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FOR MULTIPLE PIN SHEET

SEE BOOK 5880 PAGE 579

Prepared by and return to: Clifford N. MacDonald, 1068 W. 4th St., Ste. B, Winston-Salem, NC 27101

STATE OF NORTH CAROLINA

COUNTY OF ORANGE

**SECOND AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
VILLAGE AT LAKE MICHAEL TOWNHOMES**

This Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Village at Lake Michael Townhomes (hereinafter "Second Amendment") is made this the 17 day of NOVEMBER, 2014 by VILLAGE AT LAKE MICHAEL TOWNHOME ASSOCIATION, INC., a North Carolina non-profit corporation (hereinafter the "Association").

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Village at Lake Michael Townhomes (hereinafter the "Declaration") was recorded on April 27, 2005 in Book 3730 Page 184 in the Office of the Register of Deeds for Orange County, North Carolina; and,

WHEREAS, the Declaration was amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Village at Lake Michael Townhomes as recorded on July 11, 2014 in Book 5817 Page 38 in the Office of the Register of Deeds for Orange County, North Carolina; and,

WHEREAS, Article XIV, Section 3 of the Declaration provides, in pertinent part, "This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent of the Lot Owners, and thereafter by an instrument approved by not less than seventy-five percent (75%) of the Lot Owners"; and,

WHEREAS, the first twenty (20) year period will expire on April 26, 2025; and,



WHEREAS, greater than ninety percent (90%) of the Lot Owners have provided their written approval of this Second Amendment; and,

WHEREAS, the Association now desires to amend the Declaration.

NOW THEREFORE, the Association hereby amends the Declaration as follows:

1. Article I is hereby amended to add a Section 2(A) as follows:

Section 2A. "Builder" shall mean and refer to "Mebane Town Homes, LLC" or its successors and/or assigns. The Builder is not the Declarant as defined herein, and the Builder does not hold any of the rights, responsibilities, or obligations of the Declarant as described under this Declaration.

2. Article II is hereby amended to add a Section 4 as follows:

Section 4. Conveyance of Common Area by Builder. The Builder covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Elements located within the Property to the Association, free and clear of all encumbrances and liens except encumbrances of utility, service, access, storm drainage and other similar service or utility easements, at such time as the Builder determines, in its sole discretion. Similarly, the Builder will convey to the Association Common Elements which are a portion of any additional property as the same is annexed in the future at such time as the Builder determines, in its sole discretion. The Association shall accept Common Elements from the Builder from time to time for ownership and maintenance as necessary; provided, however, Builder shall notify the Association of its intent to transfer any Common Element(s) to the Association at least thirty (30) days before effectuating such transfer. If the Association so chooses, it shall notify Builder in writing, within ten (10) days of receipt of Builder's notification, that the Association's acceptance of such Common Element(s) is conditional upon an opinion of a third party engineer, selected and paid for by the Association, that the Common Elements to be conveyed are (1) in compliance with any applicable federal, state, or local governmental regulation, including, specifically, any environmental regulation; and (2) in substantial conformity with the depiction of said Common Elements on the recorded plat(s) of the Property or any annexed additional property. Upon such notification, the Association shall have thirty (30) days to have its third party engineer assess the Common Elements to be transferred and make a report thereon. At the expiration of thirty (30) days from the aforementioned notification by Builder of its intent to convey any Common Element, if the Association has not notified Builder of its intent not to accept said Common Element(s) on the basis of the third party engineer's opinion, then, at that time, the Association shall be deemed to have accepted said Common Element(s). If the Association elects to refuse acceptance of a



Common Element based on the criteria herein, it shall notify Builder in writing of its refusal and state the ground for said refusal with particularity.

