

Prepared by Burns, Day & Presnell, PA
Return to #35

NORTH CAROLINA

SUPPLEMENT TO DECLARATIONS FOR ENCHANTED OAKS
(TO ANNEX HICKORY LEAF RESERVE)

WAKE COUNTY

This SUPPLEMENT TO DECLARATIONS is made this 9 day of July, 2015 by Hickory Leaf Ranch, LLC (hereinafter referred to as "Declarant"), a North Carolina Limited Liability Company with an office in the City of Raleigh, State of North Carolina, and Enchanted Oaks Homeowners Association, Inc. (hereinafter referred to as "the Master Association").

WITNESSETH:

WHEREAS, South Fork, Inc., (the "original Declarant"), by instrument dated 25 September, 1986 and recorded in Book 3833, Page 131, Wake County Registry (the "Original Declaration"), and modified by Annexation documents recorded in Book 3447, Page 55, Book 3447, Page 58, Book 3703, Page 175, Book 4511, Page 911, Book 4541, Page 1031, Book 5293, Page 770, Book 6641, Page 71 and Book 11156, Page 1998 (the "Amendments") subjected certain real property to the covenants, conditions, restrictions and easements therein contained;

WHEREAS, Declarant is the owner and developer certain real property adjacent to Enchanted Oaks known as Hickory Leaf Reserve, described in that certain plat recorded in Book of Maps 2015, Pages 746 and 747 of the Wake County Registry (hereinafter the "Annexed Property"; and

WHEREAS, the Declarant and Master Association have agreed the Annexed Property will become a part of the Enchanted Oaks community and subject to the Original Declaration, as amended, of the Master Association; and

WHEREAS, pursuant to instrument dated and recorded January 11, 2005 Master Association has the unilateral right to bring additional property in to the plan and operation of each of said Original Declarations and the Amendments; and

WHEREAS, Declarant and Master Association desire to subject the Annexed Property to the Original Declaration and the Amendments, and to thereby bring such property into the plan and operation of said Declarations and the Enchanted Oaks Community; and

WHEREAS, Declarant desire to provide for the maintenance and upkeep of the Common Area (hereinafter defined) within the Annexed Property and to provide for enforcement of covenants and restrictions applicable to the Annexed Property, and, to that end, desire to subject the property within the

Submitted electronically by Burns Day and Presnell Law in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Wake County Register of Deeds.

Annexed Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of such property and each owner thereof; and

WHEREAS, Declarant desires to create a Sub-Association to the Master Association to effect and collect and disburse the assessments and charges hereinafter created, and Declarant has incorporated under North Carolina law as a nonprofit corporation, the Hickory Leaf Reserve Homeowners Association, Inc. ("Sub-Association"), for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant and Master Association supplement and amend the Original Declaration and the Amendments, annexing the Annexed Property into the Master Association and the Enchanted Oaks Community, and hereby declare that the Annexed Property is and shall be held transferred, sold and conveyed subject to the Original Declaration and the Amendments, which covenants, conditions, restriction and easements are for the purpose of protecting the value and desirability of, and shall run with the real property and be binding on all parties having any right, title or interest in said property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. By accepting a deed to any portion of the Annexed Property, the owners thereof agree to abide by all of the covenants, conditions, restrictions and easements contained in the Original Declaration and the Amendments, including the covenants to pay any assessments levied pursuant to the Original Declaration and the Amendments and subject to the liens for such assessments imposed therein; and

FURTHER, Declarant declares as follows:

ARTICLE I

DEFINITIONS

Section 1. "Sub-Association" shall mean and refer to the Hickory Leaf Reserve Homeowners Association, Inc. a North Carolina nonprofit corporation, and its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

Section 3. "Book of Resolutions" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of Directors.

Section 4. "By-Laws" shall mean the By-Laws of the Association as they now or hereafter may exist.

Section 5. "Common Expenses" shall mean and refer to all sums lawfully assessed by the Association against its Members for expenses of administration, maintenance, repair or replacement of Common Property including premiums for hazard, liability or other insurance as may be obtained by the Association.

