

DECLARATION OF RESTRICTIVE COVENANTS
FOR
STEPHENS RIDGE SUBDIVISION

GRAY WOLF DEVELOPMENT, LLC, DECLARANT

TABLE OF CONTENTS

FOR

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<u>ARTICLE</u>		<u>PAGE</u>
I	- Purpose.....	3
II	- Architectural Committee.....	4
III	- Land Use and Building Type.....	4
IV	- Building Design.....	4
V	- Dwelling Size.....	5
VI	- Structures.....	5
VII	- Materials.....	5
VIII	- Setbacks.....	6
VIX	- Easements.....	6
X	- Compliance with County Storm Water Ordinance.....	7
XI	- Driveways and Road Maintenance.....	7
XII	- Garbage, Clothesline, Woodpiles, Maintenance.....	7
XIII	- Signs.....	8
XIV	- Landscaping.....	8
XV	- Fences.....	8
XVI	- Entrance to Subdivision.....	9
XVII	- Mailboxes.....	9
XVIII	- Construction Guidelines.....	9
XVIX	- Variance.....	9
XX	- Term.....	10
XXI	- Enforcement.....	10
XXII	- Severability.....	10
XXIII	- Homeowners Association.....	10
XXIV	- Use Restrictions.....	11
XXV	- Amendment.....	15

North Carolina
Johnston County

DECLARATION OF RESTRICTIVE COVENANTS
FOR
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GRAY WOLF DEVELOPMENT, LLC, DECLARANT

KNOW ALL MEN BY THESE PRESENTS that GRAY WOLF DEVELOPMENT, LLC AS owner, developer and Declarant does hereby agree with all persons, firms and corporations who hereafter acquire a lot from the above referenced subdivision (STEPHENS RIDGE Subdivision) that the following protective covenants shall apply to all lots conveyed out of said subdivision and said restrictions shall run with the properties by whomever owned, which covenants are as follows:

ARTICLE I

PURPOSE. The real property which is and shall be held, transferred, sold and conveyed subject to the restrictive covenants set forth in the Articles of this Declaration is located in the County of Johnston, State of North Carolina, and is more particularly described as follows:

Being all of Stephens Ridge Subdivision, as shown on a plat map entitled "Stephens Ridge Subdivision Plat" drawn by Bateman Civil Survey Company, and recorded in Plat Book 91, Pages 379-384, Johnston County Registry.

No property other than that described above shall be deemed subject to the Declaration until specifically made subject hereto. The Declarant may, from time to time, subject additional real property to the restrictive covenants herein set forth by appropriate reference hereto.

The real property set forth above is subject to the covenants herein declared in order to insure the best and most appropriate use and development of each lot; to protect the owners of lots against such improper use of surrounding lots as will depreciate the value of their property; to preserve, as far as feasible, the natural beauty of the property; to prevent the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to encourage and secure the erection of attractive, well designed and well-constructed homes thereon, with appropriate locations thereof on lots; to secure and maintain proper setbacks from streets and adequate free spaces between structures; to encourage and secure well maintained homes and lots for the maximum enjoyment and enhancement of the community; and in general to provide adequately for a high quality of improvement of said property, and thereby enhance the values of investments made by purchasers of lots therein. The term "single family" as used herein means persons who are related by blood, adoption or marriage or living together by not more than two unrelated adults.

ARTICLE II

ARCHITECTURAL COMMITTEE. An Architectural Committee shall be composed of officers or appointees of Declarant. At such time as Gray Wolf Development, LLC is no longer the owner of any lots in the subdivision, a meeting of the Homeowners Association may be called by the residents of the subdivision. At such meeting, the owners of each lot will have one vote. A quorum consisting of representation by at least fifty (50) percent of the lot owners shall be required. At such meeting, a majority vote of the lot owners represented will elect the new Architectural Committee. The restrictions on any lot in the subdivision may be removed or waived only by the written consent, duly acknowledged and recorded, of the Declarant or their successors and of the Architectural Committee.

