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NORTH CAROLINA **DECLARATION OF COVENANTS, RESTRICTIONS,
JOHNSTON COUNTY AND CONDITIONS FOR FAIRWINDS SUBDIVISION**

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

JSJ Development, LLC, a North Carolina limited liability company and JSJ Builders, Inc, a North Carolina corporation (hereinafter collectively "Declarant"), do hereby make, declare and establish this Declaration of Protective Covenants, Conditions, and Restrictions for Fairwinds Subdivision ("Declaration"), and hereby subjects the Property hereinafter defined to the terms of this Declaration.

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in Johnston County, North Carolina, which is more particularly described in Article 1 of this Declaration and is further shown upon the Plans as defined herein (the "Property"); and,

WHEREAS, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

WHEREAS, in furtherance of such plan, Declarant has incorporated or will incorporate under the laws of the State of North Carolina, as a non-profit corporation, Fairwinds Community Association, Inc., to own, operate, maintain and/or manage, as may be applicable, any common areas as are defined herein, and to administer and enforce the covenants and restrictions imposed herein; and,

WHEREAS, Declarant executes this Declaration for the purpose of submitting the Property to the North Carolina Planned Community Act and the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, and conveyed subject to the North Carolina Planned Community Act and the easements, restrictions, covenants, uses, limitations, liens, and obligations set forth below, which shall run with the land and be binding on all parties having any rights, title, or interest in the land or any part thereof, their heirs, successors and assigns.

ARTICLE I
PROPERTY SUBJECT TO THIS DECLARATION
The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration and the jurisdiction of the Association is located in Johnston County, North Carolina, and is more particularly described as being all that property shown on those plans entitled "Subdivision Plat of Fairwinds for JSJ Development Company, LLC", recorded in Book of Maps 90, Page 326-331, Johnston County Registry, including but not limited to Lots 1 through 56, and any Open Space and easement areas depicted on said plat.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Fairwinds Homeowners Association, Inc., its successors and assigns.

Section 2. "Board" or "Board of Directors" shall mean and refer to the body responsible for administration of the Association, elected as provided for in the Bylaws.

Section 3. “Builder” shall mean and refer to a person or entity other than Declarant who purchases or becomes the Owner of one or more Lots within Fairwinds Subdivision for the purpose of constructing thereon one or more dwellings, whether or not the person or entity intends to the occupy the dwelling.

Section 4. “Bylaws” shall mean and refer to the Bylaws for the Fairwinds Homeowners Association, Inc. as they may be amended from time to time.

Section 5. “Common Area” shall mean all real property owned by the Association for the common use and enjoyment of the Members, including all areas designated on the Plat as “Open Space” and all private streets, if any.

Section 6. “Common Expenses” shall mean, refer to, and include all charges, costs and expenses incurred by the Association for an in connection with the administration of the subdivision, including, without limitation hereof, operation of the subdivision, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefore; all liability for loss or damage arising out of or in connection with the Common Areas and their use; all premiums for hazard, liability and other insurance with respect to the subdivisions; all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. “Common Expenses” shall also include amounts incurred in replacing, or substantially repairing, capital improvements within the Common Areas of the subdivision, including, but not limited to, private road and parking lot resurfacing. “Common Expenses” shall also include all reserve funds or other funds established by the Association. “Common Expenses” shall be construed broadly.

Section 7. “Declarant” shall mean and refer to JSJ Development, LLC, its successors and assigns to whom the rights of Declarant hereunder are expressly assigned in writing.

Section 8. “Declarant Control Period” shall mean and refer to that period of time during which Declarant retains sole authority to appoint, remove and replace members of the Board of Directors. The Declarant Control Period shall terminate upon the earliest of the following events: (i) when 95% of the total number of Lots have certificates of occupancy issued thereon and have been conveyed to persons other than a Builder or Declarant; (ii) upon Declarant’s voluntary surrender in writing of such control; or (iii) on December 31, 2030.

Section 9. “Declaration” shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Fairwinds Subdivision.

Section 10. “Lot” shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties that is designated for separate ownership or residential occupancy but does not include any Common Area.

Section 11. “Member” shall mean and refer to a person subject to membership in the Association per Articles IV of this Declaration.

Section 12. “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 having such interest merely as security for the performance of an obligation.

Section 13. “Plat” shall mean and refer collectively to those plats recorded in Book of Maps 90, Page 326-331, Johnston County Registry, and any other plats recorded by Declarant with respect to the Property.