Section 6. "Common Property" shall mean and refer to those areas or properties within Hickory Leaf Reserve described in the Stormwater Agreement recorded in Book 016010, Page 00625, Wake County Registry and in the Surface Water Drainage Pipe Deed of Easement Agreement recorded in Book 016060, Page 000372, Wake County Registry.

Section 7. "Declarant" shall mean Hickory Leaf Ranch, LLC its successors and assigns, if such successors or assigns should acquire more than one Undeveloped Lot for the purpose of development or if such successors or assigns should acquire more than one Lot, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure ("successors" includes any lender with respect to loans obtained by Declarant to develop the Property).

Section 8. "Declaration" shall mean and refer to this Supplement to Declarations for Hickory Leaf Reserve as it may be amended and supplemented (by Supplemental Declarations) from time to time as herein provided.

Section 9. "Dwelling Unit" or "Dwelling" or "Unit" shall mean a single family detached structure.

Section 10. "Hickory Leaf Reserve" shall mean and refer to the Property as defined below and such additions and/or deletions thereto as may hereafter be brought within or taken from the jurisdiction of the Association and subjected to this Supplemental Declaration.

Section 11. "Lot" shall mean any of the Lots or any other plot of land regardless of size as shown on a recorded Annexed Property plat of Hickory Leaf Reserve which has been approved as required by this Declaration for a Dwelling Unit. Common Property is not a Lot.

Section 12. "Master Association" shall mean Enchanted Oaks Homeowners Association, Inc.

Section 13. "Member" shall mean and refer to every Person or entity entitled to membership in the Association as provided in this Declaration.

Section 14. "Open Space" shall mean the land shown as Open Space on the Annexed Property recorded map. The title to the Open Space as shown on the recorded plat shall be conveyed by Declarant to the Master Association.

Section 15. "Owner" shall mean and refer to the record owner, whether one or more Persons, firms, their successors and assigns, of a fee simple title to any Dwelling Unit or Lot which is part of the Property presently or hereafter made subject hereto, including contract sellers, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, its successors or assigns, until and unless such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an owner. The terms "Owner" and "Declarant" shall not be mutually exclusive.

Section 16. "Person" shall mean any individual, firm, association, corporation, limited liability company or other legal entity.

Section 17. "Property" shall mean the Lots (as defined above) and any and all other property hereafter made subject to this Declaration as provided herein below.

Section 18. "Undeveloped Lot" shall mean a Lot or an area of Hickory Leaf Reserve not yet developed and for which no certificate of occupancy has been issued by the appropriate municipality, but intended to contain one or more Dwelling Units as approved by the appropriate municipality, including any additions or deletions thereto.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Members. Declarant, for so long as it shall be an Owner, and every person who is a record owner of a fee simple or undivided fee simple interest in any Dwelling Unit or Lot that is subject by the Declaration to assessments by the Association and who qualifies as an Owner, as defined in Article I, shall be a Member of the Association; provided, however, that any such person who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Dwelling Unit or Lot which is subject to assessment by the Association. Ownership of a Dwelling Unit or Lot shall be the sole qualification for Membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Dwelling Unit or Lot in Hickory Leaf Reserve. No Owner shall have more than one Membership per Lot.

Section 2. Member Classes and Voting Rights. The Sub-Association shall have two (2) classes of voting Members:

Class A. Class A Members shall be all Owners with the exception of Declarant until its Class B Membership has converted to Class A Membership. Class A Members shall be entitled to one (1) vote for each Dwelling Unit or Lot in which they hold the required ownership interest.

Class B. The Class B Member shall be Declarant, its successors or assigns. The Class B Member shall be entitled to three (3) votes for each Dwelling Unit or Lot in which it holds the required ownership interest, provided that the Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs first:

(a) The total votes outstanding in Class A Membership equals the total votes outstanding in the Class B Membership; provided, that the Class B Membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B Membership to Class A Membership, as provided hereunder, and before the time stated in subparagraph (b) below, additional lands owned by Declarant are annexed to the within the times and as provided for herein, or

(b) December 31, 2035.

