

000154
WAKE COUNTY

DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR TURNER FARMS, SECTION IV,
PHASE VI, LOTS 191 to 221,
RECORDED IN BOOK OF MAPS 1995,
PAGES 137, 138, WAKE COUNTY
REGISTRY

W I T N E S S E T H:

Being all of Turner Farms, Section IV, Phase VI, Lots 191 to 221, as shown on plat recorded in Book of Maps 1995, Page 137, 138, Wake County Registry.

NOW, THEREFORE, the Declarant hereby declares that all of the property described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, amenities, opportunities and attractiveness of the community and real property. These easements, restrictions, covenants, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to TURNER FARMS HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the ASSOCIATION.

Section 3. "Building" shall mean and refer to single-family residential and accessory structures (as permitted by this Declaration and Protective Covenants) constructed or erected on the property.

00 S 256777

5/20/20

Section 4. "By-Laws" means the bylaws of the ASSOCIATION as they now or hereafter exist.

Section 5. "Common expenses" shall mean and include:

(a) All sums lawfully assessed by the ASSOCIATION against its members;

(b) Expenses of administration, maintenance, repair or replacement of the common areas and special common areas;

(c) Expenses declared to be common expenses by the provisions of this Declaration or the By-Laws;

(d) Hazard, liability, or such other insurance premiums as the Declaration or By-Laws may require the ASSOCIATION to purchase;

(e) Expenses agreed by the members to be common expenses of the ASSOCIATION;

(f) Expenses to own, maintain, and operate all water, sanitary sewer, and storm drainage lines and facilities, and other utilities located in all common areas, special common areas and street rights of way.

Section 6. "Declarant" shall mean and refer to T. H. TURNER FARMS, INC., its successors and assigns to whom the rights of Declarant are expressly transferred or if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development, or acquire title to the property under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust, or one otherwise denominated a "Declarant" hereby.

Section 7. "Common area" shall mean and refer to all recreational areas (including the recreational area shown on Book of Maps 1983, Page 156, Wake County Registry), facilities and easements within the property as shown on the aforesaid recorded plat or any subsequently recorded plat, and the recorded plats of additional properties hereafter annexed as hereinafter provided, owned or to be owned by the ASSOCIATION, or for which the ASSOCIATION is or may become the owner of access, maintenance, sign, utility and drainage easements, along with facilities and improvements erected or constructed thereon, for the exclusive use and enjoyment of the members of the ASSOCIATION. Said common area shall be maintained by the ASSOCIATION.

Section 8. "Special common area" shall mean and refer to those portions of lots that contain entrance sign easements, as shown on recorded maps of the Property, and the cemetery presently

existing on the Property; and title to the sign easements will not be conveyed to the Association.

Section 9. "Lot" shall mean and refer to any plot of land, other than the common area or special common area, shown on a recorded plat of the property and upon which a residential unit has been or may be constructed.

Section 10. "Member" shall mean and refer to every person who is a member of the ASSOCIATION.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the property, including contract sellers, but excluding those who have such interests merely as security for the performance of an obligation.

Section 12. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 13. "Property" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the ASSOCIATION by annexation.

Section 14. "Residential unit" or "unit" shall mean and refer to a residential structure constructed upon a lot within the property.

ARTICLE II ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Additional properties and improvements, including common areas and special common areas, may be annexed in the manner provided in this Article to the property herein described. Additional properties so annexed shall be merged with the property herein described and any other previously annexed property, and shall be subject to the provisions of this Declaration and to the Articles of Incorporation and By-Laws of the ASSOCIATION.

Section 2. At any time within twenty (20) years following the date of incorporation of the ASSOCIATION, the Declarant may annex additional properties to the Property herein described by recording in the Wake County Registry a Declaration of Annexation, describing the lands annexed. Such additional lands shall be contiguous to the original Property or previously annexed Property. The additional land shall be deemed annexed and subject to this Declaration from the date and time of such recordation.

Section 3. In addition to annexations as provided in Section 2 of this Article, other residential property may be annexed at any

time with the express consent of two-thirds (%) of each class of members.