Section 14. “Property” shall mean and refer to that certain real property described in Article I together with such additional property as may be made subject to this Declaration.

Section 15. “Successor Declarant” shall mean and refer to any person(s) or entity, its successors and assigns, to whom the rights of Declarant hereunder are expressly assigned in writing by Declarant or by any other entity who has previously been assigned declarant rights by Declarant.

ARTICLE III PROPERTY RIGHTS

Section 1. Owner’s Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot and shall be preserved to the perpetual benefit of the Owner’s Association, subject to the following provisions:

- (a) the right of the Association to suspend the voting rights of an Owner 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;

- (b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.
- (c) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

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 the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Access Rights. Ownership of each Lot shall include easements over the Common Areas for access, ingress and egress from and to public streets and walkways and easements for the benefit of the Owners, their invitees and licensees, for enjoyment of the Common Areas.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

- a. Class A Members. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot shall be prohibited.
- b. Class B Member. The Declarant shall be the sole Class B Member and shall be entitled to six (6) votes for each Lot owned. The Class B Membership shall terminate at the end of the Declarant Control Period. Upon such termination, the Declaration shall become a Class A Member and shall have Class A votes with respect to any Lot owned by it.

Section 3. Appointment of Board. During the Declarant Control Period, the Declarant shall have the right to appoint all members of the Board of Directors.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the Property hereby covenants, and each Owner of any Lot, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual and special assessments and specific assessments for those purposes outlined below, such assessments to be established and collected as hereinafter provided.

The annual and special assessments and specific assessments, together with interest, costs and reasonable attorney fees shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, with interest, costs and reasonable attorneys' fees, shall also be the personal obligation for the person who was the Owner of the lot when each assessment was made, and such assessments shall not pass to this successors in title unless expressly assumed by them. All assessments relating to Common Area shall be shared equally by the Owners of Lots within Fairwinds Subdivision.

Notwithstanding anything herein to the contrary, JSJ Development, LLC shall be exempt from paying annual or special assessments for any unoccupied lot owned by JSJ Development, LLC. The exemption of JSJ Development, LLC from paying annual or special assessments shall not be passed to any entity by virtue of an assignment of declarant rights. Successor Declarants and Builders shall be required to pay annual and special assessments as set forth herein.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and, in particular, for (i) the acquisition, improvement and maintenance of Common Area, including but not limited to the maintenance, repair, and reconstruction of the entrance sign(s) (and associated irrigation, lighting and landscaping), community mail kiosk and kiosk parking area, and stormwater detention or erosion control devices located in the Common Area, if any, and maintenance of trails within the Common Area; (ii) the

cutting and removal of weeds and grass and the removal of trash and rubbish and any other maintenance necessary for the use and enjoyment of the Common Area; (iii) the cost of repairs, replacement and additions to the Common Area, and the cost of labor, equipment, materials, management, and supervision; (iv) the payment of taxes and public assessments assessed against the Common Area; (v) the procurement and maintenance of insurance in accordance with this Declaration; (vi) the employment of attorney and other professionals to represent and advise the Association when necessary; (vii) the provision of adequate reserves for the replacement of capital improvements including, without limitation, signs, landscaping and any other major expense for which the Association is responsible; and (viii) such other needs as may arise.

Section 3. Reserves. The Association shall establish and maintain an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Area.

Section 4. Maximum Annual Assessment. As of the date of recording of this Declaration, the maximum annual assessment shall be Three Hundred Dollars (\$300.00) per Lot, which amount shall be subject to annual review and adjustment by the Association. The Declarant shall be exempt from paying assessments for any unoccupied Lot owned by Declarant.

- a. Beginning January 1, 2021, and for each year thereafter, the maximum annual assessment may be increased effective January 1 of such year without vote of membership by up to ten percent (10%) of the previous year's assessment.
- b. The maximum annual assessment may be increased above the increase permitted in Section 4(a) above only with the approval of two-thirds (2/3) of the votes of each class of Member who are present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 10 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5. Special Assessments for Capital Improvements. 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 cost of any maintenance, construction, reconstruction, repair or replacement of a capital investment upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 2/3 of the votes of each class Members who are present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 10 days nor more than 60 in advance of the meeting setting forth the purpose of the meeting. The Declarant shall be exempt from paying special assessments for any unoccupied Lot owned by Declarant.

Section 6. Specific Assessments. Any common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited according to the benefit received. Specific assessments shall be in addition to, and not in lieu of, the annual assessment described herein.

Section 7. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all Members not less than 10 days nor more than 60 days in advance of the meeting. At the first meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present at the first meeting or any subsequent meeting, another 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 the meeting.