Thereafter, the Declarant shall be entitled to one (1) vote per Dwelling Unit or Lot owned by it.

Section 3. Voting Right Suspension. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment of a Member remains unpaid according to the provisions of Article V, Section 9.

Section 4. Voting. The total vote of the Sub-Association shall consist of the sum of the votes of the Class A Members and the votes of Class B Members. The number of votes present at a meeting that will constitute a quorum shall be as set forth in the By-Laws, as amended from time to time. Notice requirements for all action to be taken by the Members of the Sub-Association shall be as set forth herein or in the By-Laws, as the same may be amended from time to time.

When more than one person holds an interest in any Dwelling Unit or Lot, all such persons shall be Members; and the vote for such Dwelling Unit or Lot shall be exercised as they among themselves determine; however, in no event may more than one vote be cast with respect to any one Dwelling Unit or Lot owned by Class A Members and in no event shall fractional Votes be allowed. When one or more co-Owners signs a proxy or purports to vote for his or her co-Owners, such vote shall be counted unless one or more other co-Owners is present and objects to such a vote or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Sub-Association before the vote is counted. Cumulative Voting is prohibited.

A person's membership in the Sub-Association shall terminate automatically whenever such person ceases to be an Owner, but such termination shall not release or relieve any such person from any liability or obligation incurred under Or m any way connected with the Sub-Association or this Declaration during the period of such ownership, or impair any rights or remedies which the Sub-Association or any other Owner has with regard to such former Owner.

Section 5. Right of Declarant to Representation on Board of Directors of the Sub-Association. Notwithstanding anything contained herein to the contrary, until December 31, 2035, or until Declarant shall have conveyed seventy-five percent (75%) of the Lots, whichever occurs first, Declarant (or its expressed assignee of the right granted in this section) shall have the right to designate and select the Board of Directors of the Sub-Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Sub-Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed. Any director designated and selected by Declarant need not

be an Owner. Any representative of Declarant serving on the Board of Directors of the Sub-Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Sub-Association where Declarant may have pecuniary interest or other interest. Any management contract executed while Declarant selects the Board of Directors shall contain a provision allowing unilateral termination by the Sub-Association, without cause, following ninety (90) days written notice.

Section 6. Quorum. Except as otherwise provided in the Articles of Incorporation, or this Declaration, the presence at the meeting of Members or of proxies entitled to cast, ten percent (10%) of the total votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, a majority of the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Notwithstanding any provision to the contrary in the declaration or the bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 7. Liability Limitations. Neither the Declarant, nor any current or former Member of the Sub-Association, nor the Board, nor any director on the Board, nor any officer of the Sub-Association, nor any director, officer, member, manager, agent or employee of the Declarant, shall be personally liable for debts contracted or incurred by the Sub-Association or for a tort of another current or former Member, whether or not such other current or former Member was acting on behalf of the Sub-Association. Neither the Declarant nor the Sub-Association nor any of the directors, officers, members, managers, agents or employees of either, acting in those official capacities, shall be liable for any incidental or consequential damages for failure to inspect any Owner's portion of the Property or improvements thereon, or for failure to maintain the same (provided, however, as provided herein the Declarant shall be responsible for the maintenance of all portions of the property owned by Declarant and Lots owned by the Declarant, and except as otherwise specifically provided herein, the Declarant, directors on the Board and officers of the Sub-Association shall have all of the other obligations and liabilities of an Owner under this Declaration with respect to portions of the Property owned by such persons). Except for the liabilities resulting from being an Owner, the Sub-Association shall indemnify all Sub-Association directors and officers, and members of the Architectural Approval Committee, as required by the Articles and By-laws.

