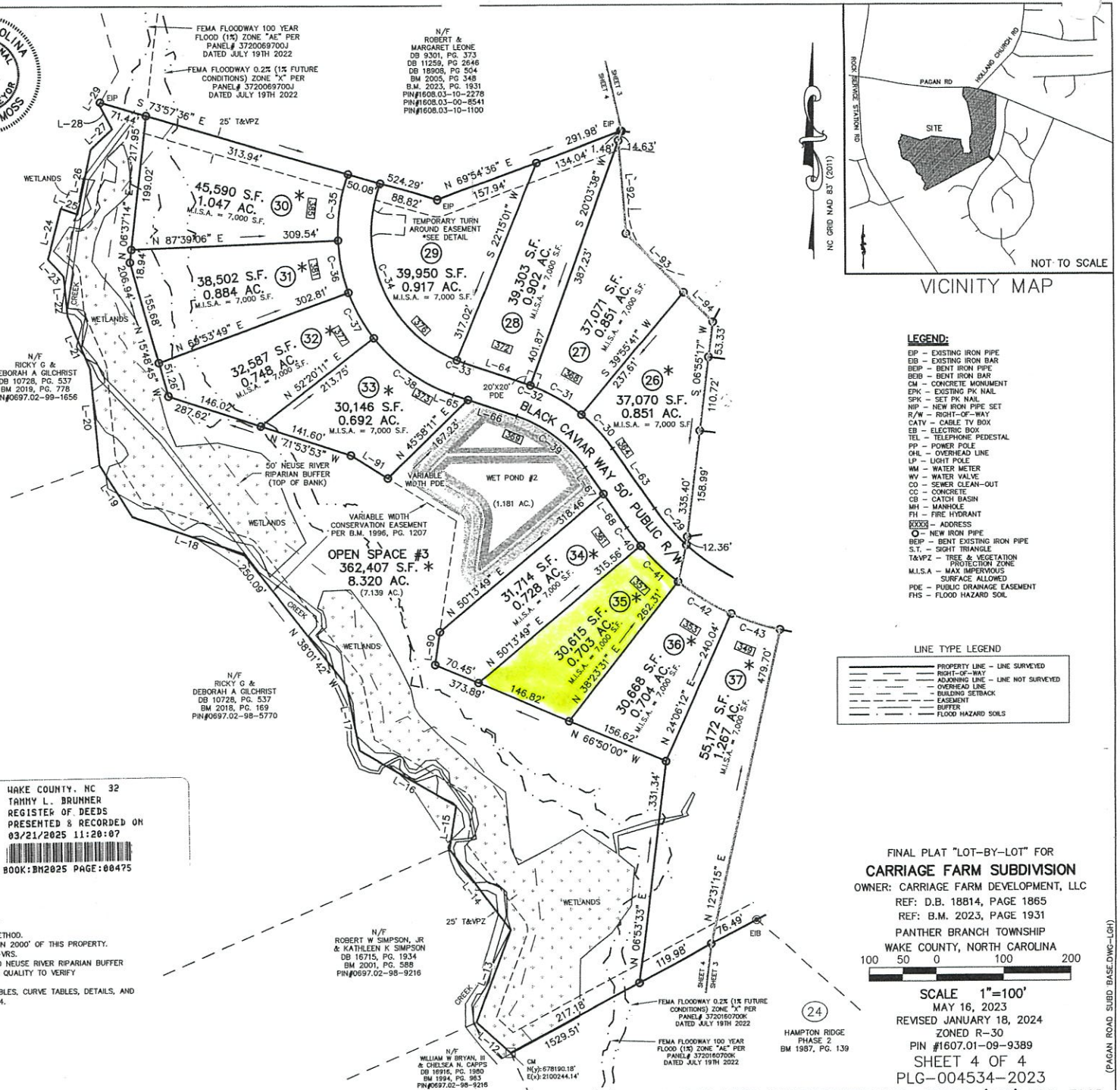
APPROVED N/A
DISTRICT SUPERVISOR

DATE

WAKE COUNTY, NC 32
TAMMY L. BRUNNER
REGISTER OF DEEDS
PRESENTED & RECORDED ON
03/21/2025 11:20:07
BOOK:BM2025 PAGE:00475

NOTES:

1) AREA COMPUTED BY COORDINATE METHOD.
2) THERE IS NO NCGS MONUMENT WITHIN 2000' OF THIS PROPERTY.
3) NORTH ROTATION OBTAINED VIA NC-VRS.
4) THIS PROPERTY MAY BE SUBJECT TO NEUSE RIVER RIPARIAN BUFFER RULES. CALL N.C. DIVISION OF WATER QUALITY TO VERIFY (919-791-4200).
5) ALL OTHER CERTIFICATIONS, LINE TABLES, CURVE TABLES, DETAILS, AND NOTES ARE FOUND ON SHEET 1 OF 4.



VICINITY MAP

LEGEND:

EIP – EXISTING IRON PIPE
EIB – EXISTING IRON BAR
BEIP – BENT IRON PIPE
BEIB – BENT IRON BAR
CM – CONCRETE MONUMENT
EPK – EXISTING PK NAIL
SPK – SET PK NAIL
NIP – NEW IRON PIPE SET
R/W – RIGHT-OF-WAY
CATV – CABLE TV BOX
EB – ELECTRIC BOX
TEL – TELEPHONE PEDESTAL
PP – POWER POLE
OHL – OVERHEAD LINE
LP – LIGHT POLE
WM – WATER METER
WV – WATER VALVE
CO – SEWER CLEAN-OUT
CC – CONCRETE
CB – CATCH BASIN
MH – MANHOLE
FH – FIRE HYDRANT
XXXX – ADDRESS
O – NEW IRON PIPE
BEIP – BENT EXISTING IRON PIPE
S.T. – SIGHT TRIANGLE
T&VPZ – TREE & VEGETATION PROTECTION ZONE
M.I.S.A – MAX IMPERVIOUS SURFACE ALLOWED
PDE – PUBLIC DRAINAGE EASEMENT
FHS – FLOOD HAZARD SOIL

LINE TYPE LEGEND

PROPERTY LINE – LINE SURVEYED
RIGHT-OF-WAY
ADJOINING LINE – LINE NOT SURVEYED
OVERHEAD LINE
BUILDING SETBACK
EASEMENT
BUFFER
FLOOD HAZARD SOILS

FINAL PLAT "LOT-BY-LOT" FOR
CARRIAGE FARM SUBDIVISION
OWNER: CARRIAGE FARM DEVELOPMENT, LLC
REF: D.B. 18814, PAGE 1865
REF: B.M. 2023, PAGE 1931
PANTHER BRANCH TOWNSHIP
WAKE COUNTY, NORTH CAROLINA

100 50 0 100 200

SCALE 1"=100'
MAY 16, 2023
REVISED JANUARY 18, 2024
ZONED R-30
PIN #1607.01-09-9389
SHEET 4 OF 4
PLG-004534-2023

(PAGAN ROAD SUBD BASE.DWG-LGH)

CMP

CAWTHORNE, MOSS & PANCIERA, P.C. PROFESSIONAL LAND SURVEYORS, C-1525, 333 S. WHITE STREET, P.O. BOX 1253, WAKE FOREST N.C., 27588, (919) 556-3148

2025008871 B: 019902 P: 00652
Page 1 of 41
OFFICIAL RECORDS OF WAKE COUNTY
Tammy L. Brunner, Register of Deeds
05/09/2025 02:47 PM Fee: $130.00 Excise Tax: $0.00

Prepared By & Return To:
Warren Shackleford & Thomas, PLLC
Post Office Box 1187
Wake Forest, NC 27587

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

STATE OF NORTH CAROLINA
WAKE COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARRIAGE FARM SUBDIVISION

THIS DECLARATION is made on the date hereinafter set forth by **CARRIAGE FARM DEVELOPMENT, LLC,** a North Carolina limited liability company (hereinafter "Declarant").

RECITALS:

A. By virtue of that certain North Carolina General Warranty Deed recorded in Book 18814, Page 1865, Wake County Registry, Declarant is the owner of approximately 129 acres of land located off of Pagan Road in Panther Branch Township, Wake County, North Carolina, which Declarant is developing into a residential community known as "CARRIAGE FARM" (the "Subdivision").

B. Declarant desires to provide for the maintenance and upkeep of the Common Area (hereinafter defined) and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, desires to subject the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all

Submitted electronically by "Warren, Shackleford & Thomas, P.L.L.C."
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Wake County Register of Deeds.

of which is and are for the benefit of such property and each Owner thereof; and

C. Declarant has incorporated under North Carolina law as a nonprofit corporation, Carriage Farm Homeowners Association, Inc., to own and maintain the Common Area, to administer and enforce covenants and restrictions exclusively applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created.

THEREFORE, Declarant hereby declares that the real property described in Book 18814, Page 1865 is hereby attached to this Declaration, and such additions thereto as may hereafter be made pursuant to the provisions of Article II hereof, is and shall be owned, held, transferred, sold, conveyed, mortgaged, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, each and all of which shall run with the real property and be binding on all Persons owning any right, title or interest in such real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

The following terms, when used in this Declaration shall have the meaning set forth below or, if not specifically defined in this Article I shall have, the meaning of such terms as set forth in the Act, the North Carolina Nonprofit Corporation Act (Chapter 55A of the North Carolina General Statutes), or in any other section of this Declaration.

Section 1. "Act" shall mean and refer to the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or in any successor portion of the North Carolina General Statutes), as the same exists from time to time.

Section 2. "Annexation Declaration" shall mean and refer to a document (by whatever name) that is recorded, after the recording of this Declaration, for the purposes of subjecting Annexed Property to this Declaration and to the jurisdiction of the Association.

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

Section 4. "Aqua NC" shall mean and refer to Aqua North Carolina, Inc. a North Carolina corporation, its successors and/or assigns, which is a private water utility provider. In the event that Aqua NC, the Association or the Declarant terminate the agreement(s) between them, or other circumstances arise such that Aqua NC is no longer the provider of water utility services to the Subdivision, all references herein to Aqua NC shall be immediately replaced by and shall instead refer to any subsequent private or public provider of water utility services to the Subdivision.

Section 5. "Architectural Guidelines" shall refer to those set of guidelines attached hereto and incorporated herein by reference as **Exhibit A**.

Section 6. "Association" shall mean and refer to the **CARRIAGE FARM HOA, INC.**, a

North Carolina nonprofit corporation, its successors and assigns.