ARTICLE III

LAND USE AND BUILDING TYPE. A building unit shall consist of each lot specifically enumerated and set forth on the above reference map. No Unit shall be used except for residential purposes and for single-family houses. No building shall be erected, altered, placed, or permitted to remain on any Unit other than a single detached one-family dwelling, except that each Unit may also have in addition to the dwelling, an attached private garage and/or one utility or accessory building. Any utility or accessory building shall be completely located in the rear portion of the lot, shall be constructed of like materials and appearance as the home (same color siding and shingles), and shall be kept in good repair. No Unit shall be subdivided or boundary lines amended, except with the written consent of the Declarant and in compliance with the subdivision regulations of Johnston County. The grantors hereby expressly reserve to themselves, and their successors and/or assigns the right to re-plat one or more Units shown on the plat of said subdivision in order to create a modified building Unit.

ARTICLE IV

BUILDING DESIGN. In order to maintain architectural beauty in Stephens Ridge Subdivision and to guard against the erection therein of poorly designed or proportioned structures, no building shall be erected, altered, or permitted to remain on any Unit until blueprint plans have been submitted for approval pursuant to the Development Agreement and been accepted by the Architectural Committee and approved in writing as to conformity and harmony of external design with existing structures in the development, including without limitation, proposed exterior materials and colors, impervious area required, setbacks, and as to the location of the building with respect to topography and finished ground elevation and within the boundaries of the Unit.

ARTICLE V

DWELLING SIZE. Dwellings shall have a minimum square footage of heated floor space in the finished area of the main structure, exclusive of porches and garages of 2,300 square feet for a 1, 1 ½ or 2 story residence.

ARTICLE VI

STRUCTURES. Improvements on any Unit shall be limited to a single, single-family, residential structure and accessory building as herein provided. No residential structure, which has a minimum area less than 2,300 square feet of heated area for a 1, 1 ½ or 2 story residence exclusive of porches, basement, or garage, shall be erected or placed on any Unit. All buildings and structures erected upon Units shall be of new construction and no building or structures, other than detached single-family homes (not to exceed two stories in height) and one accessory building shall be constructed. No structures of a temporary character, manufactured home, trailer, basement, tent, shack, garage, barn, or other out-building shall be used on any portion of the Unit at any time as a residence, either temporarily or permanently. All houses shall be "stick built" upon each lot and no house shall be moved onto any lot.

No metal structures or buildings shall be permitted, including but not limited to metal carports, canopies or garages. All accessory buildings must conform to the same architectural style as the residence located on the same lot and be approved by the Declarant. All playground equipment and playhouses shall be placed to the rear of the main dwelling structure. No underground storage tanks are allowed. All fuel or propane tanks must be placed above ground and the same will be screened on three sides by landscaping and/or a lattice type material to prevent view from the main roads. Architectural Committee approval is required for the construction of a pool. Pools may only be located in the rear of the lot. Pools shall be fenced for safety purposes and the fencing must also be approved by the Architectural Committee. Pools require a valid building permit and are governed under the jurisdiction of Johnston County. All pools must be code compliant.

ARTICLE VII

MATERIALS. Specific siding and veneer styles and colors must be approved. Foundations and porches will be permanent masonry brick or block with brick or stone veneer, or parged masonry painted a color approved by the architectural control committee. All homes are to be built with crawl space, or if lot permits, slab, foundations. The Architectural Committee must approve siding, brick and mortar colors.

Roofs will have at least 25 year architectural shingles on the main roof of the home. The Architectural Committee must approve the style and color. All dwellings will include a front porch area. Porches, which contain columns, posts, or spindles of material other than brick or stone, shall be painted. All front and side porches are to have masonry steps. Decks and Patios are to be a minimum of 100 square feet. All dwellings will have, at a minimum, an attached two-car garage with overhead door(s). All dwellings shall contain a concrete

driveway, minimum width eight (8) feet, extending from the pavement line of the street to the front of the garage.