Section 4. Any owner of a lot in Phases I through V of Turner Farms Section IV may, at the owner's expense annex a lot to the herein described property by recording at the Wake County Registry a Declaration of Annexation signed by all entities having an ownership interest in the subject lot; and, upon such recording, the subject lot shall thereafter be subject to this Declaration and to the Articles of Incorporation and By-Laws of the Association.

ARTICLE III PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with the title to every assessed lot, subject to the provisions of this Declaration and to each of the following provisions:

(a) The right of the ASSOCIATION, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving and maintaining the common areas and special common areas and facilities.

(b) The right of the ASSOCIATION to suspend the voting rights of a member, or any person to whom he has delegated his voting right, for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) The right of the ASSOCIATION to formulate, publish, and enforce rules and regulations as provided in Article VIII.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common areas and facilities to his tenants, guests, invitees, or contract purchasers.

Section 3. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title in and to the common areas located as shown upon a recorded plat to the ASSOCIATION, free and clear of all liens and encumbrances, at the time or prior to the conveyance of the first lot in each respective phase, except utility and drainage easements and easements to governmental authorities.

Section 4. Parking Rights. There shall be no parking of vehicles in the common areas, as such common area is or shall hereafter be designated; however the ASSOCIATION, in its

discretion, may hereafter designate vehicular parking areas within the common area.

Each lot owner shall provide vehicular parking spaces within the boundary area of his respective lot to comply with the requirements of the Protective Covenants and applicable governmental entities for the use or uses approved for such lot.

Parking of trucks, boats, trailers, campers or recreational vehicles shall not be permitted within the common area or rights-of-way or easement areas of any public or private street in or adjacent to the Property.

Section 5. Antennas and Cablevision. The ASSOCIATION may regulate or prohibit the erection of antennas and television satellite disks on individual lots; and television satellite disks shall not be permitted on any lot or unit without the written consent of the ASSOCIATION or Architectural Committee.

ARTICLE IV MEMBERSHIP

Section 1. Owners of Lots. Each person who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the ASSOCIATION, including contract sellers but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of the ASSOCIATION. Ownership of such interest shall be the sole qualification for such membership. No owner shall have more than one membership in the ASSOCIATION, and there shall be only one vote per lot in the ASSOCIATION. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

Section 2. Special Memberships for Recreational Area. Notwithstanding any other provisions herein contained in this Declaration, prior to the recordation of this Declaration, Declarant has provided "lifetime memberships" to a limited number of non-lot owners for access to and use of the recreational area, including the swimming pool and tennis courts; and said lifetime membership holders shall be entitled to continue use of said recreational facilities pursuant to the requirements and provisions of this Section 2. Further, notwithstanding any other provisions of this Declaration, ASSOCIATION may sell "summer memberships" to non-lot owners for utilization of said recreational facilities. The annual fee to be charged to such lifetime members and to such summer members shall be such amount as shall from time to time be designated by the ASSOCIATION; and the right and entitlement to utilize said recreational facilities by such lifetime members and summer members is expressly conditioned upon timely payment of such annual fees for the applicable years. Granting of such summer

memberships may be terminated at any time by the ASSOCIATION'S board of directors; however such lifetime members shall be entitled to utilize the recreational facilities so long as the prescribed annual fee is paid.

ARTICLE V VOTING RIGHTS

Section 1. Classes. The ASSOCIATION shall have the following two classes of voting membership:

(a) Class A. Class A members shall be all owners, other than Declarant; however, Declarant shall be a Class A member to the extent provided in (b) hereinafter. Class A members shall be entitled to one vote for each lot owned. When more than one person hold an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners thereof determine; but in no event shall more than one vote be cast with respect to any lot. No fractional vote may be cast with respect to any lot.

(b) Class B. The Class B member shall be the Declarant, and it shall be entitled to seven (7) votes for each lot in which it holds a fee or undivided fee 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 earlier:

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, however, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the property by the Declarant in the manner provided in Article II of this Declaration, or upon reconveyance of a lot or lots to Declarant; or

(2) On January 1, 2014.