Neither the Board, the Sub-Association, any current or former Member of the Sub-Association, nor the Declarant shall be considered as a bailee of any personal property stored or placed on the Common Property (including vehicles parked on the Common Property, whether or not exclusive possession of the particular area is given to the Person who owns such personal property). Nor shall any of the foregoing people or entities (other than the Person who owns the personal property) be responsible for the security of such personal property or for any loss or damage thereto. The Sub-Association shall not be liable for any failure of or interruption to any service to be obtained by the Sub-Association or paid for as a Common Expense, for personal injury or property damage which is caused by the elements or by any Owner or any other Person or which results from electricity, water, snow or ice which may leak or flow from or over any portion of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type resulting from the foregoing. No diminution, offset or abatement of any assessment or other charge shall be claimed or allowed for inconvenience or discomfort arising from maintenance of the Common Property or from any action taken by the Sub-Association to comply with any applicable legal requirement. This Section is not intended, nor shall it be construed, to relieve any insurer of its contractual obligations under any policy benefiting the Sub-Association or any Owner.

ARTICLE III

COVENANTS FOR ASSESSMENT

Section 1. Creation of Lien and Obligation for Assessments. Declarant hereby covenants and agrees and each Owner of any Lot, by acceptance of a deed therefore whether or not it shall be so expressed in any such deed or conveyance, shall be deemed to covenant and agree to all the terms and provisions of this

Declaration and to pay to the Sub-Association (or to an independent entity or agency which may be designated by the Sub-Association to receive such monies):

- (a) Annual Assessments or charges;
- (b) Special Assessments for the purposes set forth in this Article, such assessments to be fixed, established, and collected from time to time as hereinafter provided;
- (c) Working Capital Assessment for the purposes of establishing a reserve of capital for future improvements or repairs or as otherwise determined by the Board. The Assessment is collected at time of the first conveyance of a Lot on which a Dwelling Unit has been constructed, and has a current determined value of at least two (2) months of the Annual Assessment.

The Annual Assessments, Special Assessments, and Working Capital Assessment together, with such interest thereon and costs of collection therefore as hereinafter provided, shall be a charge and continuing lien on the Lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection therefore as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. In the case of co-ownership of a Lot, all such co-owners shall be jointly and severally liable for the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Sub-Association shall be used for payment of Common Expenses and for the purposes of enforcing and carrying out the terms and provisions hereof, carrying out the duties of the Board, the purposes of the Sub-Association and for the improvement, maintenance, and operation of the Common Property, including, but not limited to insurance thereon.

Section 3. Annual Budget. By majority vote of the directors, the Board of Directors shall recommend an annual budget for the subsequent year of operation, which shall provide for allocation of expenses in such a manner that the obligations imposed by these Declarations, and any and all Supplemental Declarations, will be met.

The Board of Directors of the Sub-Association shall adopt a proposed budget for the Sub-Association and set the amount of the regular Annual Assessment against the Lots at least 90 days in advance of each Annual Assessment period.

Within 30 days after adoption of the proposed budget, the Board of Directors shall provide to the Owners a summary of the proposed budget and a written notice of the meeting to consider the ratification of the proposed budget, which notice shall include a statement that the proposed budget may be ratified without a quorum. The written notice of the meeting of Members to consider ratification of the proposed budget shall be provided at least 10 days and not more than 60 days in advance of such meeting. Unless otherwise provided by Chapter 47 F of the North Carolina General Statutes, The Planned Community Act, there shall be no requirement that a quorum be present at such meeting to consider ratification of the proposed budget.

(a) If the proposed budget recommends increasing the Annual Assessment by less than 25% above the Annual Assessment in the last ratified budget the proposed budget shall be ratified, unless 80% of the total votes of the Sub-Association reject the proposed budget. In the event the proposed budget is rejected, the last ratified budget of the Sub-Association shall continue until a new proposed budget is ratified.

(b) The Board of Directors may not increase the previous year amount of the Annual Assessment by more than 25% in any given calendar year without the approval of at least 2/3 of each class of Members present in person or by proxy, at a duly-called meeting whereat a quorum is present. The budget is deemed ratified unless 80% of the total votes of the Sub-Association reject the proposed budget.