ARTICLE VIII

SETBACKS. No structure shall be located on any Unit nearer than twenty (20) feet to the front lot line, nearer than twenty (20) feet to any side street line, nearer than five (5) feet to an interior lot line, or nearer than five (5) feet to the rear lot line. For the purposes of this covenant, eaves, steps, carports, decks, and open porches shall not be considered as a part of the building on a Unit to encroach upon another Unit. Provided it otherwise complies with the applicable zoning ordinances and the setbacks, if any, shown on the applicable recorded plat, the Architectural Committee may approve by written waiver a violation of these requirements.

At a minimum, all live and healthy trees with a trunk diameter of six inches or more that are within the rear property line shall be preserved on all Units.

No fence, wall, hedge, or shrub planting which obstructs street lines at elevations between two(2) and six (6) feet above roadways shall be placed or permitted to remain on any corner Unit within the triangular area formed by the street property lines and a line connecting them at points twenty-five(25) feet from the intersection of the street line or, in the case of a rounded Unit, a corner from the intersection of the street property lines extended. The same site line limitations shall apply on any Unit within ten (10) feet from the intersection of the street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such site lines.

ARTICLE IX

EASEMENTS. Declarant reserves the right to subject the real property in this subdivision to a contract with Duke-Progress Energy of other applicable electrical utility, its successors or assigns, for the installation of underground electrical cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Duke-Progress Energy, its successors or assigns, by the owner of each building unit. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities, or which may change the direction of flow drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of each lot, except for those improvements for which a public authority or utility company is responsible.

ARTICLE X

COMPLIANCE WITH COUNTY STORM WATER ORDINANCE. The maximum impervious area allowed is 5,500 square feet per lot. Impervious area includes all buildings, sheds, sidewalks, covered porches, driveways and surfaces such as gravel, concrete, asphalt, brick, slate or stone that impede the infiltration of water into the soil. The impervious area allowed per lot includes any impervious area proposed within the portion of the right-of-way between the edge of the roadway pavement and the front lot line. Calculations of the impervious area do not include uncovered wood decking or the surface of swimming pools. This covenant is intended to insure continued compliance with the storm water permit issued by Johnston County. This covenant may not be changed or deleted without the consent of the Johnston County Department of Public Utilities.

ARTICLE XI

DRIVEWAYS AND ROAD MAINTENANCE. Roadway and guttering pipes for drainage, if required, under driveways at or near their point of access, shall be a minimum of fifteen feet, but in no event less than that required by the North Carolina Department of Transportation. Prior to construction, gravel must be placed in driveway at time of tile placement for driveway. Gravel must be maintained an inch higher than paved road at point of contact with road to prevent road damage. Gravel must be maintained at sufficient depth and width to accommodate large vehicles turning off road onto driveway. The completed driveway must be concrete with concrete parking pad.

All driveway connections for each lot shall be installed to meet North Carolina Department of Transportation (NCDOT) "Typical Driveway Turnout Grades" and the driveway pipe shall be installed to meet NCDOT specifications and standards. Any driveway pipes or connections that are not properly installed with respect to size design specifications, graded ditch profile or other field installation requirements that require any type of work or reinstalling before the NCDOT will accept the public road for addition to the state road system shall be the responsibility of the owner of each individual lot. Declarant, or its successors or assigns shall have the right to correct improperly installed driveways and be paid by the individual lot owner should the individual lot owner not remedy the driveway properly which might delay NCDOT from accepting the road for maintenance. The Declarant, or Declarant's successor or assigns, including the Stephens Ridge Homeowners Association, Inc., shall be responsible for the construction and maintenance of the roads within the subdivision and shall insure that all such roads are in compliance with the regulations of the NCDOT until such time as such roads are accepted and dedicated to the State of North Carolina for state maintenance.