Section 2. Right of Declarant to Representation on Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until January 1, 2014, or until Declarant shall have conveyed one hundred percent (100%) of properties subject to this Declaration, whichever first occurs, Declarant (or its express assignee of the right granted in this Section) shall have the right to designate and select a two-thirds (2/3) majority of the Board of Directors of the 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 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 to 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 ASSOCIATION shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the ASSOCIATION where Declarant may have a pecuniary or other interest. Similarly, Declarant, as a member of the ASSOCIATION, shall not be required to disqualify itself upon any vote upon or entrance into any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation For Assessments. The Declarant, for each lot owned within the property, hereby covenants, and every other owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the ASSOCIATION:

- (a) Annual assessments and charges; and
- (b) Special assessments for capital improvements and maintenance.

Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments, together with interest thereon and costs of collection thereof and reasonable attorney fees as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the lot and improvements against which each such assessment is made. Each such assessment, together with such interest and costs and reasonable attorney's fees, shall also be the personal obligation of the person (or persons) who is the owner of the lot at the time the assessment falls due. The personal obligation of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the ASSOCIATION.

Section 2. Purpose of Assessments. To the extent of the ASSOCIATION'S obligations, the Assessments levied by the ASSOCIATION shall be used exclusively for the recreation, health, safety, and welfare of the owners and the property; for the improvement and maintenance of the property and the common areas and special common areas, including also any private roads or streets and necessary utilities; for the establishment of adequate reserves for the replacement of capital improvements, if any, located within the common areas and special common areas; for

payment of insurance premiums for contracts of hazard and liability insurance on the common areas and special common areas; for payment of local ad valorem taxes on the common areas and special common areas; and for providing the services and facilities for purposes of and related to the use and enjoyment of the common areas, easements and facilities.

Section 3. Amount of Assessment.

(a) Maximum Annual Assessment. To and including December 31, 1995, the annual assessment shall be determined from time to time by the Board of Directors as provided in Subsection (d) of this Section 3.

(b) Increase by ASSOCIATION. From and after December 31, 1995, the annual assessment effective for any year may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed the greater of five (5%) percent or the percentage increase reflected in the U.S. CITY AVERAGE, CONSUMER PRICE INDEX - UNITED STATES AND SELECTED AREAS FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, ALL ITEMS MOST RECENT INDEX AND PERCENTAGE CHANGES FROM SELECTED DATES (published by the U.S. Bureau of Labor Statistics, Washington, D.C.), or such other Index as may succeed said Consumer Price Index, for the twelve-month period ending July 1 immediately preceding the subject January 1.

(c) Increase by Members. From and after December 31, 1995, the annual assessment may be increased by a percentage greater than that established by the above formula by an affirmative vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the ASSOCIATION is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the ASSOCIATION, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the sums derived by application of the formula provided in Subsection (b) without the consent of members required by Subsection (c) of this Article.

(e) Lots Owned by Declarant. Notwithstanding anything in this Article to the contrary, any unoccupied lots owned by

Declarant and held for lease or for sale shall be assessed at an amount equal to 25% of the actual annual assessment paid by owners.

Section 4. Special Assessments for Capital Improvements and Maintenance. In addition to the annual assessments authorized above, the ASSOCIATION may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the common areas and special common areas as required of the ASSOCIATION by these Declarations, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots (except as provided in Section 3(e) of this Article), on a per lot basis, and may be collected on a monthly basis.

Section 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The assessments provided for herein shall be paid in advance, and the payment of such shall become due as to each lot on the first day of the month following the earlier of: (1) the issuance of a Certificate of Occupancy for the unit constructed on such lot; or (2) three months after transfer of title by Declarant for that lot.

The Board of Directors shall, annually, fix the amount of the assessment against each lot not later than December 1 for the next succeeding year. Written notice of the next year's assessment shall be sent to every owner subject thereto. The due dates and payment frequency (annually, quarterly or monthly) shall be established by the Board of Directors. The ASSOCIATION, upon demand at any time, shall furnish a certificate in writing signed by an officer of the ASSOCIATION setting forth whether the assessments on a specified

lot have been paid. A properly executed certificate of the ASSOCIATION as to the status of assessments on a lot is binding upon the ASSOCIATION as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the ASSOCIATION. Any assessments or portion thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at a rate not to exceed twelve (12) percent per annum. The ASSOCIATION may bring an action against the owner personally obligated to pay the same, or foreclose the lien against the property; and, in either event, interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common areas or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein on any lot shall be subordinate to the lien of the first mortgage and ad valorem taxes on such lot. Sale or transfer of any lot shall not affect the assessment lien; however, the sale or transfer of any lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of 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. The holder of a mortgage shall not be required to collect assessments; and failure to pay an assessment shall not constitute a default under an insured mortgage.