Section 4. Basic and Maximum Annual Assessments. For the calendar 2015, The Declarant shall set the amount of the annual assessment per Lot. On or before December 31 of each year thereafter during the term hereof, the Board shall set the amount of the Annual Assessment for the ensuing year for each Dwelling Unit or Lot, taking into consideration, among other things, the then-current Common Expenses and estimated increases in Common Expenses. The amount of the Annual Assessment for each Dwelling Unit or Lot as set by the Board shall be determined by dividing the amount of costs and expenses to be incurred by the Sub-Association for the year in question, as such amount is reasonably estimated by the Board (and which estimated amount may include a reasonable contingency fund), by the number of Dwelling Units or Lots in the Property, such that the regular Annual Assessment for each Dwelling Unit or Lot shall be the same. The Annual Assessment shall be due and payable as provided in Section 8 of this Article.

Section 5. Special Assessment. In addition to the Annual Assessment authorized by Section 3 hereof, the Board may levy in any assessment year or years a Special Assessment, as defined herein, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of an Sub-Association-owned improvement including the necessary fixtures and personal property related thereto, or for carrying out other purposes and/or duties and obligations of the Sub-Association as stated in its Articles of Incorporation or as stated herein. Special Assessments shall be assessed pursuant to this Section 5 against the Dwelling Units and Owners thereof and the Lots and Owners thereof on a pro rata basis in the same manner as described in Section 3 above. No Special Assessment may be established without the approval of at least 1/3 of each class of Members present, in person or by proxy at a duly called meeting whereat a quorum is present.

Section 6. Working Capital Assessment. At the time of closing of the first sale of each Lot on which a Dwelling Unit has been constructed, a sum equal to at least two (2) months of the Annual Assessment for each Lot shall be collected from the purchaser and the purpose of said fund is to ensure that the Sub-Association will maintain a cash reserve to meet unforeseen expenses or provide for services deemed necessary or desirable. Amounts paid into the fund shall not be considered an advance payment of the Annual Assessment or any Special Assessment.

Section 7. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Dwelling Units and Lots within a particular class of membership except that, notwithstanding anything within this Declaration to the contrary, Declarant shall not be required to pay any Annual or Special Assessment levied against any Dwelling Unit or Lot owned by it, but shall pay for any deficiency for one year after the conveyance of the first Lot to a third party.

Section 8. Commencement Date of Annual Assessment. The first Annual Assessment provided for herein shall commence the month after the first Dwelling Unit is completed on the Property and such Annual Assessments shall continue on a calendar year basis thereafter from year to year.

Section 9. Due Date of Assessments. All Annual Assessments shall be due and payable on a monthly, quarterly, semi-annual or annual basis as determined by the Board of Directors on the dates specified by the Board of Directors. The due date of any Special Assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 10. Duties of the Board of Directors. The Board of Directors of the Sub-Association shall fix the amount of the assessment against all Lots for each assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Sub-Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Sub-Association shall, within ten business days upon demand, and for a reasonable charge, at any time furnish to any Owner liable for said assessment, or to any person interested in Owner's title to a Lot, with the permission of Owner, a certificate in writing signed by an officer of the Sub-Association, setting forth whether said assessment has been paid; provided, however, that no Owner, or such person interested in Owner's title, shall be entitled to receive more than one (1) certificate for each payment. Such certificate

shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 11 Collection of Assessments; Due Date; Penalties for Late Payment. Annual and special assessments may be collected on a monthly, quarterly, annual or other basis, as determined from time to time by the Board. The billing schedule shall be the same for all portions of the Property in a particular assessment category; provided, however, the Board, in its sole discretion, may establish different schedules for billing of Annual and Special Assessments due from Owners of different assessment categories. The Board shall have the power at any time and from time to time, in its sole discretion and upon such terms as the Board deems appropriate, to allow discounts to Owners who pay Annual and/or Special Assessments earlier than the due date therefore, provided, however, all such discounts shall be made available and applied uniformly to all Owners.