Section 7. "Board of Directors" and "Board" shall mean and refer to the board of directors of the Association, and is the "Executive Board" as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration and in the Act.

Section 8. "Builder" shall mean and refer to any Person whose primary business is the construction of single-family homes and who purchases any Lot from the Declarant for the purpose of constructing and selling a Dwelling thereon.

Section 9. "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time.

Section 10. "Code" shall mean and refer to The Unified Development Ordinance of Wake County, North Carolina, as it exists from time to time, and includes all duly adopted regulations, rules, directives and policies of the County pursuant to or in furtherance of the Code.

Section 11. "Common Area" shall mean and refer to the real property, together with any improvements thereon, owned (in fee or by easement or other right of use) or leased by the Association and intended for the common use and benefit of the Owners and occupants of the Properties, regardless of how such real property is described on a map or document recorded in the Registry. Common Area may be owned in fee by the Association, or it may be owned by another Person with the Association having a right or easement therein (for example, Stormwater Control Measures located on a Lot but maintained by the Association as a Common Area Easement). For clarity, Common Area includes, without limitation, to the extent applicable to the Properties, all of the following (if applicable):

(a) Stormwater Control Measures and easements providing access to same, together with a perpetual, non-exclusive easement over, under and through the portions of the Lots on which such Measures lies;

(b) Subdivision entrance signage, including but not limited to the privacy wall along Pagan Road, together with a perpetual, non-exclusive easement over, under and through the portion of the Lot(s) on which such signage lies;

(c) Central mailbox kiosks;

(d) Walking paths and trails throughout the Subdivision;

(e) Wet ponds and immediately surrounding area;

(f) Wetlands;

(e) Any road right-of-way dedicated to the public on maps of the Properties recorded in the Registry but not yet accepted for public maintenance, provided, however, that the fact that a street or road has not been accepted for public maintenance by the applicable Governmental Entity shall not relieve Association of the obligation to maintain such streets and roads prior to acceptance for public maintenance and to take such action as is necessary to cause such street or road to be accepted for public maintenance;

(f) Any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is subject to an encroachment agreement with the County, other Governmental Entity or the North Carolina Department of Transportation, which improvements including, without limitation, signs, landscaping, irrigation facilities, drain pipes, decorative surfaces and brick pavers;

(g) Any shared or joint driveways which provide access to one or more Lots, which may or may not be denoted on the map of the applicable property as "limited common area easement"

(h) Any other property and improvements required by the Code or other Legal Requirement to be Common Area, or declared, in writing, to be Common Area by this Declaration or by the Declarant or the Association.

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

Common Area as to which the Association has only an easement or other non-fee right of use shall be a "Common Area Easement" (or, as appropriate, a "Limited Common Area Easement"), which is a sub-category of Common Area.

Common Area and Common Area Easements shall be maintained by the Association or its successors in interest unless dedicated to public use *and* accepted by a public agency, authority or utility, or conveyed to a Governmental Entity or to another non-profit corporation organized for such purposes.

Section 12. "Common Expenses" shall mean and refer to all of the expenses incurred by the Association in furtherance of its rights and responsibilities under the Act, the Code, this Declaration and other Governing Documents and including specifically, but without limitation, all of the following:

(a) All expenses of ownership, administration, inspection, maintenance and repair of the Common Area and improvements thereon, including, without limitation,

(i) Stormwater Control Measures,
(ii) any required reserves,
(iii) any limited common area and limited common area expenses,
(iv) any dedicated public right-of-way not yet accepted by a Governmental Entity;

(b) Expenses classified as Common Expenses under the Act, the Code, or under the provisions of this Declaration or other Governing Documents;

(c) Premiums for property, liability or such other insurance premiums as this Declaration or other Governing Documents may require the Association to purchase;

(d) Fees or charges for utilities used in connection with the Common Area;

(e) *Ad valorem* taxes and public assessments, if any, levied against any Common Area owned in fee by the Association (but specifically excluding *ad valorem* taxes on real property on, under or over which the Association has only an easement or other similar right of use, except to the extent, if any, that any improvements in any such easement that are owned or maintained by the Association result in additional taxes on such real property that would not be assessed in the absence of such improvements, in which event such additional taxes shall be paid by the Association as a Common Expense);

(f) Costs of collection of assessments (dues) from the Members;

(g) Any unpaid Association assessment following the foreclosure of a first mortgage or first deed of trust or an assessment lien;

(h) Financial obligations of the Association or financial obligations of Members with respect to which the Association has responsibility for collection and payment;

(i) Expenses for which the Association is obligated under any encroachment agreement or other agreement with the County or other Governmental Entity;

G) Expenses of the maintenance of all easements and landscaping associated with said easements located on Common Area, or within a Common Area Easement that have been conveyed to the Association, and improvements thereon, should the Board determine it is in the best interest to do such maintenance;

(k) Expenses pursuant to agreements between Declarant (or prior declarants) and Aqua North Carolina or other well/water system operator which are determined by the Board to be a common expense;

(l) Premiums for hazard, liability and other insurance insuring the Common Area or the Association, its officers, directors and employees;

(m) Fees and expenses of management agents, attorneys, accountants, and other Persons employed by the Association for Association business;

(n) Expenses declared to be or described as Common Expenses by the Act, the Code, or this Declaration;

(o) Expenses determined by the Board of Directors or by the Members to be Common Expenses;

(p) Expenses agreed by the Members to be Common Expenses of the Association; and

(q) All other expenses incurred by the Association in performing its functions and providing services, including operating, management, enforcement and administrative expenses.

(Common expenses for the maintenance of Limited Common Area are "Limited Common Expenses", which is a subcategory of Common Expenses.)

Section 13. "County" shall mean and refer to Wake County, North Carolina, and all agencies and departments thereof.

Section 14. "Declarant" shall mean and refer to **CARRIAGE FARM DEVELOPMENT, LLC,** a North Carolina limited liability company. It shall also mean and refer to any Person to whom or which Declarant may assign or delegate all or any of the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the Registry.

Section 15. "Declarant Control Period" shall mean and refer to the period of Declarant control of the Association, as provided in §47F-3-103(d) of the Act, and including, without limitation, time period in which Declarant, by itself, has sufficient voting power to elect members of the Board.

The Declarant Control Period shall commence on the date of the recording of this Declaration at the Wake County Register of Deeds and shall terminate upon the earlier of the following to occur:

(a) December 31, 2035 (provided, however, that Declarant, in its sole discretion, shall have the right, at any time before such date, to amend this Declaration to extend the Declarant Control Period for up to an additional five years if, but only if, the conditions of subsection (b) below have not occurred);

(b) Relinquishment or transfer by Declarant of all special declarant rights as

provided in §47F-3-104 of the Act.

Notwithstanding any other provision of this Declaration, Declarant, in its sole discretion, and any time and from time to time and by written instrument signed by Declarant, may relinquish part, but not all, of its rights and/or obligations as Declarant under this Declaration, but such partial relinquishment shall result in relinquishment only of the rights and obligations specifically set forth in such instrument and shall not be construed as a release of any rights or obligations not specifically set forth therein.

Section 16. "Declaration" shall mean and refer to this "Declaration of Covenants, Conditions, and Restrictions for Carriage Farm", and all amendments thereto and supplements thereof.

Section 17. "Dwelling" shall mean and refer to any building within the Properties which is intended for use and occupancy as a residence by a single family, whether by the Owner of such Dwelling, by member of such Owner's family, or by tenants of such Owner. A dwelling shall be deemed to constitute a "Dwelling" upon issuance of a certificate of occupancy therefor.

Section 18. "Exempt Property" shall mean and refer to all portions of the Properties included within any of the following categories: (i) Common Area; (ii) property owned by, or dedicated to and accepted by the County, other Governmental Entity, a public utility, or a private utility provider including property within the right-of-way of publicly-dedicated streets and roads; and (iii) property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina, provided, however, that any property containing a Dwelling used as a residence shall not be Exempt Property.

Exempt Property shall not be subject to the assessments, use restrictions, and architectural requirements provided for herein, and the Owner of such Exempt Property shall have no voting rights in the Association based on ownership of such Exempt Property. Furthermore, unless and until such time, if any, as it loses its Exempt status, all Exempt Property owned by the County, other Governmental Entity or a public or private utility provider, and all Exempt Property within publicly-dedicated street rights-of- way, shall be exempt from all of the provisions of this Declaration, except for any easements over such Exempt Property reserved in this Declaration by or for the Declarant, the Association, the County, other Governmental Entity or any other Person. Except as otherwise provided herein, Exempt Property shall be subject to all of the provisions of this Declaration.

Exempt Property that loses its status as Exempt shall be reclassified as a Lot and shall be subject to all of the terms and provisions of this Declaration in the same manner and to the same extent as other Lots.

Section 19. "Fiscal Year" shall mean and refer to the calendar year, unless and until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.

Section 20. "Governing Documents" shall mean and refer to all of the following: this Declaration, the Articles of Incorporation and Bylaws of the Association, Architectural Guidelines (if any), rules and regulations of the Association, Annexation Declarations, Stormwater

Agreements, and any other declarations of restrictive or protective covenants applicable to the Properties, as the same may be amended, restated or supplemented from time to time.

Section 21. "Governmental Entity" shall mean and refer to the County, the State of North Carolina, the United States of America, and all other governmental and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them.

Section 22. "Legal Requirements" shall mean and refer to any duly adopted and applicable law, ordinance, regulation or requirement of the United States of America, the State of North Carolina, the County of Wake, or any other Governmental Entity or quasi-governmental entity or agency having jurisdiction over the Properties, including any branch, department, division or agency of any of the foregoing governmental and quasi-governmental entities.

Section 23. "Lot" shall mean and refer to any portion of the Properties with delineated boundary lines, shown on the recorded map of any portion of the Properties, and that is intended for construction of a Dwelling thereon (regardless of whether or not the Dwelling has been constructed), or on which a Dwelling has been constructed. A Lot shall become a "Lot" upon recording in the Registry of a map creating such Lot.

Declarant hereby reserves the right to reconfigure, from time to time and without the consent of any other Owner or the Members of the Association, the boundaries of any Lot or Lots owned by Declarant or an affiliate of Declarant, as the case may be and to thereby create additional Lots, eliminate existing Lots or Common Area or create additional Common Area. In the event that any Lot is created, increased or decreased in size by recombination or re-subdivision through the recording of a new map plat, the newly-platted lot shall thereafter constitute a Lot. Notwithstanding the foregoing, if two or more Lots are recombined into one or more larger Lots, each of the original Lots shall remain a "Lot" for purposes of assessments.