Section 10. Special Assessment for Repairs. In the event any portion of any common areas or special common areas is damaged or destroyed by an Owner or any of his guests, tenants, licensees, agents or family members, such Owner does hereby authorize the ASSOCIATION to repair said damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and material, shall become a special assessment upon the lot of said Owner.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Architectural Committee. An Architectural Committee consisting of three (3) persons shall be appointed by Declarant at or prior to the sale and transfer of title to the first lot. This right shall continue until January 1, 2014 or until Declarant has sold one hundred percent (100%) of all properties at any time subject to this Declaration. Thereafter, the Architectural Committee shall be appointed by the Board of Directors of the ASSOCIATION.

Section 2. Plan or Design Approval. No site preparation or initial construction, erection or installation of any improvements, including but not limited to, dwelling units, outbuildings, fences, walls, signs, antennas (including satellite dish antennas), clotheslines and other structures, excavation or changes in grade shall be undertaken upon any lot unless the plans and specifications therefore, showing the nature, kind, shape, height, materials and location of the proposed improvements shall have been submitted to the Architectural Committee and expressly approved in writing. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any of the lots without the review and express written approval of the Architectural Committee.

Section 3. Effect of Failure to Approve or Disapprove. In the event that the Architectural Committee fails to approve or disapprove the design of any proposed improvements within thirty (30) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully satisfied; provided that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or fail to present adequate information upon which the Architectural Committee can arrive at a decision.

Section 4. Right of Inspection. The Architectural Committee shall have the right, at its election, to enter upon any of the lots and improvements on any lots during preparation, construction, erection or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

ARTICLE VIII USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the ASSOCIATION shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of each lot and the common areas and special common areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

Section 2. Use of Property.

(a) No portion any lot shall be used except for single-family residential and residential purposes incidental or accessory

thereto (except the Declarant may use one or more lots for temporary office space and as a model for lease or sales purposes).

(b) No commercial signs, with the exception of a "For Sale" or "For Rent" sign no more than two feet in width and two feet in height, shall be erected or maintained on any lot.

(c) No lumber, brick, stone, cinderblock, concrete or any other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any lot in an exposed location except for the purpose of construction on such lot and shall not be stored on such lot for longer than the length of time reasonably necessary for the construction for which same is to be used.

(d) No exposed above-ground tanks will be permitted for the storage of fuel or water or any other substance

(e) No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his dwelling structure or on the common areas which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the common areas and facilities or special common areas. All garbage receptacles, containers, and enclosures shall be located at the rear of the dwelling structure on a lot; and each owner shall be responsible for compliance with all applicable governmental codes and ordinances, as now enacted and as may be amended from time to time, regarding the handling and disposal of all garbage, refuse, rubbish, waste materials and other activities of that owner and/or from that owner's lot.

Section 3. Hobbies and Activities. The pursuit of hobbies or other activities, including specifically without limiting the generality of the foregoing the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be permitted or undertaken on any part of any lot or common area or special common area.

Section 4. Required Land Area. No lot may be subdivided by sale or otherwise so as to reduce the total area thereof below that as shown upon any recorded plat of the property.

Section 5. Animals and Pets. No animal, fowl, reptile, or other pet of any kind, other than house pets, shall be kept or maintained on any part of the Property. Furthermore, no such pet shall be allowed off an Owner's Lot unless on a leash and accompanied by the Owner.

Section 6. Prohibited Activities. No immoral, improper, offensive, loud, or unlawful use or activity shall be carried on upon any lot or the common areas or special common areas. Each

Owner shall refrain from any act or use of his lot or the common areas or special common areas which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. Each owner shall keep and maintain his lot in a neat and orderly manner.

Section 7. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the property shall be observed. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 8. Vehicles. No owner shall keep or maintain anywhere within the property, other than wholly within a garage, any vehicle which is disabled or inoperable.