Subject to any limitations contained in this Declaration, other governing documents, or any applicable legal requirement, the Board has the authority at any time and from time to time to establish the due dates, interest rate on unpaid amounts, and penalties for late payment of Annual and Special Assessments and other charges, including the authority to accelerate the unpaid balance of the Annual Assessment in instances where there is a default in payment of a portion of such Annual Assessment that is being billed monthly, quarterly or on any other basis. In the event of default in the timely payment of any assessment or other charge, the defaulting Owner shall be obligated to pay interest on the unpaid balance thereof from and after the due date at the lesser of: (i) eighteen percent (18%) per annum; or (ii) the highest lawful rate under applicable legal requirements or (iii) such other amount, if any, established by the Board, together with all costs and expenses of collection, including reasonable attorney fees.

The Board may at any time and from time to time authorize a management company or other billing agent, on behalf of the Sub-Association, to bill and collect all assessments and other charges payable under this Declaration. The Sub-Association, upon written request, shall furnish to a lot owner or the lot owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a lot. The statement shall be furnished within 10 business days after receipt of the request and is binding on the Sub-Association, the Board and every Lot Owner. The Sub-Association may bring an action at law against the Owner personally and/or foreclose the lien against the Lot, and there shall be added to the amount of such assessment the costs of collection, including reasonable attorneys' fees and expenses, and interest as provided above. No Owner may waive or escape liability for the assessment provided for herein by non-use of the Common Property or abandonment of his Lot. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Sub-Association, or its agents or assigns, the right and power to bring all actions against such Owner or Member personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Sub-Association in a like manner as a mortgage or a deed of trust lien on real property under Article 2A of Chapter 45 of the North Carolina General Statutes and such Owner hereby expressly grants to the Sub-Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Sub-Association and shall be for the benefit of the Sub-Association and all other Owners.

Section 12. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall, together with late fees and interest as provided in Section 11 hereof and the cost of collection including reasonable attorneys' fees, become a continuing lien and charge on the Lot owned by the defaulting Owner and improvements thereon covered by such assessment, as of the assessment due date, which shall bind such Lot and improvements then in the hands of the Owner, and the defaulting Owner's heirs, devisees, personal representatives, Successors, and assigns. Except as hereinafter provided, the aforesaid lien shall be superior to all other liens and charges against such Lot and improvements thereon. To evidence the aforesaid assessment lien, which remains unpaid for a period of 30 days or longer the Board shall prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot and improvements thereon covered by such lien and a description of the Lot. Such notice shall be signed by an officer or authorized agent of the Sub-Association and shall be recorded in the Office of the Clerk of Superior Court of Wake County, North Carolina. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by the foreclosure of the defaulting Owner's Lot and

improvements thereon by the Sub-Association in like manner as a mortgage or a deed of trust with power of sale on real property under Article 2A of Chapter 45 of the North Carolina General Statutes subsequent to the recording of a notice of assessment lien as provided above and/or the Sub-Association may institute suit against the Owner personally obligated to pay the assessments and/or foreclosure of the aforesaid lien judicially or may seek other available remedy or relief. In any foreclosure proceeding, whether judicial or non-judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Sub-Association shall have the power to bid on the Owner's Lot and improvements at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The provisions of this Article V shall be in addition to the provisions of applicable laws relating to liens established as herein provided.

Section 13. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon any Lot subject to assessment. Sale or transfer of any Lot shall not affect the assessment lien; however, sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien, but not the personal liability of the Owner affected by such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 14. Exempt Property. The following Persons and portions of the Property shall be exempted from the assessments, charges and liens created herein:

- (a) Portions of the Property conveyed to public utilities for the purpose of granting utility easements;
- (b) All portions of the Property exempt from taxation by the laws of the State of North Carolina upon the terms and to the extent of such legal exemptions; and
- (c) All Common Property as defined herein;
- (d) All portions of the Property, but only that portion, dedicated to, and accepted by, a local public municipality or authority.