Section 24. "Member" shall mean and refer to every Person who or which holds membership in the Association.

Section 25. "Operating Deficit" shall mean and refer to the negative difference (if any) between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot but which are not paid, (ii) special assessments, and (iii) individual special assessments.

Section 26. "Owner" shall mean and refer to the record owner, whether one or more Persons, of fee simple title to any Lot, including contract sellers and owners of an equity of redemption, but excluding any Person having an interest in a Lot solely as a tenant or as security for the performance of an obligation.

Section 27. "Person" shall mean and refer to a natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity (including the County), and any other entity.

Section 28. "Properties" shall mean and refer to the "Existing Property" described in Article II of this Declaration and any Annexed Property subsequently subject to this Declaration pursuant to said Article II.

Section 29. "Registry" shall mean and refer to the office of the Register of Deeds for Wake County, North Carolina (or any successor office under applicable law in which deeds, maps, plats, easements, mortgages, and deeds of trust for the Properties are recorded). All references herein to recording or to any requirement to record a document, map or plat refer to recording in the Registry.

Section 30. "Stormwater Agreement" shall mean and refer to any document between or among the Declarant, the Association and the County or other Governmental Entity, or any two or more of them, pertaining to the construction, installation, use, operation and maintenance of any Stormwater Control Facilities within and/or serving the Properties and includes all amendments and supplements to same, and any similar documents pertaining to the Properties which have been recorded in Book 19813 Page 1336 and Book 19813 Page 1338-1342, Wake County Registry.

Section 31. "Stormwater Control Facilities" and "Stormwater Control Measures", such terms being used interchangeably herein, shall mean and refer to one or more of the following devices and measures, together with associated private drainage easements utilized for conveying storm water (however identified on a plat or in a document) that serves the Property and which are located outside of public street rights-of-way and drainage easements accepted into public use by the County or other Governmental Entity, and including, but not limited to, conduits, inlets, channels, pipes, level spreaders, ditches, grassed swales, sand filters, wet ponds, dry detention basins, wetlands, permanently protected undisturbed open space areas, bio-retention areas, retention or detention ponds, and other devices and measures, necessary to collect, convey, store, and control storm water runoff and pollutants for more than one (1) Lot in the Properties, and which are located outside public street rights-of-way and public drainage easements (if any). Private storm water drainage easements that serve more than one (1) Lot in the Properties, however identified on a recorded map or plat or in a recorded document, are deemed to be dedicated to the Association for the benefit of the Properties or applicable portion thereof. All Stormwater Control Measures are Common Area or Limited Common Area, as applicable.

Section 32. "Subdivision" shall mean and refer to the following property:

BEING ALL OF LOTS 1 TO 59 OF CARRIAGE FARM SUBDIVISION AND ALL COMMON AREAS AS SHOWN ON THAT PLAT ENTITLED "FINAL PLAT "LOT BY LOT" FOR CARRIAGE FARM SUBDIVISION" AS RECORDED IN BOOK OF MAPS 2025, PAGES 472-475, WAKE COUNTY REGISTRY.

Section 33."Supplemental Declaration" shall mean an addition to this Declaration which imposes additional restrictions and obligations on the Property.

Section 34. "Water Utility System" shall mean the water wells, storage facilities, treatment facilities, distribution systems, interconnection to Aqua NC's Water Facilities, and other land, fixtures, and equipment used in the pumping, storage, treatment, and distribution of the water service and, if constructed, any additional components of the Water Utility System necessary to provide service to the Lots of the Subdivision, including but not limited to wells, well lots, easements, deeded properties, treatment facilities, storage tanks, all water mains, hydrants, interconnections, services meter boxes,

meter yokes, backflow preventers, and other additional components of the Water Utility System necessary to serve water to the Lots in the Subdivision.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF CARRIAGE FARM HOA, INC.

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

BEING ALL OF LOTS 1 TO 59 OF CARRIAGE FARM SUBDIVISION AND ALL COMMON AREAS AS SHOWN ON THAT PLAT ENTITLED "FINAL PLAT "LOT BY LOT" FOR CARRIAGE FARM SUBDIVISION" AS RECORDED IN BOOK OF MAPS 2025, PAGES 472-475, WAKE COUNTY REGISTRY.

Section 2. Additions to Existing Property by Declarant. At any time during the Declarant Control Period, additional land may be annexed by Declarant or a shareholder or member of Declarant, without the consent of the Members, into the Properties and, therefore, become subject to this Declaration by the recording by Declarant of an Annexation Declaration extending the operation and effect of this Declaration to the property to be annexed and no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation except any local governmental authority if required by local ordinances.

Section 3. Additions to Existing Property by the Members. After Declarant no longer owns any real property that is subject to this Declaration, additional real property may be annexed and made subject to this Declaration by the affirmative vote of not less than sixty-seven percent (67%) of the Members of the Association. Such annexation shall be done by recording by the Association of an Annexation Declaration extending the operation and effect of this Declaration to the property to be annexed; provided, however, that such property must be contiguous to property already subjected to this Declaration (or separated from such property only by the right-of-way of a street or road) and further provided that, if required, such annexation must be approved by the County or other Governmental Entity.

Section 4. Annexation Declaration. An Annexation Declaration shall be effective to subject Annexed Property to this Declaration only upon obtaining all required approvals and upon its recording in the Registry, and the effective date of such annexation shall be the date of recording of the Annexation Declaration. Each Annexation Declaration shall describe the Annexed Property and indicate that the Annexed Property is being subjected or annexed to the Declaration. An Annexation Declaration need not be in any specific form and need not be titled Annexation Declaration (for example, the required subjecting language may be contained in a deed from the Declarant conveying the Annexed Property), but it shall indicate clearly the intention to subject or annex such Annexed Property. Any Annexation Declaration may contain such use restrictions and such other terms, covenants, restrictions, easements, affirmative obligations, assessments, charges and liens applicable to such Annexed Property, not in conflict with this Declaration, as the Person subjecting such Annexed Property to the Declaration may determine, but this
Declaration shall control over any provision of any Annexation Declaration that conflicts or is

inconsistent with this Declaration. During the Declarant Control Period, each Annexation Declaration shall have been approved in writing by the Declarant prior to recordation.

Section 5. Votes Allocated to Annexed Property. The votes of the Members in the Annexed Property shall be allocated in the same manner that votes are allocated in portions of the Properties already subject to the Declaration. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

Section 6. Conveyance of Common Area in Annexed Property. Prior to the conveyance of the last Lot within any newly annexed property to an Owner other than Declarant, the owner of the annexed property shall convey to the Association all Common Area located within the newly annexed property. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Declarant and every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The foregoing is not intended to include Persons who or which hold an interest merely as security for the performance of an obligation.

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

There shall be three (3) classes of membership with respect to voting rights:

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

(b) Class B Member. Declarant shall be the Class B Member. Declarant shall be entitled to twenty (20) votes for each Lot that it owns. Upon expiration of the Declarant Control Period, Declarant shall have one vote for each Lot that it owns, but such Declarant-owned Lots shall continue to be treated as Class B Lots for assessment purposes. Lots owned by the Declarant shall be "Class B Lots".

(c) Class C Member. Each Builder shall be a Class C Member. A Class C Member shall be entitled to one (1) vote for each Lot that it owns. Lots owned by a Class C Member shall be "Class C Lots".

Section 3. Declarant's Right to Appoint Directors and Officers of the Association. Notwithstanding any other provision of this Declaration or the Bylaws, unless otherwise stated in a written notice from Declarant to the Association, Declarant will exercise its right to appoint and remove all of the Directors and officers of the Association until the expiration of the Declarant Control Period. *See* §47F- 3-103(d) of the Act.

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

Section 5. Prohibited Actions. Despite any assumption of control of the Board by Owners other than the Declarant, until the Declarant has sold every Lot in the development, the Owners and the Board are prohibited from taking any inaction, or refusing to take any action which would discriminate against the Declarant, or would be detrimental to the sale or leasing of Lots owned by the Declarant in Declarant's sole discretion. The Board shall be required to continue at least the same level and quality of maintenance, operations and services as that provided immediately prior to the assumption of control of the Association by owners other than the Declarant until the Declarant sells the last Lot owned by it in the ordinary course of business.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by Section 2 of this Article IV, by any other provision of this Declaration, by rules and regulations adopted by the Members and/or the Board of Directors, and/or by any Legal Requirement, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, together with and including the right of access, ingress and egress, both pedestrian and vehicular, on and over the drives, walkways and parking areas of the Common Areas, which rights and easements shall be appurtenant to and shall pass with title to every Lot, subject to:

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

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

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

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

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility provided that:

(i) written notice of the exchange is given to each Member of the Association;

(ii) after the notice is given, Members having at least sixty-seven percent (67%) of the votes of the Association, vote to approve the exchange, provided, however, that Member approval is not required if the sole purpose of the exchange is to correct an encroachment;

(iii) the acreage and configuration of the remaining Common Area (including real property to be received by the Association in such exchange) equals or exceeds the requirements of the Code; and

(iv) the exchange is approved by the County or other Governmental Entity (if required).

(f) The right of the Association to sell, lease, convey or dispose of any personal property owned by the Association.

(g) The rights of Owners of Lots on additional lands annexed to the Property initially, or subsequently, to the easements of use and enjoyment and rights of ingress, egress and access, as specified above, to the initial Common Area and Common Area established on all lands included in subsequent phases.

Section 2. Delegation of Use.

(a) Family. The right and easement of use and enjoyment granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Wake County, North Carolina, and by their guests, provided however, such delegation to family members and/or guests shall not relieve Owner of responsibility of the actions of those to whom such right is delegated.

(b) Tenants. The right and easement of use and enjoyment granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants who occupy such Owner's Unit,

or a portion thereof, as their principal residence in Wake County, North Carolina, and by their guests, provided however, such delegation to tenants shall not relieve Owner of responsibility of the actions of those to whom such right is delegated.