ARTICLE IX EASEMENTS

Section 1. Walks, Drives, Parking Areas, Utilities, Etc. The Property, including lots and common areas and special common areas, shall be subject to such easements for water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, other utilities, and ingress, egress and regress thereto and otherwise as have been or shall hereafter be established by the Declarant. The ASSOCIATION shall have the power and authority to grant and establish further easements upon, over, under and across the common areas and special common areas.

Section 2. Declarant's Easement to Correct Drainage. For a period of twenty-five (25) years from the date of conveyance of the first lot in a parcel, phase or section, the Declarant reserves a blanket easement and right on, over and under the ground within that parcel, phase or section to maintain and to correct drainage or surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary. Declarant shall give reasonable notice of intent to take such action to all affected Owners. These rights and reservations are assignable by the Declarant.

Section 3. Easement to Utility Providers. An easement is hereby established for municipal, state or public utilities serving the area, their agents and employees over all lots, common areas and special common areas hereby or hereafter established for setting, removing and reading utility meters, maintaining and replacing utility or drainage connections, and acting with other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection.

ARTICLE X
RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Upon written request, any institutional holder of a first lien on a lot or unit will be entitled to:

(a) inspect the books and records of the ASSOCIATION during normal business hours;

(b) receive an annual financial statement of the ASSOCIATION within 90 days following the end of any fiscal year; and

(c) receive written notice of all meetings of the ASSOCIATION and be permitted to designate a representative to attend all such meetings.

Section 2. In the event of substantial damage to or destruction of any improvement on a lot or any part of the common areas, the institutional holder of any first mortgage on a unit shall be entitled to timely written notice of any such damage or destruction.

ARTICLE XI
INSURANCE

Section 1. Ownership of Policies. Contracts of insurance upon the common areas and special common areas shall be purchased by the ASSOCIATION for the benefit of the ASSOCIATION and its mortgagees, if any, as their interests may appear. The ASSOCIATION may re-evaluate its coverage from time to time and may provide, subject to Section 2 of this Article, for such insurance coverage as it deems appropriate.

Section 2. Coverage. All improvements and personal property included in the common areas and special common areas shall be insured in an amount equal to at least one hundred percent (100%) of its insurable replacement value as determined annually by the ASSOCIATION with the assistance of the insurance company underwriting the coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect thereto. In addition, the ASSOCIATION shall acquire and maintain in full force and effect a policy of insurance which insures against any public liability arising out of its ownership of the common areas and special common areas and the use and operation thereof with limits of liability therefor of not less than One Million Dollars (\$1,000,000.00) per occurrence. There shall also be obtained such other insurance coverage as the ASSOCIATION shall from time to time determine to be desirable and necessary or as may be required by

the Federal Housing Administration. Such policies shall contain clauses providing for waiver of subrogation, if possible.

Section 3. Fidelity Insurance or Bond. All persons, responsible for or authorized to expend funds or otherwise deal in the assets of the ASSOCIATION, shall first be bonded by a fidelity insurer to indemnify the ASSOCIATION for any loss or default in the performance of their duties in an amount equal to at least six (6) months' assessments plus reserve accumulated.

Section 4. Premiums. Premiums for contracts of insurance purchased by the ASSOCIATION shall be paid by the ASSOCIATION and charged ratably to all Owners as an assessment according to the provisions of Article VI above.

Section 5. Proceeds. All contracts of insurance purchased by the ASSOCIATION shall be for the benefit of the ASSOCIATION and its mortgagees, if any, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the ASSOCIATION as insurance trustee under this Declaration. The sole duty of the ASSOCIATION as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein.

Section 6. Distribution of Insurance Proceeds. Proceeds of contracts of insurance received by the ASSOCIATION as insurance trustee shall be distributed to or for the benefit of the beneficiary or beneficiaries thereof in the following manner:

(a) The proceeds shall be paid first to defray the cost of reconstruction and repair of casualty or liability so covered;

(b) Any expense of the insurance trustee may be paid from proceeds after payment of reconstruction or repair expenses or liability; and

(c) Any proceeds remaining thereafter shall be distributed to the ASSOCIATION.