3. Article III is hereby amended by adding a new Section 4 as follows:

Section 4. Builder shall have the right to appoint a member to the Board. The Board member appointed by the Builder shall be in addition to the existing Board members, thereby increasing the total number of Board members by one (1). The Board member appointed by the Builder shall have all of the powers, duties and responsibilities of a Board member as defined in this Declaration and the Bylaws; provided, however, the Board member appointed by the Builder shall not be subject to removal or other provisions regarding the election of Board members. The right of the Builder to appoint a Board member shall cease upon the earlier of: (1) the Builder no longer owning an interest in the Property; or (2) the Builder voluntarily surrendering its rights under this Section.

- VI: 4. Article VI is hereby amended by adding the following paragraph to the end of Article

Builder is hereby excepted from the requirements of this Article to the extent that: (1) it undertakes to construct Living Units, Common Elements, and/or Limited Common Elements in substantial conformity with those plans submitted to and previously approved by the Board pursuant to that resolution adopted on Dec. 8, 2014; or (2) it constructs Common Elements or Limited Common Elements as shown on those plats previously recorded for the Property; or (3) it constructs Living Units, Common Elements, Limited Common Elements and/or any other improvements pursuant to any requirement imposed by any governmental body or agency.

5. Article VII is hereby amended by adding a new Section 5 as follows:

Section 5. Annexation by Builder. If within ten (10) years of the date of the first conveyance by Builder of any Lot, the Builder should develop additional land contiguous to the Property, or contiguous to any property subsequently annexed, such land may be annexed by the Builder without the consent of the members, and, in doing so, Builder may file and record such amendments to this Declaration as are necessary without the consent of the members in order to subject such additional lands to the terms of *this Declaration and jurisdiction of the Association.* Builder shall follow the procedures for annexation of additional lands as described in Sections 3 and 4 of this Article.

6. Article IX is hereby amended by adding the following to the end of text of Section 9:

Builder shall have the power and authority to place signs and other marketing aids as described in Article X.



7. Article X is hereby amended by adding the following to the end of the text of Section 1:

Builder shall have the power and authority to grant or establish easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas line, telephone and electric power line and other public utilities upon the Property.

8. Article X is hereby amended by adding a Section 12 as follows:

Section 12. Construction Easement. An easement is hereby granted to Builder for the purpose of access, ingress, and egress over the Common Elements, Limited Common Elements, and private streets, if any, in order to facilitate construction of any Building, Common Element, or Limited Common Element, or other improvement on the Property, including, specifically, but not limited to, the right of Builder to bring onto the Property construction equipment, vehicles, machines, and ancillary equipment such as dumpsters, port-o-johns, etc. Furthermore, an easement is hereby granted to Builder for the purpose of construction of any Building, Common Element, or Limited Common Element, or other improvement on the Property and any use related thereto, including, specifically, but not limited to, the right to erect, construct, maintain, repair, use, or connect to existing utilities on the Property. This easement shall include the right to cut drain ways for surface water whenever such action may appear to the Builder to be necessary in order to maintain reasonable standards of health, safety and appearance; the right to cut any trees, bushes or shrubbery; the right to make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance; the right to connect to or construct any irrigation system or well. Builder shall, at the request of the Association, provide plans and specifications for connection and construction of irrigation systems and wells to the Association, and shall insure that any construction or connection to said irrigation system shall be sufficient to maintain the grounds on the Property. Builder shall, at the request of the Association, provide a blueprint or like document of all underground utilities it has constructed or installed to the Association.

9. Article X is hereby amended by adding a Section 13 as follows:

Section 13. Signs and Sales. Builder shall have the right to place sales signs and other marketing materials such as flags, brochures, etc. in suitable places in the Common Elements and/or Limited Common Elements. Furthermore, Builder shall have the right to place a large marketing sign in the Common Elements near the entrance to the Property, provided, however, that it does not interfere with the field of vision such as to impair the safety of those entering or leaving the Property. Builder shall also have the right to construct a sales center or model or use an existing Building or Living Unit as a sales center or



model, and potential purchasers shall have the right, as invitees of the Builder, to enter upon the Property, including the Common Elements and Limited Common Elements. Builder hereby agrees that any sales and marketing activity will not impede any Owner from making use of the Common Elements. Builder shall also comply with any ordinance or regulation with respect to any signage.