Section 3. Conveyance of Common Area to the Association. Declarant, for itself, its successors and assigns, covenants that it will convey to the Association title to those portions of the Common Area in such phase to be owned in fee by the Association, and the Association agrees to accept each such conveyance. Declarant reserves (regardless of whether or not such reservation is specifically set forth in such deed), for itself and its successors and assigns, an easement over, under, across and through the Common Area so long as it owns any Lot within the Properties, for the purpose of constructing any improvements on the Common Area and/or the Lots as it deems necessary or advisable; provided however that, following construction of improvements, the Common Area shall be restored to its prior condition to the extent practicable. Except as otherwise stated herein, all conveyances by Declarant to the Association shall be free and clear of all encumbrances and liens (including statutory liens of laborers and materialmen pursuant to Article 2 of Chapter 44A of the North Carolina General Statutes) except this Declaration, restrictive covenants applicable to the Properties, utility, drainage, conservation, greenway and other easements of record or shown on the recorded maps of the Properties, and the lien of *ad valorem* taxes not yet due and payable. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements, except utilities owned and maintained by the County or other Governmental Entity, or a public or private utility company. Title to the Common Area in each phase or section of the Properties shall be conveyed to the Association not later than the time required by applicable Legal Requirements. At such time as Declarant shall convey the Common Areas to the Association, no acceptance or consent by the Association shall be necessary and the recordation of a deed from Declarant to the Association shall be deemed conclusive evidence of the Association's acceptance of such conveyance of such Common Area in their "as-is, where-is" condition, subject to the matters stated above.

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

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

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

(b) Rights and Responsibilities of the Association. The Association shall have the right and obligation to ensure that the Common Area (including Common Area Easements) is preserved to the perpetual benefit of the Owners and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its free use by the Owners, subject, however, to easements of record and any limitations on such use provided in this Declaration and/or rules and regulations adopted by the Association as provided herein or in the Bylaws; (ii) procure and maintain adequate liability insurance covering the Association and its Members against any loss or damage suffered by any Person, including the Owner of the Lot upon which a Common Area Easement lies, resulting from use of the Common Area; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association. To the extent that the Common Area includes a water feature (i.e. lake, pond, fountain, dam) the Association has the obligation to maintain in generally accepted standards or municipal guidelines. To the extent that the Common Area includes a cemetery or gravesite, the Association has the obligation to maintain such cemetery in accordance will generally accepted societal expectations and with reasonable care.

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

ARTICLE V
COVENANT FOR ASSESSMENTS

Section 1. Personal Obligation for Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who or which may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including, without limitation, the

following: (i) annual assessments; (ii) working capital fund payments required by Section 10 of this Article V; (iii) special assessments, (iv) individual special assessments, including, without limitation, fines for violations of the provisions of this Declaration or other Governing Documents, and assessments levied against Owners for misuse and damage to the Common Area by an Owner or his family members, tenants, agents, contractors and guests;
(v) late payment charges, interest on unpaid assessments, costs of collection (including, without limitation, court costs, service charges, and attorneys' fees, and charges for dishonored checks, all as established by the Board from time to time; and (vi) all other assessments, fees and charges imposed or allowed to be imposed by this Declaration.

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

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and, in particular, but not limited to, for: (i) acquisition, improvement, and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area; (ii) maintenance, repair, reconstruction, snow-removal and replacement of Common Area, private roads and public roads not yet accepted by the appropriate governmental authority, and improvements thereon, including, without limitation, Storm Water Control Measures, and, including, without limitation, the cost of inspections thereof and repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against Common Area owned by the Association in fee; (iv) procurement of insurance; (v) employment of attorneys, accountants, engineers, management agents and other Persons for Association business; (vi) payment of principal and interest on funds borrowed by the Association; (vii) reserve funds; and (viii) such other needs as may arise.

Section 3. Annual Assessments.

(a) Amount of Assessments. Until December 31, 2019, the annual assessment for each Class A Lot shall be One Thousand Twenty Dollars ($1,020.00) *semi-annually* and shall be established in subsequent years as provided in Section 3(c) herein, provided however that in no event shall the annual assessment for Class A Lot be lower than One Thousand Twenty Dollars ($1,020.00) *semi-annually*. The annual assessment for Class B Lots and Class C Lots shall be zero, provided, however that (i) any Lot containing a Dwelling occupied by any person as a residence shall be assessed as a Class A Lot, regardless of ownership of same and (ii) any Class C Lot shall be assessed as a Class A Lot regardless of ownership of same in the event said Lot has been owned by a Builder for three (3) years or more.

(b) Commencement Date. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to a Lot on the first day of the month after the Lot is subjected to this Declaration.

(c) Ratification of Budgets. The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such

meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present in order to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified, unless at that meeting, Members having a majority of the votes of the entire membership vote to reject the budget; provided, however, if the proposed budget provides for an annual assessment per Lot not more than ten percent (10%) higher than the annual assessment in effect for the then-current Fiscal Year, such budget and assessment shall be deemed ratified unless Members having at least sixty-seven percent (67%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

(d) Future Amenity. Notwithstanding the forgoing, in the event that the Declaration and/or the Association elect to install, construct or otherwise add an amenity which will serve all of the Properties, and which is not currently anticipated in the establishment of the proposed budget, or any subsequent budgets, the Board of Directors shall have the right and the obligation to increase the annual assessments to provide for a reasonable level of support for said amenity and said increase shall not be subject to vote or ratification as provided hereinabove.

(e) Budget to Contain Line Items for Stormwater. All Association budgets shall contain (among other things) a separate line item pertaining to Stormwater Control Measures.

(f) Notice to Members. The Board of Directors shall notify each Member of the annual assessment to be assessed against his Lot not later than fifteen (15) days before the beginning of each Fiscal Year.

(g) Uniform Rate; Collection Period. Annual assessments shall be fixed at a uniform rate for all Lots in each Class and may be collected on a yearly, semiannually, quarterly, or monthly basis, as determined by the Board of Directors.

(h) Certificate of Payment. The Association shall, within ten (10) business days after receipt of a written request from an Owner or the Owner's authorized agent, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association, or by an authorized employee of any Person employed by the Association to manage collection of assessments and to whom the Association has delegated the authority to issue such certificates, setting forth whether the assessments and other charges against a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment and is binding on the Association, the Board, and every Owner.

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

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, for repayment of indebtedness and interest thereon, or for any other non-recurring expenses, *provided that* any such assessment shall have been approved by the Declarant (during

the Declarant Control Period), and by not less than two-thirds (2/3) of the votes of the Class A Members present and voting, in person or by proxy (or, as to a special assessment related to Limited Common Area, of Class A Members against whose Lot the special assessment will be levied) at a meeting of the Members, one of the purposes of which is to vote on the special assessment, and further provided that the special assessments for Class C Lots shall always be one-half(½) of the special assessment for Class A Lots, and the special assessment for Class B Lots shall be zero. Special assessments shall be fixed at a uniform rate for all Lots within each Class and may be collected on a yearly, semiannually, quarterly, or monthly basis, as determined by the Board of Directors. Special assessments shall be collected in the same manner and shall constitute a lien to the same extent as other assessments against the Lot.

Section 5. Notice and Quorum for Action Authorized Under Section 4. Written notice of any meeting called for the purpose of voting on a special assessment shall be sent to all Members not less than fifteen (15) days or more than thirty (30) days prior to the meeting. At such meeting, the presence of Members or their proxies entitled to cast sixty percent (60%) of the votes of each Class of Lots shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the same notice requirement, and if the meeting is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half(½) of the required quorum at the preceding meeting.

Section 6 Individual Special Assessments. The Board of Directors may, without vote of the Members, levy a special assessment (an "individual special assessment") against any Lot, applicable only to that Lot, for (i) for the purpose of paying for the costs of any construction, reconstruction, repair or replacement of any damage to the Common Area, including, without limitation, any improvements thereon or thereto, caused by the act or failure to act of an Owner, his family, tenants, guests or agents, and not the result of ordinary wear and tear; (ii) for payment of fines, penalties or other charges imposed against an Owner resulting from failure to comply with the terms and provisions of this Declaration, the Bylaws, and/or any rules or regulations promulgated hereunder, including, without limitation, fines assessed pursuant to Section 13 below; (iii) reimbursement to the Association or the architectural committee appointed by the Board for any sums it expends for enforcement of the architectural design guidelines and/or this Declaration and/or the rules and regulations of the Association; and (iv) for the purpose of reimbursing the Association for costs (including attorneys' fees) incurred in bringing the Owner, his Lot.or his residence into compliance with the provisions of this Declaration, the Bylaws, the architectural design guidelines or other rules and regulations adopted by the Board or the Association. Upon the establishment of an individual special assessment, the Board shall send written notice of the amount and due date of such individual special assessment to the affected Owner(s) at least fifteen (15) days prior to the date such individual special assessment is due. Individual special assessments shall be collected in the same manner and shall constitute a lien to the same extent as other assessments against the Lot. Declarant shall not be obligated to pay any individual special assessment except with Declarant's prior written approval.

Section 7. Effect of Nonpayment of Assessments; Remedies. All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interests, and the costs of collection thereof, including attorneys' fees, shall be charge on the

Owner's Lot as provided in §47F-3-116 of the Act and, upon filing of a claim of lien in the Office of the Clerk of Superior Court for Wake County in the manner provided in §47F-3-116(g) of the Act, shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law.

Each assessment and other charge due hereunder, together with late charges, interest, the costs of collection thereof, including attorneys' fees, shall also be the personal or corporate obligation of each Person who was an Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

Notwithstanding the foregoing, when the holder of a first mortgage or first deed of trust of record or other purchase of a Lot obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns, shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser.

Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage or deed of trust, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any assessments which became due prior to the date of conveyance pursuant to such foreclosure. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 9. Exempt Property. All Common Area owned in fee by the Association, all Exempt Property as defined hereinabove, all property dedicated to and accepted by a public authority, and all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from all of the assessments created herein. Notwithstanding the foregoing, no Lot devoted to residential use shall be exempt from said assessments.

Section 10. Working Capital Contribution. At the time of closing of the initial sale of each Dwelling constructed on a Lot, the sum of Two Thousand Dollars and no/100s ($2,000.00) shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital. The purpose of the working capital contribution is to ensure that the Association will have adequate cash available to meet its initial operating expenses or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid to the Association pursuant to this Section shall not be considered as an advance payment of any regular assessment. These amounts need not be segregated but may be commingled with regular assessment funds.

Section 11. Declarant' s Obligation to Fund Operating Deficits. During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i) payment to the Association; (ii) payment directly to a Person providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant). Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners. At Declarant' s option, the Operating Deficit for any fiscal year may not be assessed against Declarant unless the maximum annual assessment for that fiscal year has been assessed.

Section 12. Reserve Account. In addition to the reserve account required by Section 3(d) of this Article V, the Association may establish a separate reserve account to fund major repairs to and replacements of improvements on Common Area. Each annual budget shall show the amount to be placed in reserve for each category for which reserves are to be held.