ARTICLE XII

GARBAGE, CLOTHESLINE, WOODPILES, AND MAINTENANCE. All lots, whether occupied or unoccupied, shall be well-maintained, regularly mowed and cut and no unattractive growth or accumulation of rubbish, debris, woodpiles, or building materials shall be permitted. Trash, garbage or other waste shall not be kept except in sanitary containers. All receptacles for the storage or disposal of such material shall be kept in a clean and sanitary

condition. All garbage containers and other similar items shall be located or screened so as to be concealed from view of neighboring lots, streets, or passing vehicles; provided garbage containers may remain on the curbside for up to twelve (12) hours on days of scheduled curbside pickup. In order to preserve good street condition and maintenance within the subdivision and promote greater traffic safety by lessening the truck traffic and congestion within the subdivision, and provide uniformity of garbage/trash collection times, all Lot Owners shall be required to use a common garbage/trash collection service. Said garbage/trash collection service shall be selected in the sole discretion of Declarant (or the Homeowners Association once the subdivision is turned over to the Association by the Declarant). The Declarant (or Association) shall use best and reasonable efforts to obtain said garbage/trash collection service at reasonable and competitive rates. No lot shall have a clothesline or similar obstruction used for the hanging or drying of clothing or other household articles.

ARTICLE XIII

SIGNS. No sign of any kind, including billboards and yard sale signs, shall be displayed to the public view on any Unit except one professional sign of not more than twelve (12) square feet advertising property for sale. During the construction phase of the development the following signage shall be authorized: (i) the original builder shall be entitled to a sign not greater than nine square feet identifying the name and address of the builder: (ii) a sign that identifies the Realtor who is marketing the property for the builder no greater than twelve (12) square feet in an area to indicate whether a model home is open and the hours of operation. The Architectural Review Committee, however, shall be entitled to, in its sole discretion, enlarge signage rights during the initial stages of the development. Otherwise, no bandit signs, banners, or flags of any kind are permitted for any Unit, except during the initial development and marketing of the subdivision by Declarant or affiliated entities. For the purposes of this section, the permit box, which is required by County Government, shall not be considered a sign.

ARTICLE XIV

LANDSCAPING. Each Unit will be landscaped with at least one tree in the front yard and foundation shrubbery at a minimum of three foot on center across the front of the dwelling. The Architectural Review Committee will determine the species and placement of landscape materials.

ARTICLE XV

FENCES. No fence or fencing-type barrier of any kind shall be placed, erected, allowed or maintained upon any portion of the community, including any and all lots, without the prior written consent of the Declarant or the Architectural Committee. The Declarant and/or the Architectural Committee may issue guidelines detailing acceptable fence styles or specifications, and approval of fencing may be withheld arbitrarily. Any approved fencing must meet minimum building setback lines, except when approved otherwise by the Declarant or Architectural Committee. Fences shall be located no nearer to the front of a lot than the

mid-line of the side of the home (halfway between the front and rear foundation corner on a side) on said Lot. Lot owners shall maintain all approved fencing in a good, aesthetically appearing condition. In no instance shall chain link fencing be allowed on any lot. No fence shall be taller than six feet in height from the ground.

ARTICLE XVI

ENTRANCE TO SUBDIVISION. The entrance sign in the front of the subdivision, berms, and the landscaping along both sides of the entrance road shall be maintained by the Homeowners Association. Owners of the lots on which the entrance sign and other community landscaping is located may not alter, construct, remove, or destroy any portion of the entrance sign or community landscaping without the approval of the Architectural Committee or its successors or assigns.

ARTICLE XVII

MAILBOXES. The development shall have a mail kiosk containing the mail receptacles for all lots. After Declarant has sold all lots, maintenance of the mail kiosk shall be the responsibility of the Homeowners' Association. No advertisements, posters, or other signage shall be permitted on or around the mail kiosk.

ARTICLE XVIII

CONSTRUCTION GUIDELINES. Each Unit must be kept neat and orderly during construction. Each lot will have a litter container or containment fence. All trash must be kept in containers at all times. Trash and debris must be hauled from the site at least weekly to ensure clean and neat development and construction areas. No burning of construction material is allowed. The landscaping and roadsides of each Unit must also be maintained while under construction. The grass on each Unit must be cut regularly. Damage to any landscaping or roadsides by subcontractors or deliveries to the Unit are the responsibility of the Builder and must be repaired without delay. No parking on roads or on shoulders of roads is permitted. Builder is to provide parking area on lot for all subcontractors, except for temporary parking during the initial construction of a home.