Section 8. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on an annual basis. However, Fairwinds Partners, LLC shall be exempt from paying annual or special assessments for any unoccupied lot owned by Fairwinds Partners, LLC.

Section 9. Date of Commencement of Annual Assessments; Due Dates. The assessments provided for herein shall commence as to a Lot when such Lot is conveyed by Fairwinds Partners, LLC to a Successor Declarant or Builder or other individual or entity. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. The Board of Directors shall fix the amount of the Written notice of the annual assessment shall be sent to every Owner subject thereto. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether

the assessments on a specified Lot have been paid. Any certificate so given shall be conclusive evidence of payment of the assessments stated therein.

Section 10. Capital Contribution. Upon the initial conveyance of a Lot to the first Owner thereof other than a Builder, Successor Declarant, or Declarant, the purchaser shall pay to the Association the amount of **Three Hundred Sixty Dollars (\$360.00)** which shall be transferred upon closing of the Lot to the Association and held as a working capital fund. The purpose of said fund is to ensure that the Association will have adequate cash available to meet unforeseen expenses. Amounts paid into the fund shall not be considered advance payment of regular assessments.

Section 11. Effect on Nonpayment of Assessment: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the Lot in the same manner in which a Deed of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the North Carolina General Statutes, or in accordance with Chapter 47F of the North Carolina General Statutes, or pursuant to any other applicable statute. Interests, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may give or otherwise escape liability for the assessments provided herein by non-use of the Common Area or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.

Section 12. Subordination. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage recorded prior to the filing of claim of lien of any first mortgage recorded prior to the filing of any claim of lien under this Article and to ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall receive such Lot from liability for any assessments thereafter becoming due or from lien thereof.

Section 13. Exempt Property. All property dedicated to, and accepted by, a local public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from these assessments.

Section 14. Fines. The Board may impose fines of up to \$100.00 per day (or any higher amount allowed by law) for each violation of this Declaration, the Bylaws of the Association, or any rules and regulations promulgated by the Association, provided that the Association shall not impose fines without first notifying the Owner of the offending residential Lot in writing of the specific violation. Before imposing any fine, the Association shall also provide the offending Owner with an opportunity to be heard regarding the violation. Any fines thereafter shall be a lien against the Owner's Lot. Fines shall be paid not later than thirty (30) days after notice of impositions or assessment of fines. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may otherwise be legally entitled; however any fine paid by the offending Owner shall be deducted from or offset any damages that the Association might otherwise be entitled to recover by law from such Owner.

ARTICLE VI ARCHITECTURAL AND APPEARANCE CONTROL

Section 1. General Provisions.

- a. Declarant shall retain control of the Architectural Review Committee until such time as a certificate of occupancy has been issued on the last Lot in the subdivision unless, prior to that time, Declarant shall voluntarily assign in writing the rights, powers, duties and obligations of the occupancy has been issued on the last Lot in the subdivision, the rights, powers, duties and obligations of the Architectural Review Committee shall automatically transfer to the Association.
- b. During Declarant's control of the Architectural Review Committee, the Architectural Review Committee shall consist of one (1) or more person designated by the Declarant. At such time as the rights, powers, duties and obligations of the Architectural Review Committee may be members of the Board:
 - i. The Board may elect to either serve as the Architectural Review Committee or to designate the number of and appoint the members of Architectural Committee on an annual basis, and such appointed members of the Architectural Review Committee may be members of the Board.
 - ii. The Board may remove members of the Architectural Review Committee appointed by the Board at any time or without cause.