Section 13. Fines. Subject to the provisions of this Declaration and the Association Bylaws and Section 47F-3-107.1 of the Act, the Board of Directors shall have the right and authority to levy fines or suspend privileges or services provided by the Association for reasonable periods for the violation of any provision of this Declaration and other rules and regulations promulgated by the Board of Directors pursuant thereto, provided, however that the Association may not suspend an Owner's right to use of any Common Area providing access or utilities to his Lot. Any monetary fine shall be deemed an individual special assessment against the Lot of the Owner against whom such fine is assessed.

ARTICLE VI
MAINTENANCE OF LOTS AND DWELLINGS

Section 1. Owner's Responsibility: Remedy for Owner's Failure to Maintain. Each Owner shall keep his Lot and Dwelling in a neat and orderly condition (including, without limitation, mowing of grass and trimming of trees and bushes, as needed) and shall keep the improvements thereon in a suitable state of repair. Additionally, and in no way limiting the foregoing, Owner shall (i) maintain any and all water lines or related facilities located on Owner's Lot or within Owner's Dwelling, (ii) refrain from erecting any structure within the utility and access easements granted to Aqua NC, and (iii) refrain from placing any contaminant within any well site easement granted to Aqua NC.

If an Owner does not make any repair or perform any maintenance required of such Owner, the Association shall have the right (but not the obligation), through its agents and employees, by the affirmative vote of the Board of Directors, to enter upon such Lot and to repair, maintain and restore the Lot and/or the exterior of the Dwelling or other structure erected thereon, and the cost of such maintenance, plus a surcharge of 15% for administration, shall be assessed in accordance with Section 2 of this Article. Prior to such entry, the Association shall give written notice to the Owner stating: (i) the specific item(s) needing maintenance; (ii) the corrective action

to be taken; (iii) a time, not less than ten (10) calendar days from the date of the notice, in which the Owner is required to perform the necessary maintenance; and (iv) a statement that, if the Owner fails to perform the maintenance within such time period, the Association will exercise its right to perform the maintenance and that the Owner will be assessed with the costs thereof as provided in this Article VI.

Section 2. Assessment of Cost. In the event that the Association performs maintenance on any Lot as provided herein, the cost of any such maintenance, repair or replacement (including 15% of such costs as an administration fee) shall be an individual special assessment against the Lot upon which such maintenance is done and shall be added to and become part of the assessments to which such Lot is subject under Article V hereof, enforceable under the terms thereof.

Section 3. Maintenance by the Association. The Association shall have the right and obligation to ensure that the Common Area is preserved to the perpetual benefit of the Owners and, to that end, shall: (i) maintain the Common Area, including Limited Common Area, in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners; (ii) procure and maintain adequate liability insurance covering the Association and its Members against any loss or damage suffered by any Person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

Section 4. Maintenance by Aqua NC. Pursuant to that Water Utility System Agreement by and between Aqua NC and Declarant dated July 25, 2024, a complete copy of which has been provided to the Association. Aqua NC agrees that should any building owned by Aqua NC require future reconstruction, maintenance, or repairs, Aqua NC shall use reasonable efforts to reconstruct the building to its appearance as of the date of recording of this Declaration, but only if reconstruction will be recoverable in rates. Otherwise, Utility shall construct pursuant to its current specifications and design standards.

ARTICLE VII
RIGHTS OF LENDERS

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

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

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

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

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

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

Section 3. Approval of Holders of First Deeds of Trust. Unless at least seventy-five percent (75%) of the holders of first deeds of trust who have requested notice as provided in Section 2 above have given their prior written approval, the Association shall not:

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

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

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

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

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

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

ARTICLE VIII
EASEMENTS

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

Section 1. Access and Utility Easements. Easements for the installation and maintenance of driveway, walkway, water lines, septic facilities, natural gas lines, telephone, cable television, electric power transmission lines, storm water drainage facilities, and other

public or quasi-public utility installations are reserved to Declarant and the Association as shown on the recorded maps of the Properties and may be granted by Declarant, the Association or other Owner by separate document recorded in the Registry. The Association may reserve and grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements. During the Declarant Control Period, Declarant also reserves the right to create and impose additional easements or rights-of-way over any unsold Lot by the recording of appropriate instruments in the Registry, and such instruments shall not be construed to invalidate any of these covenants.

Declarant reserves an easement in and right at any time during the Declarant Control Period to grant a ten foot (10') right-of-way over, under and along the front and rear line of each Lot for the installation and maintenance of poles, lines, conduits, meters, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone service, cablevision or other utilities, including water and storm drainage facilities. Declarant also reserves an easement in and right at any time in the future to grant a five-foot (5') right-of-way over, under and along the side lines of each Lot for the aforementioned purposes. An easement is also reserved for the benefit of the Declarant and the Association, and their respective successors and assigns, over, across and under those portions of Properties shown and designated as "sign easement", "landscape easement", or "drainage easement", or any similar designation, and any combination of the foregoing on any recorded map or plat of the any portion of the Properties for the purpose of installing, operating, repairing and maintaining, as appropriate, landscaping, irrigation system, entrance signage, fencing and Stormwater Control Measures in the easement area. No building, structure, fill, embankment, fence, driveway, planting, swing, or other obstruction shall be permitted in such area, other than those installed by the Declarant or the Association unless approved as provided in Article VIII of this Declaration and, if required, by the County or other Governmental Entity.

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

No reservation of easement contained in the Declaration shall create or impose any obligation upon the Declarant or its successors and assigns to provide or maintain any such utility, drainage facility or impoundment. The easements reserved to Declarant are so reserve on condition that any such entry by Declarant or the Association upon any Lot shall be made with the minimum inconvenience to the Owner of such property as is reasonably practical and any damage caused as a result of gross negligence of Declarant, the Association or their employees or

agents shall be repaired by Declarant or the Association at their expenses, respectfully.

Easements for storm drainage as shown on the plat are not made to Wake County but are irrevocably made to the subsequent owners of any and all of the Lots shown on the plat for their use and to benefit public acceptance. In turn, it shall be the responsibility of the property owners to maintain the drainage easement and any drainage structures therein located on any owner's Lot so as to maintain the integrity of the drainage system and ensure positive drainage flow throughout the neighborhood.

Section 2. Easement over Common Area. A perpetual, nonexclusive easement over, under and through the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing reasonable access, ingress and egress to, from and over and the use of the Common Area and for utilities serving such Lot. Any conveyance or encumbrance of such Common Area is subject to the easements granted herein.

Section 3. Association's Easement upon Lots. The Association shall have a right, license and easement to go upon any Lot for the purpose of fulfilling its obligations under this Declaration and any other laws, ordinances, rules and regulations, public or private, which the Association is obligated or permitted to enforce. Such easement shall include, without limitation, the right to go on any Lot to correct, repair or alleviate any condition which, in the opinion of the Board of Directors of the Association or of the manager employed by the Association, creates or may create an imminent danger to the Common Area or improvements thereon. These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil and any other action necessary to complete installation.

Section 4. Easements for Private Contractors. The Association shall have the right to assign its rights and delegate its duties to any Person. In the event that the Association employs or engages any Person to provide security within the Properties, perform inspections of improvements, collect garbage, or perform any other function, an easement is established over the Common Area and every Lot for the benefit of such contractors for such purposes.

Section 5. Easement for Governmental Access; Utility Providers. An easement is hereby established over the Common Area and every Lot for the benefit of applicable governmental agencies and public/private utility providers which provide services and utilities for installing, removing, and reading water meters; maintaining and replacing water and drainage facilities; and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection, and the delivery of mail. These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil and any other action necessary to complete installation.

Section 6. Easement for Aqua NC. An easement over the Properties is hereby established for the benefit of Aqua NC for unobstructed ingress, egress, regress, and access to operate, maintain, repair, interconnect, install and replace its Water Utility System and apparent equipment, wherever the same may be actually located, however nothing contained herein shall

grant Aqua NC the right to relocate its Water Utility System in such a way or to such location as to create damage to a Dwelling or then-existing infrastructure and improvements.

Owners shall refrain from erecting any structure and placing any contaminants within any easement provided to Aqua NC. Aqua NC shall have the right to unilaterally and immediately remove any structure or contaminant from said easements if the Owner, person or entity introducing the source of contamination or erecting the structure fails to remove it. Such Owner shall be liable to reimburse Aqua NC for all actual expenses associated with the removal of the structure or contaminant as well as any remediation undertaken by Aqua NC. Additionally, Aqua NC is authorized to remove and keep removed all trees, roots, limbs shrubs, underbrush and parts thereof including any other obstacles erected within the easement and shall have no obligation to replace any vegetation, structures or obstacles removed hereunder.

To the extent that said easement runs across or lies upon a Lot, the Owner of said Lot shall have the obligation to maintain the easement area and in all instances Owner shall maintain and repair that portion of any and all water lines, facilities, equipment and/or structures which lie within and on Owner's Lot.

Section 7. Easements for Development. During the Declarant Control Period, Declarant reserves an easement over the Properties to construct improvements thereon, including Common Areas for the purpose of allowing Declarant to develop the Properties and exercise its right to annex any additional property to this Declaration and the development thereof. The easements here reserved shall include, but not be limited to easements for ingress, egress and regress over private roads and streets now or hereafter erected on the Properties and easements for drainage and for the use of all utility lines, fixtures and/or their connections located within the Common Area for the purposed of providing drainage, water, light, power, telephone sewage and sanitary sewer service to any additional properties described in Article II, Section 2 herein. These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil and any other action necessary to complete installation.

Section 8. Specific Easements on Particular Lots. Declarant hereby grants to and reserves for itself, the Association, and, to the extent applicable, the County or other Governmental Entity, the North Carolina Department of Transportation and Aqua NC, and their respective successors and assigns, any and all easements shown on the recorded maps of Carriage Farm subdivision (to the extent necessary to enable to appropriate Person to use and maintain the same for the intended purpose).

Section 9. Light, View and Air. No Owner shall have an easement for light, air or view over the Lot of another Owner and no diminution of light, air or view by any improvement now existing or thereafter erected shall entitle Owner or any other Person to claim any easement for light, air or view within the Property.