10. Article XIV is hereby amended as follows:

The introductory statement to Section 4 is hereby deleted and replaced with “The following amendments may be effected by the Declarant, the Board, or the Builder, as the case may be, without consent of the members.”

11. Article XIV is hereby amended by adding a new paragraph (E) to Section 4 as follows:

(E) Builder shall have the right to amend the Declaration for the purpose of removing all or a portion of Phase II of the Property as shown on Plat Book 97 Page 45 in the Office of the Orange County Register of Deeds from the Declaration in order to convey all or a portion the property within Phase II to a public body for use as a public park or recreation area or the like.

12. Article XIV is hereby amended by adding a new Section 8 as follows:

Section 8. Cooperation with Builder. The Association, upon request by the Builder, shall timely provide accurate information about the Association's finances, records, dues, membership, rules and regulations, and any other pertinent information to the Builder or third parties such as lenders, investors, attorneys, insurers, etc.

IN WITNESS WHEREOF, the Association has caused this Second Amendment to be executed as of the date first stated above.

By authority of its Board of Directors, the undersigned hereby certifies that the foregoing instrument has been duly executed by at least ninety percent (90%) of all of the Lot Owners and is, therefore, a valid amendment to the existing Declaration of Covenants, Conditions and Restrictions, for Village at Lake Michael Townhomes.

{ Signatures on the following pages }



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**VILLAGE AT LAKE MICHAEL
TOWNHOME ASSOCIATION, INC.**

By: Claude T. Carver

Name: Claude T. Carver

Title: President

STATE OF NORTH CAROLINA

COUNTY OF Orange

I, Michael R. Ganley, a Notary Public in and for said County and State, do hereby certify that Claude T. Carver personally came before me this day and acknowledged that he is President of VILLAGE AT LAKE MICHAEL TOWNHOME ASSOCIATION, INC a North Carolina non-profit corporation, which is the company described in and which executed the foregoing instrument; that he executed said instrument in the company name by subscribing his name thereto. [CHECK ONE] (i) I have personal knowledge of the identity of the principal; or (ii) I have seen satisfactory evidence of the principal's identity by a current state or federal identification, with the principal's photograph, in the form of a _____.

WITNESS my hand and notarial seal, this the 17th day of November, 2014.

[Signature]
Notary Public

My commission expires: January 12, 2017

Michael R. Ganley
Notary Public
Wake County, NC
My Commission Exp. 1/12/2017



IN WITNESS WHEREOF, the undersigned Association have hereunto set their hands and seals on the date first above written.

**CERTIFICATION OF VALIDITY OF SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR VILLAGE AT LAKE MICHAEL TOWNHOMES**

**VILLAGE AT LAKE MICHAEL
TOWNHOME ASSOCIATION, INC.**

By: Claude T. Carver

Name: Claude T. Carver

Title: President

ATTEST:

By: Michael R. Ganley
Secretary

STATE OF NORTH CAROLINA

COUNTY OF Orange

I, Michael R. Ganley, a Notary Public in and for said County and State, do hereby certify that Claude T. Carver personally came before me this day and acknowledged that he is President of VILLAGE AT LAKE MICHAEL TOWNHOME ASSOCIATION, INC a North Carolina non-profit corporation, which is the company described in and which executed the foregoing instrument; that he executed said instrument in the company name by subscribing his name thereto. [CHECK ONE] (i) I have personal knowledge of the identity of the principal; or (ii) I have seen satisfactory evidence of the principal's identity by a current state or federal identification, with the principal's photograph, in the form of a _____.

WITNESS my hand and notarial seal, this the 17th day of November, 2014.

Michael R. Ganley
Notary Public

My commission expires: January 12, 2017

Michael R. Ganley
Notary Public
Wake County, NC
My Commission Exp. 1/12/2017