- iii. In the event of the death, resignation or removal by the Board of any member of the Architectural Review Committee, the Board shall have full right and authority to designate and appoint a successor to complete the unexpired term of such deceased, resigned or removed member.
- c. No outbuilding, sign, fence, hedge, wall, walk, mailbox, landscaping, grading, site improvement or other improvements or structures shall be constructed, erected, placed upon or planted on a Lot, nor shall any alteration of a Lot or improvement take place, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and location with respect to topography and finished product have been approved by the Architectural Review Committee, in writing, as to conformity and harmony of external design with the existing structures in the subdivision, including, without limitation, with respect to topography and finished ground elevation. The Architectural Review Committee shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole discretion, for safety, appearance, aesthetic or any other reasons, provided such approval is not unreasonable withheld. In approving or disapproving such plans and applications, the Architectural Review Committee shall consider the suitability of the proposed building, improvement, structure or landscaping and materials in relation to the surrounding area and the effect thereof on adjacent property.
- d. In the event the Architectural Review Committee shall fail to specifically approve or disapprove the plans and specifications submitted in final and complete form, within sixty (60) days after written request for final approval or disapproval, such plans and specifications shall be deemed approved.
- e. There is specifically reserved unto the Architectural Review Committee, the right of entry and inspection upon any Lot for the purpose of determination by the Architectural Review Committee whether there exists any construction of any improvement which violates the terms of any applicable covenants, conditions, or restrictions. The Architectural Review Committee and the Board of Directors are specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expense, and reasonable attorney's fees in connection therewith.
- f. The Association, Declaration, Architectural Review Committee or any other officer, employee, director, or member thereof shall not be liable for damage to any persons submitting plans and specifications for approval by reason of mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval, disapproval, or failure to approve any plans and specifications. Every person who submits plans and specifications, that it will not bring any action or suit against the Association, Declarant or Architectural Review Committee to recover such damages.
- g. Members of the Architectural Review Committee shall not be entitled to any compensation for services performed pursuant to this Article.

Section 2. Maintenance by Association. The Association shall maintain all Common Area and improvements thereon, including, but not limited to, maintenance, repair and replacement of the entrance sign, street signs, cemetery with its associated access easement and any associated landscaping, irrigation, or lighting. The Association shall have no maintenance and repair responsibility related to any Association or set forth in this Declaration. However, Association shall maintain all areas within the public street right of way on both sides of the entrance to subdivision.

The Association shall have the responsibility to maintain, repair, and replace the central mailbox unit installed within the Property by Declarant, whether located on a Lot or Common Area.

The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the subdivision, where the Board has determined that such maintenance would benefit all Owners.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Owner's family, guests, lessees, invitees, or contractors, and is not covered and paid for by insurance maintained by the Association, in whole or in part, then the Association may perform such added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

Section 3. Maintenance by the Owner. Each Owner at such Owner's sole cost and expense shall maintain such Owner's Lot, including all improvements thereon, in a safe, clean and attractive condition, including without limitation all of the following:

- a. Prompt removal of all litter, trash, refuse and waste;
- b. Seeding, fertilizing and watering of all lawns and mowing, edging, clipping, sweeping, pruning, raking and otherwise caring for all lawns on a regular basis, including, any portions of publicly dedicated street right of way or a private street right of way adjacent to any boundary of any such portion of the Lot and not maintained by any government entity;
- c. Pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic, do not cause unsightly or unkempt conditions and do not trespass onto the property of others;
- d. Removal of dead or diseased trees, shrubs and other plant material;
- e. Maintenance of flower and plant gardens;
- f. Maintenance of exterior lighting and mechanical facilities;
- g. Maintenance of parking areas and driveways;
- h. Ensuring proper drainage of the Lot so as to prevent soil erosion;
- i. Repairing and painting of all fences, retaining walls, and other improvements or structures on the Lot;
- j. Maintenance, repair and painting of all fences, retaining walls, and other improvements or structures on the Lot;
- k. Maintenance of all drainage easements, utility easements and other easements located on a Lot that are not specifically allocated by this Declaration to be the responsibility of Association; and
- l. Preventing and correcting unclean, unsightly or unkempt conditions of Lots and all improvements thereon, including keeping all Lots clean and free of garbage, junk, trash, debris, non-operable vehicles and apparatus, and any substance or conditions that might contribute to an unsightly condition, health hazard or the breeding and habitation of snakes, rats, insects or other wildlife or pests.

The board of Directors may adopt and enforce additional rules and regulations related to required maintenance upon the Lots.

If the Board of Directors determines that any owner has failed or refused to discharge properly any of the Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. This notice shall set forth with reasonable particularity the maintenance, within which to complete such maintenance, repair, or replacement deemed necessary. The Owner shall have ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot. The remedies provided in this Section shall be in addition to, and not in lieu of, other remedies provided in this Declaration for a violation of the Declaration.

Section 4. Dwelling Size; Setbacks; Design Requirements.

- a. No dwelling shall be constructed or permitted to remain on any Lot having an enclosed heated area, exclusive of porches, garages and decks, of less than 1,800 square feet. If additional lands are annexed pursuant to the provisions of the Declaration, the minimum enclosed heating area applicable to residential structure on Lots with said annexed additional lands shall be as set forth in the

recorded Declaration of Annexation which annexes said additional lands. If the recorded Declaration of Annexation shall not specify, the minimum heated area for said Lots shall be as set forth herein. The Declarant reserves the right to waive in writing any minor violation of this section, and for purposes hereof, any violation which does not exceed 10% shall be considered a minor violation.