ARTICLE XII GENERAL PROVISIONS

Section 1. Enforcement. The ASSOCIATION, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the ASSOCIATION or by any owner to enforce any such provision herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no

wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the owners of not less than ninety percent (90%) of the lots, and thereafter by an instrument signed by the owners of not less than seventy-five percent (75%) of the lots; provided, however, that the Board of Directors may amend this Declaration, without the consent of owners, to correct any obvious error or inconsistency in drafting, typing, or reproduction. All amendments shall be certified by the ASSOCIATION as an official act of the ASSOCIATION and shall forthwith be recorded in the Wake County Registry. All amendments shall become effective upon recordation.

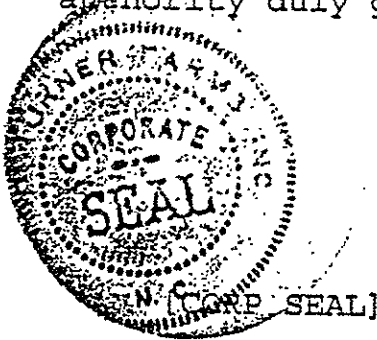
Section 4. Lease of Residential Unit. No lot or improvements shall be leased for transient or hotel purposes, nor shall any such lease be for any period of less than ninety (90) days. Any lease must be in writing and provide that the terms of the lease and the occupancy of the unit shall be subject in all respects to the provisions of this Declaration and the By-Laws of the ASSOCIATION and that any failure by any lessee to comply with the terms of such documents shall be a default under the lease.

Section 5. Conflicts. In the event of any irreconcilable conflict between this Declaration and the By-Laws of the ASSOCIATION, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-Laws of the ASSOCIATION and the Articles of Incorporation of the ASSOCIATION, the provisions of the Articles of Incorporation shall control.

Section 6. FHA/VA Approval. Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of this subdivision for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication or exchange of common areas, amendment of this Declaration of Covenants, Conditions and Restrictions, mergers and consolidations; dissolution; and deeding in trust the common area.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its corporate name by its President, attested by

its Secretary, and its corporate seal hereto affixed, all by authority duly given, this 27th day of April, 1995.



T. H. TURNER FARMS, INC.
Declarant

By: Jane P. Allen
President

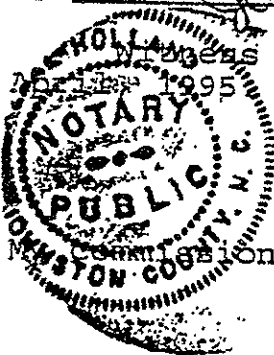
ATTEST:

Jane Bridges
Secretary

NORTH CAROLINA

COUNTY OF Johnston

I, Bernae Holland, a Notary Public of the County and State aforesaid, certify that Jane Bridges personally appeared before me this day and acknowledged that she is Secretary of T. H. TURNER FARMS, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by Jane Bridges as its Secretary.



Witness my hand and official stamp or seal, this 27 day of

[SEAL]

Bernae Holland
Notary Public

Commission expires: 10-29-99

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate ___ of ___

Bernae Holland
Notary(y)(ies) Public is

(are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

By: Kenneth C. Wilkins
Asst. Deputy Register of Deeds

Article VII Architectural Control

Section 1. Architectural Committee An Architectural Committee consisting of three (3) persons shall be appointed by Declarant at or prior to the sale and transfer of title to the first lot. This right shall continue until January 1, 2014 or until Declarant has sold one hundred percent (100%) of all properties at any time subject to this Declaration. Thereafter, the Architectural Committee shall be appointed by the Board of Directors of the Association.

Section 2. Plan or Design Approval. No site preparation or initial construction, erection or installation of any improvements including but not limited to, dwelling units, outbuildings, fences, walls, signs, antennas (including satellite dish antennas), clotheslines and other structures, excavation or changes in grade shall be undertaken upon any lot unless the plans and specifications therefore, showing the nature, kind, shape, height, materials and location of the proposed improvements shall have been submitted to the Architectural Committee and expressly approved in writing. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any of the lots without the review and express written approval of the Architectural committee.

Section 3. Effect of Failure to Approve or Disapprove. In the event that the Architectural Committee fails to approve or disapprove the design of any proposed improvements within thirty (30) days after plans and specifications therefore have been submitted the received, approval will not be required, and the requirements of this Article will be deemed to have been fully satisfied; provided that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or fails to present adequate information upon which the Architectural Committee can arrive at a decision.

