

**FOURTH AMENDMENT TO DECLARATION OF COVENANTS OF SOUTHALL
HOMEOWNERS ASSOCIATION, INC.**

This Fourth Amendment is made as of the date set forth in the notary acknowledgment herein by SOUTHALL HOMEOWNERS ASSOCIATION, INC., a North Carolina corporation (hereinafter "Association").

W I T N E S S E T H:

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Southall Subdivisions (hereinafter "Declaration") were executed and recorded at Book 3805, Page 764 in the Office of the Wake County Register of Deeds; and

WHEREAS, the Declaration was recorded as amended at Book 3805, Page 781 in the Office of the Wake County Register of Deeds, and the Declaration was recorded as amended at Book 3830, Page 135 in the same office; and

WHEREAS, Art. XIII, § 3 provides that the Declaration may be amended by an instrument signed by not less than a majority of the members; and

WHEREAS, N.C. Gen. Stat. § 47F-2-117 provides that the Declaration may be amended by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated; and

WHEREAS, the Board of Directors and lot owners of lots to which at least sixty-seven percent of the allocated votes in the Association wish to amend the Declaration as specified below;

NOW, THEREFORE, the Board of Directors for the Association has resolved, and the members required by North Carolina law have affirmatively voted, that the Declaration be amended as follows:

1. Art. IX of the Declaration is hereby supplemented to include the following language:

Section 5. Leasing. No Unit, Dwelling, or Lot shall be rented or leased unless pursuant to the following provisions:

(a) Definitions.

- a. "Immediate Family" refers to a family unit consisting of no more than two parents and their children.
- b. "Home with Multiple Occupants (HMO)" refers to a Property which is being used as a principal residence by three or more individuals who are not members of the same Immediate Family.

- (b) All leases within the Association must be in writing. A copy of such writing shall be submitted to the Association's Board of Directors no less than thirty (30) days prior to the beginning of the lease term contemplated by the writing, and shall be

approved in writing by the Board of Directors prior to the beginning of the contemplated lease. The writing shall provide at minimum that the tenant(s) and all guests, agents, invitees, and representatives thereof are required to fully observe and comply with the Declaration, Bylaws, and rules and regulations of the Association, and that the same may be enforced against the tenants as if the tenant were a Member of the Association. All Owners of leased properties shall provide current contact information, including a telephone number, email address, and mailing address, to the Association's Board of Directors prior to leasing their respective properties. Said contact information shall be kept current by Owners of leased properties.

- (c) Homes with Multiple Occupants are hereby prohibited. Rented and/or leased properties shall be inhabited by no more than two unrelated persons.
- (d) All rented or leased properties shall remain in full compliance with all relevant federal, state, local, and/or municipal laws, statutes, ordinances, and the like.
- (e) No portion of a unit, dwelling or lot other than the entire unit dwelling or lot may be rented or leased.
- (f) Owners of leased Properties will remain liable for any damages to Common Areas and Limited Common Areas caused by tenants of said Owners. Owners of leased Properties shall also remain liable for any fines assessed by the Association resulting from actions or omissions of their respective tenants.
- (g) No Member of the Association may at any time simultaneously rent or lease more than two (2) Properties within the Association.
- (h) No Property may be leased for a term of less than twelve (12) months.
- (i) Any lease by a non-individual for purposes of providing employees, contractors, or other third party with temporary or transitory housing is null and void.
- (j) All leases shall not take effect until such time as the Owner of the leased Property has tendered a fee of \$100.00 to the Association's Board of Directors. Said fee is subject to change at the Board's sole discretion, but shall be amended no more than once per calendar year.
- (k) No more than a total of forty-two (42) Lots within the Association may be rented or leased at any time. Once the maximum number of leases is reached as contemplated herein, all additional lease agreements shall be null, void, and of no legal effect. This restriction and limitation may be waived by affirmative vote of no less than two-thirds (2/3) of the Board of Directors upon a showing of unique, actual and imminent hardship by the applying Owner. Said hardship may include, but is not limited to, the home being publicly listed for sale for 365 consecutive days. In the event that such a hardship waiver is granted, the waiver shall be in effect for no more than one calendar year.
- (l) For a period of no more than six (6) months following the effective date of this Paragraph, all existing leases will be deemed to be in compliance with the above provisions. Following said time, all of the above provisions must be observed in full. In the event that a leasing Owner does not notify the Association's Board of Directors of a lease agreement during the six-month time period contemplated herein, the benefit of this subparagraph shall be forfeited by said Owner.

2. All other portions of the Declaration shall remain unchanged and in full force and effect.

IN WITNESS THEREOF, the Association has caused this instrument to be executed under seal on this the _____ day of _____, 20_____.