Builder is responsible for any damage to adjoining property and roadway. Builder will repair any damages at builder's expense to developer's specifications. All work shall be completed within one year of commencement of construction or such shorter period as the Reviewer may specify in the notice of approval, unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewer.

ARTICLE XIX

VARIANCE. Provided it otherwise complies with the applicable zoning ordinances and the setbacks, if any, shown on the applicable recorded plat, the Architectural Committee shall

have the absolute authority to approve by written waiver minor violations of not more than ten percent (10%) of the architectural guidelines or other applicable restrictions.

ARTICLE XX

TERM. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date on which the Declaration and Agreement is filed for registration in the Register of Deeds, after which period said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part; provided, however, that any such instrument be recorded within a six-month period immediately preceding the end of the twenty-five (25) year period or any of the ten (10) year extension periods.

ARTICLE XXI

ENFORCEMENT AND FINE. Any Owner in violation of the provisions herein may be notified of the same by the Declarant or Homeowners' Association, in writing, via certified mail, and provided thirty (30) days to remedy said violation. If an Owner shall not remedy said violation within said thirty day period, the Declarant or Homeowners' Association may fine said Owner the sum of Twenty-five dollars (\$25.00) per day for each day the Owner remains in violation. Enforcement shall be the responsibility of the homeowners of the subdivision, but the Declarants, or any lot owner shall also have the right to bring enforcement proceedings. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damage, or both. The prevailing party in any enforcement proceeding shall be entitled to recover from the adverse party a reasonable sum for reimbursement for attorney's fees and court costs incurred in enforcing or defending matters related to these covenants in an amount to be determined by the court.

ARTICLE XXII

SEVERABILITY. Invalidation of any one of the covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions. Which other provisions shall remain in full force and effect, and the failure of any person or persons to take action to enforce the violation of any of these covenants and restrictions shall not be construed as a waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future.

ARTICLE XXIII

HOMEOWNERS ASSOCIATION AND DECLARANT FUNDING. There shall be a Homeowner's Association. Said Association shall be operated by the Architectural

Committee until such time as the Declarant owns no lots in the subdivision or the Architectural Committee agrees to allow the then existing homeowners in the subdivision to operate the Association, whichever first occurs. Each lot owner in the subdivision shall be responsible for annual dues to the Homeowners Association in the amount of \$360, said dues being due and payable on January 1st of each year. The amount of the annual dues may be adjusted from year to year in accordance with the rules and bylaws of the Homeowners Association. If the annual dues to the Homeowners Association are not paid by January 30 of the year for which the dues are owed, the Homeowners Association shall be entitled to assert a lien against the lot for which the dues are delinquent. The amount of any such lien shall include the amount of the delinquent dues, plus the reasonable attorney's fees incurred by the Homeowner's Association in asserting and enforcing said lien. In no event shall Declarant when conveying a empty lot, or a builder conveying a newly constructed home to a homeowner, be charged or assessed or required to pay any transfer or other administrative fee to either the Homeowner's Association or a management company on behalf of the Homeowner's Association.

At such time as Gray Wolf Development, LLC, or its successors or assigns, is no longer the owner of any lots in the subdivision, a meeting of the Homeowners Association will be called by the Declarant for the residents of the subdivision. At such meeting, the owners of each lot will organize themselves into a functioning Homeowners Association with a Board of Directors. The owners of each lot will have one vote. A quorum consisting of representation by at least fifty (50) percent of the lot owners shall be required. At such meeting, a majority vote of the lot owners represented will elect the new Architectural Committee and take over responsibility for all Homeowner association dues, including setting the annual amount and collection of same. Following this organizational meeting, the Homeowners Association will take over responsibility from the Declarant for maintaining the common areas in the subdivision, including the entrance sign and all landscaping for the entrance road. Any and all authority delegated to the Declarant by these covenants shall be transferred to the Homeowners Association. If no association has been formed at the time of the last conveyance by Declarant, the transfer shall take place upon the formation of such an association. In no event shall Declarant be responsible for enforcing these covenants after a period of twelve (12) months has elapsed since Developer's conveyance of the last lot.