Section 15. Omission of Assessments. The omission of the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein shall run with and bind the Property and shall be to the benefit of every Owner of a Lot in the Property, including Declarant, and their respective heirs, successors, and assigns, for a term of thirty-five (35) years from the date this Declaration is recorded. At such time, the easements, covenants, conditions and restrictions herein will automatically be extended for period(s) often (10) additional years each unless and until be approved by those members entitled to cast at least eighty percent (80%) of the votes in the Sub-Association vote against such extension, which vote shall be evidenced by an appropriate instrument of record recorded on or before the expiration of the then-applicable period. Owners may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall have been given to all Owners at least thirty (30) days in advance of the date of such vote, which notice shall set forth the purpose of such meeting.

Section 2. Amendment. Subject to the limitations herein contained, this Declaration or any Supplemental

Declaration may be amended or modified at any time by a vote of sixty-six and two-thirds percent (66 2/3%) of the total eligible votes of the membership of the Sub-Association as defined in Article Whereof, with both classes of the membership voting together. Members may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance of the date of such vote, which notice shall set forth the purpose of such meeting. Notwithstanding anything contained hereinabove, it is understood and agreed that the consent of Declarant in writing to any amendment or modification hereof or of any Supplemental Declaration must first be obtained if such amendment or modification is to be effected prior to December 31, 2035. Declarant, without the consent or approval of any other Owner, shall have the right to amend these declarations to conform to the requirements of any law or governmental agency having jurisdiction over the Property. In addition, Declarant may make minor amendments or modifications hereof which do not involve a change which materially affects the rights, duties or obligations specified herein. Any amendment or modification effected pursuant to this Section 2 shall become effective when an instrument is filed for the record in the Register of Deeds Office, Wake County, North Carolina, with the signatures of the requisite number of Owners (and the signature of Declarant, if such amendment or modification is to be effected prior to December 31, 2035). The foregoing shall not limit the rights of Declarant stated elsewhere herein.

Section 3. Amendment Form. If any amendment to this Declaration is so approved, each such amendment shall be delivered to the Board of the Sub-Association. Thereupon, the Board of Directors shall within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been validly approved by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to any Lot to be examined).

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Sub-Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS
CONDITIONS AND RESTRICTIONS OF
HICKORY LEAF RESERVE

By authority of its Board of Directors, Hickory Leaf Reserve Homeowners Association, Inc., hereby certifies that the foregoing instrument has been duly approved by the Owners of the Lots in Hickory Leaf Reserve and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Hickory Leaf Reserve.

This the ____ day of _____, 20.

HICKORY LEAF RESERVE
HOMEOWNERS ASSOCIATION, INC.
By: _____

(c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Wake County Registry.

All amendments shall be effective from the date of their recordation in the Wake County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of the Sub-Association. When any instrument purporting to amend this Declaration has been certified by the Board of Directors, recorded, and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons then owning or thereafter purchasing any Lots.

Notwithstanding anything to the contrary that may appear herein, Declarant unilaterally may at any

time and from time to time amend or modify this Declaration, if such amendment or modification is necessary for any one or more of the following purposes to satisfy the requirements of FHA (Federal Housing Administration), VA (Veterans Administration), Fannie Mae (Federal National Mortgage Administration), Office of Interstate Land Sales Registration of the Department of Housing and Urban Development (OILSR) or other governmental agency, Secondary Mortgage Market Agency or Mortgagee. Each such amendment shall be effective upon the later of the date of its recording in the Registry or the effective date specified therein.

Section 4. Enforcement. Enforcement of the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens for which provision is made in this Declaration shall be by any proceeding at law or in equity (or otherwise, as provided in this Declaration) against any person or persons violating or attempting to violate any such control, covenant, condition, restriction, easement, development guideline, charges or lien and in no event shall any delay in such enforcement be deemed a waiver of the right to do so thereafter or of any other or future violation of any thereof. The Sub-Association Board shall have the authority to implement fines to any person or persons for violations of controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens. The authority of the Sub-Association to implement fines shall commence after the completion of due process for any violation pursuant to N.C. Gen Stat. 47F-3-107.1. Declarant, so long as it is a Class B Member, the Sub-Association and each Owner shall each independently have the right to enforce this Declaration.