Section 4. Right of Inspection. The Architectural Committee shall have the right, at its election, to enter upon any of the lots and improvements on any lots during preparation, construction, erection or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner utilizing approved methods and good quality materials.

Turner Farms home Owners Association Architectural Guidelines Version II **September 2005**

A Supplement to the Turner Farms Homeowners Association Covenants and Bylaws.

Purpose:

The purpose of this document is to assist the homeowners and builders in obtaining approval for improvements to their property from the Turner Farms Home Owners Association Architectural Committee as is stipulated in the Covenants and Bylaws.

What must be approved?

The covenants and bylaws are very broad and encompassing, and should be read and understood. According to these documents approval must be obtained for, "*any structure*". This includes but not limited to: arbors, gazebos, swings, pools, dog pens, playground equipment, antennas, satellite dishes, storage buildings, fences, and propane tanks.

A structure is defined as, "that which is built; building; manner of building; arrangement of parts or elements; organization."

The following guidelines attempt to provide a meeting ground between private interests and the broader interest of the Turner Farms community.

Control for maintaining the quality of design is through the Declaration of Covenants and Restrictions of the Turner Farms Home Owners Association. The covenants run with the land and are binding on all homeowners (members) and renters and should be fully understood.

The fact that each homeowner is subject to these covenants should assure all homeowners that the standards of design quality would be maintained, enhancing the community's overall environment and protecting property values.

The standards, which follow are the procedures and guidelines applied by the Architectural Review Committee and the Board of Directors to assist the Association and its members in the design review process. It is hoped that these specifications will serve as a positive tool to assist each homeowner in the full and free use of their property in a manner consistent with the aesthetic and harmonious development to the Turner Farms community.

This requirement applies to every homeowner's private property and any common areas.

Review Criteria

The Architectural Review Committee evaluates each application on the individual merits of each application. The Architectural Review Committee decisions are based on the standards in the following sections.

Validity of Concept: The basic idea of the exterior change must be sound and appropriate to its surroundings.

Landscape and Environment: The exterior change must not unnecessarily destroy or blight the natural landscape or the achieved man made environment.

Relationship of Structures and Adjoining Property: The proposed change should relate harmoniously among its surroundings and to existing buildings and terrain that have a visual relationship to the change.

Protection of Neighbors: The interests of neighboring owners should be protected by making provisions for such matters as surface water drainage, sound and sight buffers, and preservation of views, light and air, and other aspects of design, which may have substantial effects on neighboring property. For example, fences may obstruct views, breezes, or access to neighboring property; dog pens may cause undesirable noises and odors or infringe drastically on views of neighboring property. The Architectural Review Committee should consider the various and appropriate criteria and exercise discretion in determining which of these criteria will be governing in each specific application.

Design Compatibility: The proposed change must be compatible with the design characteristics of the applicant's home and with the general neighborhood setting.

Scale: The three dimensional scale of the proposed change must relate satisfactorily to adjacent structures and their surroundings. For example, a detached storage shed of a disproportionate size to the area in which it is intended to be placed would not be satisfactory.

Materials: Continuity is established by the use of the same or compatible materials as are used in the existing home. For example, an added shed should be made of the same or similar materials as the home, likewise the shingles should also be the same or similar.

Color: Color may be used to soften or intensify visual impact. For example the color of a fence should blend in with the surrounding natural environment. A shed should be painted to match the existing home.

Workmanship: The quality of work must be equal to or better than that of any existing structures. Poor practices may cause the owner problems and may be visually objectionable to others- For example, a wooden fence not properly treated and maintained may in a short period start to decay and become unsightly to the owner and neighboring property owners.

Timing: A property change may be built or installed by the owners or a contractor. However, projects that remain uncompleted for a long period of time are visually objectionable and can be a nuisance and safety hazard for neighbors and the community. All applications must contain a proposed maximum time period from start to completion of construction of the proposed improvement.

Architectural Review Committee may disapprove the application, as a general rule of thumb minor additions should be able to be completed within 30 days whereas more labor intensive additions may take up to 90 days.