Section 10. Fence Easement. Each Owner shall have a perpetual access easement over the adjoining Lot and Common Area to the extent reasonably necessary to tie a fence on the Owner's Lot with a neighboring fence. Installation of fences however, require prior approvals by the Declarant of Architectural Committee pursuant to the terms of Article IX of this Declaration. This Fence Easement is subordinate to other easement authorized by this Declaration or by the Declarant, including but not

limited to utility, stormwater easements, thus fences may be removed as necessary by the holders of said easements for maintenance and repairs.

ARTICLE IX
ARCHITECTURAL CONTROL

No site preparation (including, but not limited to tree clearing, grading, elevation work, landscaping, sloping or tree work) or construction, erection, or installation, of any improvements, including but not limited to, buildings, fences, signs, walls, bulkheads, screens, landscaping, plantings, equipment, swimming pools, or other structures shall be commenced, erected, placed, altered, painted or maintained upon any lot, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, siding, location and elevations of the proposed improvements relative to their existing landscaping or plantings shall have been submitted to, and approved in writing by an Architectural Committee appointed by the Declarant through and until the date that the Declarant shall no longer own any portion of the Properties for the purpose of development or sale, or such earlier date as determined by Declarant in its sole discretion. Initial construction on all Lots shall be reviewed and approved by the Declarant until the earlier of the expiration of the Declarant Control Period or Declarant expressly relinquishes such duties to the Architectural Committee. After such date, the Architectural Committee shall be composed of no fewer than three (3) persons and no more than seven (7) persons, and shall be appointed by the Board. In the event the Architectural Committee fails to approve such submission made by any Lot Owner within thirty (30) days after said plans and specifications have been received by the Committee, approval will be deemed to have been denied. Any plans and specifications that contain inaccurate or missing data or information when submitted shall not be deemed to be approved notwithstanding any prior approval by the Committee.

Upon request, the Association, on behalf of the Architectural Committee, shall provide any Owner with a letter stating that any such work, plans and specifications, landscaping or plantings have been approved, and the letter may be relied upon by third parties.

Approval or disapproval by the Architectural Committee of such plans, location or specifications may be based upon any grounds, including purely aesthetic and environmental, which in the sole discretion of the Committee, it shall deem sufficient. Neither the Association, Board, nor the Architectural Committee shall be responsible for any defects in the plans and specifications submitted to it or in any structure erected or improvements made on any Lot.

The Board and the Architectural Committee, or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications .

The Architectural Committee shall have the power to grant or deny, and may allow or refuse, variances of, and adjustments of, the restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate area. Variances and adjustments may be of the height, size, and setback requirements, pursuant to the terms herein, but shall not be limited thereto. No variance shall be permitted if it violates governmental

minimum standards. Notwithstanding the foregoing, Declarant shall have the power to grant or deny the above variances and adjustments so long as Declarant has the authority to appoint members to the Architectural Committee.

In the event of the grant of any variance in the restrictions established herein, the Declarant for so long as the Declarant has the authority to appoint members to the Architectural Committee, and thereafter the Association on behalf of the Architectural Committee shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Wake County Registry. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Declarant, the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval.

Any purchaser of a lot or institution financing a lot shall rely on the foregoing statement. The Association, so long as Declarant has authority to appoint members to the Architectural Committee, shall defer architectural approvals and grants of variances to Declarant unless Declarant has voluntarily relinquished control of the Association. The Declarant shall be exempt from the provisions of this Article IX as it would apply to Lots owned by the Declarant.

ARTICLE X
USE RESTRICTIONS

Section 1. Land Use and Building Type. Except as specifically provided herein, Lots shall be used for residential purposes only. Except as permitted by the County, no trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that the Declarant, Owners, real estate brokers and their agents may show Lots and homes for sale or lease. Notwithstanding the foregoing, the Declarant shall have the right to and may, in writing, permit another Person to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and other uses consistent with the development of the Subdivision and the sale and construction of homes therein; (ii) maintain model homes, which may be open to the public for inspection seven days per week for such hours as the Declarant deems appropriate or necessary; and (iii) conduct any other activities on Lots to benefit development, sales and construction efforts.

Section 2. Building Setbacks; House Location. No Dwelling shall be erected or maintained on any Lot outside of the building envelope required by the Code or other Governing Documents. For purposes of these building setback requirements, decks, porches, patios, stoops, eaves, overhangs, bay windows, chimneys, carports and other similar projections shall be deemed to be part of the Dwelling only to the extent that the same are deemed to be part of the Dwelling under the Code as it exists as of the date of issuance of a certificate of occupancy for such Dwelling. Any Dwelling erected on a Lot other than a comer lot shall face the street on which the Lot abuts. On comer lots, a Dwelling may be erected so as to face either street or the intersection of the two streets on which the Lot abuts. Further no building is permitted within 20 feet of any water supply watershed buffer nor are any structures allowed within a 50 foot well radius or easement. There shall be no filling or the erection of permanent structures in the areas shown as Wake County Flood Hazard Soils or designated by FEMA in an 100 year flood zone until a flood study is approved by Wake County and/or FEMA.

Section 3. Fences. Any fence or wall installed within the Properties must meet all requirements of the Code and must be approved by the Declarant and/or Association as provided in Article IX of this Declaration prior to installation. Chain-link fences will not be permitted. Nothing in this paragraph shall be deemed to apply to or regulate retaining walls made necessary by the slope or grade of any Lot or Lots or to any fence installed by the Declarant within the Properties.

Section 4. Temporary Structures. No residence of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, shack, tent, garage, barn, or any other building of a similar nature shall be used as a residence on any Lot, either temporarily or permanently.

Section 5. Parking; Driveways and Parking Pads; Abandoned Vehicles. Vehicles may be parked or stored only on portions of a Lot improved for that purpose, i.e., garage, driveway or parking pad. No unenclosed parking shall be constructed or maintained on any Lot except a paved driveway. Any driveway or parking pad constructed upon any Lot shall be approved as provided in Article IX hereof.

No mobile house trailer (whether on or off wheels), recreational vehicle, trailer or enclosed body of the type which may be placed on or attached to a vehicle (known generally as "campers" or "recreational vehicles"), tractor trailer trucks or cabs, or commercial vehicle of any kind shall be parked on any street or any Lot, except within a garage or outbuilding approved in accordance with Article IX hereof. No boat, boat trailer, or any other trailer shall be parked on any street within the Properties. A boat, boat trailer, or other trailer may be parked or kept on a Lot if it is parked or kept in the garage or outbuilding approved pursuant to Article IX hereof (with the door of the garage or outbuilding able to be completely dosed).

No vehicle of any type which is abandoned or inoperative shall be stored or kept on any Lot in such manner as to be seen from any other Lot, any street within the Properties or the Common Area, and no automobiles or mechanical equipment may be dismantled or allowed to accumulate on any Lot. Vehicles without current registration and inspection stickers are considered abandoned or inoperative.

Section 6. Animals. No animals or livestock of any kind shall be kept on any Lot, except that a reasonable number of cats, dogs, and other ordinary household pets may be kept provided they are not kept, bred, or maintained for any commercial purpose and that they do not become a nuisance to the neighborhood. Owners are allowed to have chickens as long as they are properly housed in a structure approved by Declarant and/or the Association prior to being built. Absolutely no roosters are allowed. The Board has the right, in its sole and absolute discretion, to determine whether or not a particular animal is a nuisance and to require removal. No Person owning or having custody of a permitted animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted in the Common Areas at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's Dwelling. The owner of a permitted animal shall be responsible for removing and cleaning up any excrement deposited by such animal on any Lot, street right of way, or the Common Area.

Section 7. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No vehicle repairs or maintenance shall be conducted within the Properties other than in a garage and concealed from public view. Outside clothes hanging devices are not permitted.

Section 8. Signs. Except as otherwise required by the County, no sign of any kind shall be displayed to the public view on any Lot except not more than one (1) sign of not more than six (6) square feet advertising the Lot and Dwelling for sale or rent, and not more than two (2) signs of not more than six (6) square feet expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election. No sign of any kind shall be displayed on the Common Area without the prior written consent of the Association. Notwithstanding the foregoing, Declarant shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area in connection with the development and sale of the Properties.

Section 9. Antennas; Satellite Dishes. No television, radio or other electrical towers, aerials, antennae, satellite dishes, or other devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon unless approved in accordance with Article IX hereof, except that this prohibition shall not apply to those antennae specifically covered by 37 C.F.R. Part 1, Subpart S, §1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

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

Section 10. Swimming Pools. No above-ground swimming pools are permitted within the Properties, except that small, inflatable wading pools shall be permitted in the back yard of a Dwelling.

Section 11. Mailboxes. No Lot shall have a separate mailbox. There shall be a kiosk used.

Section 12. Maintenance of Lot and Improvements; Construction. As more fully provided in this Declaration, each Owner shall keep his Lot, including, but not limited to, plantings, landscaping and lawns, in a neat and attractive condition and shall keep the improvements thereon in a suitable state of repair. If an Owner fails to comply with this provision, the Declarant or the Association may remedy such non-compliance and the Owner of such Lot shall be responsible for all costs of bringing the Lot into compliance with this provision. Any

such costs shall be deemed a special assessment against the Lot.

In the event that any residence or structure on any Lot is destroyed or partially destroyed by fire, Act of God, or as a result of any other act or thing, the Owner of such Lot shall repair the damage and reconstruct the improvement within nine (9) months after such damage or destruction; provided, however, that if the structure damaged is not part of or attached to the residence constructed on such Lot, the Owner may, at his option, either completely remove the damaged structure and landscape the area on which the structure stood or repair or reconstruct the structure.

All construction, landscaping or other work which has been begun on any Lot shall be continued with reasonable diligence to completion and no partially completed house or other improvement shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. The Owner of each Lot shall at all times keep public streets abutting his Lot free from any dirt, mud, garbage, trash or other debris resulting from construction on his Lot.

Section 13. Garbage; Unsightly Storage. All trash and rubbish shall be kept in garbage cans stored behind the principal building or in an enclosed garage, in either case in such a manner as not to be visible from the street upon which the Dwelling fronts. No trash, rubbish, stored materials, wrecked or inoperable vehicles, or similar unsightly items shall be allowed to remain on any Lot; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish, and other debris for collection by governmental or other similar garbage and trash removal units. In the event of curbside trash and/or garbage pickup, trash and/or garbage cans may be moved to the street on the night before the scheduled pickup, but all garbage cans must be returned to an approved enclosure the night of the scheduled pickup. Trash containers used by the Declarant or, with the approval of the Declarant, by a Builder during construction are exempt from this provision.