Declarant may elect to provide initial funding to the Homeowners Association to cover expenditures necessary for common area maintenance and the normal and customary obligations of the Homeowners Association until the Homeowners Association has adequate funding from owners' dues to meet said obligations. Declarant shall be entitled to receive reimbursement of all sums advanced in payment of said obligations, and said reimbursement shall be by credits for amounts otherwise owed by Declarant for dues as an Owner, or by repayment directly from the Homeowners Association to Declarant from funds collected by the Homeowners Association. Declarant shall provide an itemized accounting of all funds and other amounts advanced to and for the benefit of the Homeowners Association at the time of the Organizational Meeting and a schedule for repayment to Declarant shall be implemented and shall not exceed three (3) years in duration of payments to Declarant.

ARTICLE XXIV – USE RESTRICTIONS

The following restrictions applicable to property within the Community shall remain in effect until such time as they are amended, modified, repealed or limited by action of the Association adopted pursuant to Article II or Article XXIII of the Declaration.

Section 1. General. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, construction and sales offices of Declarant and Builders, or offices for any manager retained by the Association) consistent with the Declaration.

Section 2. Restricted Activities. The following activities are prohibited within the Community unless expressly authorized by, and then subject to such conditions as may be imposed by, the Homeowners Association:

- A. Each lot shall contain sufficient off-street parking space for at least two full-sized automobiles. No vehicle shall be parked on any street or common property abutting any of the lots. Parking of any vehicle on streets or thoroughfares, or parking of commercial trailers or equipment, recreational vehicles, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than in garages or a place in the rear of a lot out of site from any street, except on a temporary basis for such period of time as is reasonably necessary to load, unload, or prepare such vehicles for imminent use;
- B. Raising breeding, or keeping of animals, livestock, or poultry or any kind, except that a total of three dogs, cats, or other usual and common household pets may be permitted on a Unit, provided they are not maintained for commercial purposes; however, those pets which are permitted to roam freely outside the boundaries of the owner's Unit, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon request of the Association. If the pet owner fails to honor such request, the Association may remove the pet, in addition to imposing such other sanctions as are authorized by the Declaration. Dog owners shall keep their dogs on a leash at all times when outside the boundaries of the Unit and clean up their dog's excrement;
- C. Any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that tend to disturb the peace or threaten the safety of the occupants of other Units;
- D. Dumping of grass clippings, leaves or debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any stream, pond, or elsewhere within the Community or on lands adjacent to the community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff;

- E. Accumulations of rubbish, trash, or garbage except between regular garbage pickups, and then only in approved sanitary containers;
- F. Obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or reasonably interfere with the use of any Unit without the Owner's consent;
- G. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and filed in the Public Records, except that Declarant shall be permitted to subdivide, combine, or replat Units which it owns;
- H. Use of any structure of a temporary character, trailer, tent, shack, recreational vehicle or camper, or other outbuilding as a residence, either temporarily or permanently; provided that Declarant and Builders may use construction and sales trailers. Manufactured homes on foundations shall be considered structures of a temporary character and shall not be permitted;
- I. Any business, trade or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to door solicitation of residents of the Community, and (iv) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods and services to persons other than the provider's family and for which the provider receives fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Permanent leasing or renting of a dwelling is prohibited in the subdivision; however temporary renting of a dwelling is only permissible by the Declarant. The leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. No Unit or any portion of the improvements thereon shall be leased for transient, short term, bed and breakfast, or hotel purposes.

This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of the Community or its use of any Units which it owns within the Community; and

Any construction, erection, or placement of anything, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of the Declaration. If not addressed in the Architectural Guidelines, the Board or the Architectural Committee, in their discretion, may prohibit or permit such things as it deems appropriate. This shall include, without limitation, mailboxes, signs, basketball hoops, swing sets and similar sports and play equipment; garbage cans; ornamental lawn figures; and hedges, walls, dog runs, animal pens, or fences of any kind including, without limitation, invisible pet fences.