Do not apply for a building permit, purchase materials, or commit to any contractor in anticipation of instant approval by the Architectural Review Board. Applicants should wait until they have received

written application approval by the Architectural Review Board prior to purchasing or committing to such work. Homeowners should plan well in advance to allow time for application processing-

Guidelines for Architectural Requests:

- 1.) Satellite dishes must be 30 inches or smaller, the location should be inconspicuous and must be approved.
- 2.) Propane tanks over 125 gallons must be buried. Tanks of 125 gallons or less must be placed in an inconspicuous location and properly camouflaged so that tank is not visible from any street.
- 3.) Heating and air conditioning units should be screened with landscape material so the units are not visible from the street.
- 4.) Outside antennas are not permitted.

- 5.) Fences are permitted with approval. Fences are to be constructed using Wood or Plastic (Vinyl) and should be no taller than six feet in height.

The location, material (Wood or Vinyl), color (Stained or Natural), style (Scalloped, Arched or Straight) must be approved.

No fences are permitted in the front of the property. Chain link fences are Not permitted this includes wrought Iron.

- 6.) Storage buildings (Sheds) are permitted with approval. The location, material (Wood or Plastic), color (Same as house and Trim unless Brick then it should be the Trim Color), style and size must be approved.

The Roof shingles should match the color and style of the shingles on the house. Metal buildings are not permitted.

- 7.) Dog pens are permitted with approval provided they meet the same requirements for a fence. See fences (5) for more information.

- 8.) Playground equipment is permitted with approval. Recommended maximum dimensions are 13 feet high including any canopy 16 feet wide including a fort or playhouse, 10 feet deep. The location, material, color, style and size must be approved.

- 9.) Swimming pools & Hot tubs, both in-ground and above ground are structures and therefore need to be submitted to the Architecture committee for approval. The only exception to this are plastic wading pools holding not more than 24 inches of water at their deepest point.

All pools must be located behind the house in such a location that they cannot be seen from ANY street. It is possible to conceal above ground pools with decking and lattice to further reduce it's visibility from ANY street. This location must be at least 10 feet from each lot line.

All state, county, city and association guidelines must be followed. Wake County requires a fence not less than 4 feet in height. All gates must be equipped with self-closing and positive self-latching mechanisms.

Above ground pools must not be more than 4 feet in height and properly screened from any street with landscaping or with decking.

Pumps and other mechanical equipment must be screened from view to adjacent properties and shielded in some manner to prevent excessive noise.

10.) Detached garages are permitted. The location must be within 20 feet from the house.

The materials used on the Street facing side must match the existing homes material (Brick or Siding).

The Color should match the existing homes color, this includes the trim, it should match the existing homes trim color.

The size of the structure should be no larger than 1/3 the square footage of the existing home. All Wake county building codes must be followed to include pulling a Building Permit and following all setback requirements.

11.) Vehicles and Storage: Boats, campers, trailers, trailered units or vehicles of any kind not used as regular transportation may be stored behind or beside the home, placed in an area improved for storage (does not allow grass to grow up around the unit), located at least 5 feet from a neighbor's property line; and positioned to provide minimal visibility from any street.

The Architectural Committee urges you to consider your neighbor's perspective when selecting a storage site, and not to store smaller items around the unit. No commercial tractor-trailers, commercial trucks, or commercial cabs shall be parked within Turner Farms. All allowed vehicles are to be parked on a part of the lot improved for that purpose, i.e.; a garage, driveway, carport or parking pad. No campers or motor homes are to be used as a residence or as living quarters while stored in accord with this paragraph..

12.) Painting your home is permitted, but the color choice should not be offensive it should relate harmoniously among its surroundings and not be of a color that might be considered loud or that might not be a color you would normally find on a house, example (Purple, Orange or neon Green). Common sense should be used in selecting a new paint color for your home. If you are not sure of your choice please contact the Architectural Committee prior to making your selection.

The Architectural Committee urges you to consider your neighbor's perspective when making any changes to the exterior of your home.

Procedure for Architectural Requests.

A.) All requests must be submitted in writing to:

Turner Farms Architectural Committee
P.O. Box 1310
Garner, NC, 27529

B.) To Speed processing, please include: your name and how you can be contacted, a description of the improvement you would like to do, including all pertinent facts, a copy of your lot plan indicating location, a sketch if appropriate.

C.) You should receive a response within two weeks.

D.) Questions ? Contact the current Architectural Committee