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

Section 14. Waiver of Violations. Declarant, or the persons or firms to whom the architectural review and approval authority has been delegated pursuant to Article IX of this Declaration, may, but shall not be obligated to, waive any violation of the designated and approved building setback lines on any Lot, provided that, no waiver may be granted for a violation in excess of 25% of the applicable requirements. No such waiver shall be effective unless the Lot and all structures thereon are in full compliance with the applicable provisions of the Code or a variance has been obtained for such violation. Waivers shall be effective upon recording of same in the Registry.

Section 15. Street Lighting. Declarant reserves the right to subject the Properties to a

contract with a public or private electric utility provider for installation and operation of street lighting, which may require a continuing monthly payment to said provider by each residential customer or by the Association.

Section 16. Impervious Surface. Lots may be subject to restrictions on the amount of total square footage of the Lot that may be covered by impervious surfaces, as established by the County and more specifically shown on the plats of the Properties recorded in the Registry. Such impervious requirement may limit an Owner from constructing new or expanding existing Dwellings, porches, patios and decks, parking pads and garages, and/or outbuildings.

Section 17. Wetlands. Portions of the Properties may have been determined to meet the requirements for designation as a regulatory wetland or riparian area. Notwithstanding anything to the contrary that may appear herein or in any amendment hereto or in any Annexation Declaration, any subsequent fill or alteration of any portion of the Properties that has been determined to be a regulatory wetland or riparian area under applicable laws of the United States or the State of North Carolina shall conform to the requirements of applicable wetland or riparian area rules adopted by the United States of the State of North Carolina and in force at the time of the proposed alteration. The intent of this paragraph is to prevent additional wetland or riparian area fill or degradation as defined by the U.S. Army Corps of Engineers or other applicable governmental authority.

Section 18. Recreational and Other Equipment. No recreational equipment (including but not limited to, basketball backboards and hoops, trampolines, swing sets, tree houses, children's climbing or play apparatus and other equipment associated with either adult or juvenile leisure or recreation) shall be attached to the exterior of any Dwelling or otherwise placed or kept on any Lot, except with prior approval of the Architectural Committee. No such recreational equipment shall be located in such a manner as to constitute a nuisance or unsightly condition. No portable basketball hoops/goals shall be permitted. Further, children's play toys and other movable equipment of any type (such as lawn mowers and garden tools) shall not remain overnight within a front yard of any Lot, or within the side yards of any Lot located on a comer and such play toys and other movable equipment of any type shall be stored in a dwelling or an enclosed garage or in an enclosure specifically approved for such storage by the Architectural Committee.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Enforcement. The Association and each Owner (including the Declarant) shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, rules, regulations, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Act, the Bylaws or rules and regulations adopted by the Association. Failure by the Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with

applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions, or any case in which the Board reasonably determines that the cost of enforcement outweighs the benefit to be gained by enforcement. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 2. Term; Amendment. The covenants and restrictions of this Declaration shall run and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods often (10) years unless terminated by a vote of eighty percent (80%) of the Owners after the expiration of such twenty-five (25) year period.

Except as otherwise provided herein, this Declaration may be amended by an instrument signed by the Owners of not less than sixty-seven percent (67%) percent of the Lots and, during the Declarant Control Period by the Declarant, provided, however, that in no event may Declarant's rights hereunder may not be amended or altered without the prior written consent of Declarant. This Declaration may only be amended in strict compliance with §47F-2-117 of the Act.

Notwithstanding the foregoing, Declarant, without the consent or joinder of any Person, may amend this Declaration during the Declarant Control Period so long as such amendment does not adversely affect title to any Owner's Lot or Owner's voting rights and membership interests.

No amendment shall be effective unless and until it is recorded in the Registry. For the purpose of this Section, additions to existing property as provided in Article II hereof correct shall not constitute an "amendment".

Section 3. Build Time Requirement and Option to Repurchase. To the extent no Dwelling already exists on a Lot, a Lot Owner or Builder other than the Declarant, shall commence construction of a dwelling on a Lot within thirty-six (36) months from the date of recording of a Deed into Lot Owner or Builder and shall complete construction of the dwelling no later than twelve (12) months from the commencement of construction. In the event that said deadlines have not been satisfied, then Declarant shall have the unrestricted right and option (but not the obligation) to repurchase the Lot from the Lot Owner or Builder, as applicable, which Declarant may exercise at any time prior to completion of construction of the dwelling by delivery of written notice to the Lot Owner or Builder. To exercise this right, Declarant shall deliver written notice to the Lot Owner or Builder of its intention to repurchase the Lot. Within thirty (30) days of receipt of such notice, the Lot Owner or Builder shall convey the Lot to Declarant, and Declarant shall pay the Lot Owner or Builder a repurchase price equal to the sum of (i) the price Declarant received for the Lot from the applicable Lot Owner or Builder, plus (ii) the appraised value of the dwelling improvements as constructed on the Lot to date, as determined by a reputable appraiser designated by Declarant. Each reconveyance of a Lot to Declarant pursuant to this Section 3 shall be by special warranty deed, subject to all encumbrances of record. All conveyances of Lots by Declarant shall be deemed made and accepted subject to the aforesaid option, and on the condition that the Owner convey the Lot to Declarant upon the timely exercise by Declarant of its option to repurchase. The obligations set forth in this Section 3 shall bind each Lot Owner's and Builder's successors and assigns.

Section 4. Subdivision of Lots. No Lot may be subdivided by sale or otherwise so as to reduce the total Lot area shown on a recorded map or plat, except with the consent of the Declarant

during the Declarant Control Period and, thereafter, by the Association, and, if required, by the County. Subdivision or recombination of any Lot(s) may, as appropriate, increase or decrease the number of votes in the Association.

Section 5. Rules and Regulations; Remedies. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots and shall furnish a written copy of said rules and regulations to the Owner of each Lot at least fifteen (15) days before such rules and regulations become effective.

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

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

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

Section 6. Condemnation/Casualty. If all or any part of the Common Area and improvements thereon is taken by power of eminent domain or is damaged or destroyed by fire or other casualty, the proceeds of the condemnation award or any insurance policies covering such improvements shall be payable to the Association. The Board of Directors shall propose to the Members, at an annual or special meeting held within sixty (60) days after the date of the condemnation or casualty, whether or not to reconstruct the improvements. The insurance proceeds shall be used to reconstruct the improvements except as provided in §47F-3-113(g) of the Act, in which event the proceeds shall be retained by the Association for operation expenses or reserves, as determined by the Board or the Members. Nothing in this Section shall prevent the Board from proposing and the Members from approving the use of such proceeds for construction of different improvements, e.g., playground on Common Area in lieu of a destroyed club house.

Section 7. Association Contracts and Leases during Declarant Control Period. All Association contracts and leases made during the Declarant Control Period which extend beyond the Declarant Control Period must: (i) be for a term of two years or less; (ii) be terminable without penalty

by the Association upon no more than ninety (90) days written notice; and (iii) be commercially reasonable.

Section 8. Evidence of Member Approval. In the event that any action requires evidence of consent of the Members or a specified percentage of the Members, such approval shall be conclusively presumed if supported by a Certification signed by the President or Secretary of the Association in substantially the following form:

"CERTIFICATE OF CARRIAGE FARM HOMEOWNERS ASSOCIATION, INC.

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

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

_____

[President/Secretary]"

Section 9. Number and Gender. Whenever the context requires, the singular shall include the plural, and *vice versa,* and one gender shall include all.

Section 10. Captions. Captions are for the purpose of reference only and shall not be deemed to be in any manner interpretive of any provision of this Declaration.

Section 11. Severability. If any provision of this Declaration is held by a court of competent jurisdiction to be invalid or void, such provision shall be deemed severable from the remaining provisions of the Declaration and shall not be deemed to nullify or affect any other provision hereof. If any such provision is deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

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

Section 12. Conflicts.

(a) The Properties are to be subject to the provisions of the Act, and the provisions of the Act control over any inconsistent provisions of this Declaration, any other Governing Documents, and the Code.

(b) The provisions of the Code control over any inconsistent provisions of this Declaration and any other Governing Documents. As applicable provisions of the Code are amended, modified, revised, deleted, or moved to different sections, this Declaration and all other Governing Documents are deemed to be revised so as to conform to the provisions of the Code as they exist from

time to time and are applicable to the Properties or any part thereof. Notwithstanding the foregoing, any provision of this Declaration that is more restrictive than an applicable provision of the Code (for example, a building setback distance required by this Declaration that is greater than that required by the Code) is not an inconsistent provision of this Declaration unless the Code specifically provides otherwise, and is not deemed revised to conform to the Code.

(c) In the event of a conflict between this Declaration and the Article of Incorporation of the Association, the Articles of Incorporation shall control. In the event of a conflict between this Declaration and the Bylaws, this Declaration shall control.

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

Section 13. Rule against Perpetuities. As provided in §47F-2-103(b) of the Act, the rule against perpetuities may not be applied to defeat any provision of this Declaration, Bylaws, or rules and regulations adopted pursuant to thereto and §47F-3-102(1) of the Act. In the absence of the protection provided in §47F-2-103(b) of the Act, if any provision of this Declaration violates any applicable rule against perpetuities, such provision shall be deemed amended to be and remain in effect for the maximum period of time that such provision could be in effect without violating the applicable rule against perpetuities.

Section 14. Declarant. Nothing contained in this Declaration shall be construed to permit interference with the development of the Properties by Declarant and construction of homes by Builders so long as such development and construction follow the general plan of development previously approved by the County. The restrictions contained herein shall not be deemed to apply to any sales office, signs, landscaping construction trailer, model home, or other temporary or permanent improvement installed by or with the approval of Declarant.

Section 15. Legal Actions Against Declarant and Owners. The affirmative vote or consent of the Owners that is equal to or greater than sixty-seven percent (67%) of the total number of votes in the Association first shall be required prior to the Association doing any or all of the following with respect to the Declarant, any successor Declarant, any Owner or any Member regardless of whether such Person is the Declarant or is an Owner or Member at the time the Association takes the action or obtains the necessary vote or consent required to take such action: (i) file a complaint, on account of any act or omission with any Governmental Entity which has regulatory or judicial authority over the Properties or any part thereof; or (ii) assert a claim against, sue or request legal or equitable relief against Declarant, Owner or Member in any court, before any Governmental Entity board, or otherwise, provided however, nothing contained in this section shall be construed to require said number of votes for any lien enforcement actions arising out of Article V.