Section 5. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of this Declaration shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses and phrases shall remain effective irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses, or phrases shall become or be illegal, null or void.

Section 6. Notice. Whenever written notice to an Owner (including Declarant) is required hereunder, such notice shall be given by the mailing of same, postage prepaid, to the address of such Owner appearing on the records of the Sub-Association. If notice is given in such manner, such notice shall be conclusively deemed to have been given by placing same in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not. It is the Owner's responsibility to notify the Sub-Association of any changes in Owner name and/or mailing address.

Section 7. Titles. The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

Section 8. Conflicts. In the event of any irreconcilable conflict between this Declaration and the ByLaws of the Sub-Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-Laws of the Sub-Association and the Articles of Incorporation of the Sub-Association, the provisions of this Declaration shall control.

Section 9. Declarant Consent. No provision hereof requiring the consent of Declarant shall be effective during any period while Declarant does not own property subject to the provisions of this Declaration.

Section 10. Non-Disturbance of Tree and Vegetation Protection Zone. All trees shall be preserved within this area; provided, however, the tree preservation area may be disturbed for the installation of utilities and stormwater control devices and measures and for the removal of dead, dying, or diseased trees. Supplemental plantings shall be allowed within the tree preservation area. However, in no instance, within the permanently protected undisturbed open space areas shall Declarant or any Owner cause placement of impervious surface, removal of vegetation, encroachment, construction, disturbance of land or erection of any structure except in accordance with a watercourse buffer permit first being issued by the appropriate municipality.

Section 11. Rule Against Perpetuities. As provided in §47F-2- 1 03(b) of the Act, the rule against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, or rules and regulations adopted pursuant to thereto and §47F-2-102(I) 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.

IN WITNESS WHEREOF, Declarant and Master Association have caused this Supplement to Declarations to be executed, under seal, as of the day and year first above written.

MASTER ASSOCIATION

Enchanted Oaks Homeowners Association, Inc.

By: [Signature]
Name: Warren Miller
Title: _____

COUNTY OF WAKE

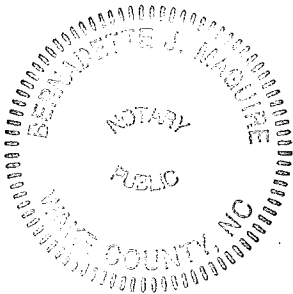
STATE OF NORTH CAROLINA

I, Bernadette Maguire, a Notary Public, certify that the following person(s) personally appeared before me this day, and I have seen satisfactory evidence of the principals' identity, by (choose one) [] a current state or federal identification with the principals' photograph in the form of a driver's license, or [] I have personal knowledge of the identity of the principals, or [] a credible witness has sworn to the identity of the principals, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Warren Miller, President of Enchanted Oaks Homeowners Association, Inc.

Date: 7-8-2015

[Signature]
Signature of Notary Public
Notary Name: Bernadette J. Maguire
Printed or Typed Name
My commission expires: 3-19-2018

(Official Seal)



DECLARANT:

Hickory Leaf Ranch, LLC

By: _____

Name: _____

Title: _____

[Handwritten Signature]
John Schlichenmaier
[Handwritten Title]

COUNTY OF WAKE

STATE OF NORTH CAROLINA

I, Gregory L. Hinshaw, a Notary Public, certify that the following person(s) personally appeared before me this day, and I have seen satisfactory evidence of the principals' identity, by (choose one) a current state or federal identification with the principals' photograph in the form of a driver's license, or I have personal knowledge of the identity of the principals, or a credible witness has sworn to the identity of the principals, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:
John Schlichenmaier, Manager of Hickory Leaf Ranch, LLC

Date: 7-8-15

[Handwritten Signature]
Signature of Notary Public
Notary Name: Gregory L. Hinshaw
Printed or Typed Name
My commission expires: 8-15-15

(Official Seal)