Section 3. Prohibited Activities and Conditions. The following shall be prohibited within the Community:

- A. Satellite dishes, antenna and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that (i) Declarant and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Community, and one of the following: (ii) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (iii) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iv) antenna or satellite dishes designed to receive television broadcast signals (“Permitted Devices”) shall be permitted provided that any such Permitted Device is placed in the least conspicuous location on the Unit in which an acceptable quality signal can be received and is screened from the view of the street and adjacent Units in a manner consistent with the Community-Wide Standard and the Architectural Guidelines;
- B. Sprinklers or irrigation systems or wells of any type which draw upon water from creeks, streams, ponds, or other ground or surface waters within the Community; except that Declarant and the Association shall have the right to collect and divert storm water runoff from streets and other hard surfaces for irrigation and other purposes;
- C. Exterior lighting on any Unit which allows excessive light to be directed or reflected on the Common Area or other Units, except as may be permitted by the Association in accordance with Article XIX of the Covenants;
- D. The storage of garbage, trash, refuse piles, or unsightly objects except in containers and in areas approved by the Association;
- E. Laundry drying facilities including, but not limited to, clothes lines, outside of any improvement constructed on a Unit. In addition, the use of porch railings or any other

part of the exterior of the Unit for drying or storing of clothes or other articles is prohibited;

- F. No swimming pools shall be erected, placed, constructed or installed on any lot such that it is located on the primary or repair septic area, and must be located in the rear portion of a Lot, fenced and screened with landscaping as required by the Declarant or Architectural Committee.
- G. Any thing or condition which will result in the cancellation, or increase in premium, or reduction in coverage of insurance maintained by the Association or which would be in violation of any law or other applicable requirement of governmental authorities;
- H. The discharge of firearms and use of bows and arrows within the Community or on private property lands adjacent to the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein, the Association shall not be obligated to take action to enforce this prohibited activity; however their failure to do so does not nullify their right to enforce this provision on any other occurrence of a violation of this prohibited activity;
- I. Fences or walls placed on any Unit nearer to the street or streets adjoining such Unit than is permitted under the set-back requirements for the main residence on such Unit, except for decorative subdivision entry features (if any); and
- J. Operation or storage of off-road recreational vehicles, including without limitation, dirt bikes, three or four wheelers, go-carts, or all-terrain vehicles shall not be permitted or used within the Community, or on private lands adjacent to the Community. Driving any vehicle on unpaved areas within the Community or on private lands adjacent to the Community is strictly prohibited.
- K. Home and appurtenant structures' exterior surfaces shall be kept clean and free of mold and mildew by periodic cleaning or pressure washing.

ARTICLE XXV – AMENDMENT

So long as Declarant, or any entity affiliated or having common ownership with Declarant, including but not limited to Gray Wolf Homes, LLC, owns any property described herein, or on any subsequent plat of Stephens Ridge Subdivision subsequently recorded, Declarant may unilaterally amend this Declaration for any purpose. Thereafter when Declarant no longer owns any property in Stephens Ridge Subdivision, as described herein or on any plat recorded subsequent hereto, this Declaration may be amended only upon the affirmative vote or written consent, or any combination thereof, of a majority of the Owners subject to this Declaration.

Amendments to this Declaration shall become effective upon recordation in the Register of Deeds of Johnston County, North Carolina, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation

or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an individual or entity consents to any amendment to this Declaration, it will be conclusively presumed that such individual or entity has the authority so to consent, and no contrary provision in any mortgage or contract between such individual or entity and a third party will affect the validity of such amendment.

No amendment may revoke, remove, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF the undersigned have hereunto set their hands and seals on this 21 day of August, 2020.

Gray Wolf Development, LLC

By: [Signature]
Wade Corbett, Member-Manager

NORTH CAROLINA

COUNTY OF JOHNSTON

I, Irene Barbosa, a Notary Public for the County and State aforesaid, do hereby certify that WADE CORBETT, Member-manager of Gray Wolf Development, LLC, a North Carolina Limited Liability Company personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal or stamp the 21 day of August, 2020.

[Signature]
Notary Public

My commission expires: 05-01-2021