Section 16. Non-Discrimination. Neither the Association, the Board, any committee of the Board, any member of the Board or committee, nor any officer of the Association, in exercising its/his/her rights and obligations under this Declaration or the Articles of Incorporation or Bylaws, shall discriminate against any person on the basis of the race, color, religion, national origin or handicap of such person.

Section 17. Security Measures. Neither the Association nor the Board shall have any responsibility for establishing or maintaining any security measures within the Properties, such measures being the sole responsibility of each Owner, as to his Lot and property, and to the appropriate public officials including, without limitation, the Wake County Sheriffs Department.

Section 18. Hazardous Substances. Declarant hereby informs all Owners and other Persons who may from time to time deal with or come in contact with the Properties, that as storm water drains from the Properties or other properties into any of the Stormwater Control Measures for the Properties, it is possible that substances or materials that may be classified or regulated as "hazardous substances" or "toxic substances" or other regulated substances or materials under Legal Requirements relating to the environment, may flow through and/or accumulate in such Stormwater Control Measures. Accordingly, each Owner and other Person assumes the risk that such flowing through and/or accumulation may occur. In addition, each Owner further acknowledges that if it becomes necessary (as determined by Legal Requirements or by the Board) for such substances to be removed from the Stormwater Control Measures or otherwise handled in accordance with Legal Requirements, and for such Stormwater Control Measures to be cleaned-up following such removal or other handling, that the costs associated with such removal, handling and/or clean-up are Common Expenses, and that an additional storm water assessment may be required to pay for such removal and/or resultant clean-up of the Stormwater Control Measures.

Section 19. Properties are Subject to the Code. The Properties, this Declaration and the other Governing Documents are subject to the ordinances, regulations, and rules of the County, and shall be construed in accordance with all of the applicable provisions of the Code, whether or not such Code provisions are specifically referenced in this Declaration. There may be certain provisions of the Code that apply to all of the Properties and certain provisions of the Code that apply only to certain portions of the Properties. It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant or its authorized agent, the Board, any committee of the Board, or any other Person who has the authority to give such approval, disapproval, waiver or variance.

Section 20. Dissolution or Insolvency of the Association. The Association shall be dissolved upon the termination of this Declaration, or upon the written assent given in writing and signed by Members entitled to at least eighty percent (80%) of the votes of the Association, or upon such more restrictive or additional conditions and in such manner as otherwise provided by the laws of the State of North Carolina. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Area as allowed by this Declaration or by reason of merger and/or consolidation with any other association as allowed by this Declaration), any portion of the Common Area not under the jurisdiction and being maintained by the Association, shall be offered to the County, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the County or such other appropriate governmental entity or public agency accepts the offer of

dedication, such portion of the Common Area and assets shall be conveyed by the Association to the County or to such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

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

Section 21. Withdrawal of Property from this Declaration. Subject to Legal Requirements, at any time during the Declarant Control Period, the Declarant, in its sole discretion, may record in the Registry a "withdrawal declaration" to withdraw any portion of the Properties from the Declaration. All portions of the Properties withdrawn from the Declaration shall be identified in such withdrawal declaration, either by a reference to a map recorded in the Registry or by a metes and bounds description. Such withdrawal shall be effective on the date the withdrawal declaration is recorded in the Registry, or on such later date (if any) specified therein.

After the end of the Declarant Control Period, and subject to Legal Requirements, at any time and from time to time, one or more portions of the Properties may be withdrawn from the Declaration, with the consent of the Owner of the portion of the Properties being withdrawn, by amendment of this Declaration as provided in Section 2 of this Article XI.

Notwithstanding the foregoing, if any Legal Requirement requires approval of withdrawal of any portion of the Properties by a Governmental Authority, the withdrawal shall not be effective unless and until the approval of the applicable Governmental Authority is obtained.

Any portion of the Properties withdrawn from the Declaration may be owned, held, transferred, sold, conveyed, leased, used, occupied, mortgaged and developed in any manner allowed under Legal Requirements, and shall be released from the terms and provisions of the Declaration on the date the withdrawal becomes effective as provided herein, except that all easements located on or specifically affecting such withdrawn portions of the Properties shall remain in effect unless released or terminated by all Persons having rights to exercise such easements. Furthermore, unless responsibility for maintenance of any Common Area Easement and structures, facilities and improvements located on the withdrawn portion is accepted in writing by the owner of the portion withdrawn, the Association shall continue to have such responsibility and shall have a perpetual, non-exclusive easement to enter onto the withdrawn portion of the Properties for such purposes, regardless of whether or not such easement is reserved in the deed or other document conveying title to such portion.

Notwithstanding any other provision of this Declaration, Common Area owned by the Association in fee may not be withdrawn from this Declaration without the written consent of the Owners of at least eighty percent (80%) of the Lots.

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

AS TO DECLARANT:

CARRIAGE FARM DEVELOPMENT, LLC

BY ITS MEMBERS:

By: David Matthew Cyrus, Member/Manager

EMERALD INVESTMENTS OF SWANSBORO, LLC

By: Douglas Craig Starcke, Member/Manager

<<NOTARY PAGES TO FOLLOW>>

STATE OF NORTH CAROLINA, COUNTY OF Wake

I, Kimberly P. Thomas a Notary Public of Franklin County, North Carolina, do hereby certify that David Matthew Cyrus personally appeared before me this day and acknowledged that he is Manager of Carriage Farm Development, LLC, a North Carolina Limited Liability Company, and that by authority duly given by the Company, the foregoing instrument was signed in its name by its Manager as an act of the Company.

Witness my hand and official seal, this the 9th day of May, 2025.

Notary Public

My Commission Expires: 6/30/2026

KIMBERLY P THOMAS NOTARY PUBLIC FRANKLIN COUNTY, NC

STATE OF NORTH CAROLINA, COUNTY OF CARTERET

I, JERRY W NOLTE JR a Notary Public of ONSLOW County, North Carolina, do hereby certify that Douglas Craig Starcke personally appeared before me this day and acknowledged that he is Manager of Emerald Investments of Swansboro, LLC, a North Carolina Limited Liability Company who is Manager of Carriage Farm Development, LLC, a North Carolina Limited Liability Company, and that by authority duly given by the Company, the foregoing instrument was signed in its name by its Manager as an act of the Company.

Witness my hand and official seal, this the 8TH day of MAY, 2025.

Notary Public

My Commission Expires: 10-11-2028

Onslow County, North Carolina
Notary Public
JERRY W. NOLTE, JR
My Commission Expires 10-11-2028

EXHIBIT A

CARRIAGE
FARM
Rustic Charm, Elevated Style.

CARRIAGE FARM
ARCHITECTURAL GUIDELINES

March 21, 2025

- No construction, erections, or installation of any structures, facilities, or other improvements whatsoever, including tree removal, fencing, walls, outside lighting, or landscaping will be undertaken until the proposed building location, specifications, exterior materials and color or finish, and plot plan (showing proposed location of building(s), drives, parking areas, septic fields) will have been approved in writing by the Architectural Committee (ARB).

- Builders are to submit plans for pre-review to Laurie Evans w/the Jim Allen Group, Laurie@jimallen.com / 919-812-3414 prior to permitting to avoid having to make changes after a building permit has been obtained. Complete ARB packages will then be submitted by Laurie to Miramonte Studio for final review. The final review process on a complete package takes approx. 2 weeks.

- The site/plot plan showing clearing, erosion control, and septic layouts, and the house plans must be approved by the ARB.

- Clearing within tree protection buffers is strictly regulated by Wake County ordinances.

- All unimproved areas of each lot and the road right of way (ROW) area must be landscaped in accordance with a landscaping plan approved by the ARB. All lots must sod the entire road ROW from property line to property line, including both sides of any corner lot. No stone in ditches allowed.

- No detached structure will be permitted on any lot unless pre-approved by the ARB, and it must use the same materials/colors and style elements as the main residential dwelling.

- A home plan may be built more than once in a community, but only with different elevation elements. Please indicate if a design has been previously built in the community and on which lot, on the ARB application.

- Applications for homes located near a community main entrance, corner lots or fronting a main road within the community will be scrutinized more closely and may require specific house orientation, architectural detailing, and additional landscaping.

- All homes must contain at least 3,000 square feet of heated and finished living area in the main structure, exclusive of open or screened porches, carports, garages, decks, attics, and basements. A variance for ranch style plans will be considered.

- The front setbacks from the road right-of-way will be 30'-40' unless septic or lot shape dictate a variance being needed as such is important for the overall community feeling and will be enforced.

- The style of home, quality of exterior materials and use of colors must be consistent with established schemes in the neighborhood and be unique to emphasize the custom home nature of the community. The front elevation must be of brick, wood, stone (natural or cultured), fiber cement siding, or a combination of these materials. Side and rear elevations visible from the street and those fronting both streets on corner lots, must have a significant amount of architectural interest.

- Exterior color packages will not be approved if they are the **same or too similar** to those on the homes on either side of the subject home, or on the three closest homes across the street. The ARB will only reserve exterior colors for spec homes as part of a complete ARB application. Builders may reserve a partial color selection for the main house color for presales only, after the home is under contract. The balance of the exterior colors will be due within 30 days.

- Windows on the house front, sides, rear must be the same color (ie no black on front and white on sides and rear).

- All front porch railings (if applicable), must be vertical or horizontal wrought iron.

- The foundation must be brick, stone or a combination. Parging of foundations will not be allowed.

- Vinyl siding and vinyl trim accessories are not allowed.

- All homes must have at least a three–car side or courtyard entry garage (or two-car side with a one car front facing garage combination), decorative garage doors, a wood or steel front door to the main home, and 30 + year warranty roofing shingles. Metal roof accent is highly encouraged.

- All homes will have concrete driveways and uniform stone-faced driveway headwalls per the community standard detail. The driveway concrete is to be FLUSH with the adjacent road surface. NO LIP.

- Sod is required on all front and side yards to the rear corners of home. If fescue is used, an irrigation system will be required which covers at least the front and side yards. Sod installed adjacent to roads must be level with or lower than the road surface to facilitate road stormwater drainage.

- Only 5' high black aluminum open-rail fencing will be allowed. Fencing must tie into existing adjacent fencing and be installed directly on property lines, except for corner lots where fencing will be set back at least 15' from the side road ROW and screened with landscaping. Fencing location exceptions will be considered on a case-by-case basis. All fence applications must be submitted to PPM, not Miramonte Studios, for approval.

- All propane tanks must be buried. Above ground small tanks for fireplace only will be considered, provided they are screened and out of view.