- b. All yard and setback requirements shall comply with applicable local government or county setback regulations.
- c. Foundation style must be crawl space or stem wall slab. No other types of foundations are permitted.
- d. The exterior shall primarily consist of vinyl siding with wood, stone, or brick accents.

Section 5. Storm Water Runoff. No more than 7,000 square feet (or the amount that is dictated by Johnston County and/or the State of North Carolina) of any Lot shall be covered by impervious area, including structures, rights of way, paved surfaces, walkways, and patios.

Section 6. Utility and Drainage Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved to Declarant and the Association as shown on the recorded Plat as well as 10 feet along the rear of each Lot and 5 feet along each side of the Lot, unless shown in excess of such distances on the recorded plat for Lot, in which case the distance shown on the plat shall control. Within these easements, no structure, planting or other maintenance of utilities and drainage channels in the easements. Such easement areas of each Lot and all improvements on it shall be maintained continuously by the owner of the Lot. No such easement shall exist along an interior Lot line on any Lot on which a residence is permitted by these covenants. Declarant reserves the right to waive, in writing, any one or all rear side line easement requirements.

Section 7. Maintenance Easement. Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Property as are necessary to allow for the maintenance required by the Association in this Declaration. Such maintenance shall be taken to protect such property, and damage shall be required by the person causing the damage at its sole expense.

Section 8. Entry Feature Easement. There is hereby reserved to Declarant and the Association an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Property, over and upon each Lot in the Property on which entry features and similar streetscapes may have been installed by Declarant or a Builder. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

Section 9. Drainage Easement. The Lots and homes built on each lot should provide for adequate drainage of surface water away from the foundations of the homes located on each Lot, and each Lot forms an integral part of the overall drainage scheme for the subdivision. The erosion control plan approved by Johnston County originally only called for temporary sediment and drainage basins to be installed and maintained during street and utility installation improvements. These erosion control features are allowed to be removed by Declarant, Subsequent Declarant, and/or Builder as soon as all streets are completed and all disturbed areas stabilized with grass vegetation, with no permanent sediment or erosion control features being required to be kept in place and maintained on a long term basis. However, should Johnston County change such approval after the original approved erosion control plan has been implemented and subsequently require any long term sediment or erosion control features to be left in place, then, any/all such features shall be the sole responsibility of the Association to properly maintain as an expense to the Association.

Section 10. Other Easements. All of the Property, including Lots and Common Area, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, fiber optics, communications lines, and other utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting and establish upon, over, under and across the Common Area conveyed to it such further easements as are requisite for convenience, use and

enjoyment of the Property. In addition, there is hereby reserved unto the Declarant and its agents and employees an easement and the right of ingress, egress and regress across all Common Area now or hereafter owned by the Association for the purpose of construction of improvements within the Properties.

ARTICLE VII 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 Area.

Section 2. Use of Property. No portion of the Property (except for temporary offices of the Declarant and/or any model used by Declarant) shall be used except for single family residential purposes and for purposes incidental or accessory thereto. No trade or business or commercial activity shall be carried on, in or upon any Lot at any time except with the written approval of the Board, which the Board may grant so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of the Declaration or Bylaws, does not create a disturbance, and does unduly increase traffic flow or parking congestion. The Board may promulgate rules and regulations regarding permitted business activities. Leasing of a Lot in accordance with the provisions of this Article VII shall not be considered a business or business activity.

Section 3. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No portion of the Property, including any Lot, shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Property, nor shall anything be done tending to cause the embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall be not maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may diminish or destroy enjoyment of the Property. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law or unless installed in accordance with rules established by the Board, though the Board may prohibit such devices.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except as set forth herein. Dogs, cats or other household pets may be kept or maintained, provided that they are not kept or maintained for commercial purposes.

Section 5. Dwelling Specifications. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) detached single-family dwelling not to exceed three (3) stories in height, a private garage, and (with the approval of the Declarant and Architectural Review Committee) an accessory building or structure for storage or other appropriate use. No Lot shall be subdivided or recombined without the express consent of the Declarant and the Association and the applicable local government authority.

Section 6. Leasing. An Owner may let or rent his entire residence, but no portion of any residence shall be leased separately from the rest of the residence. Lots may be leased only for residential purposes. All leases must be in writing and shall have a minimum term of at least twelve (12) months. There shall be no subleasing. All leases shall require that the tenant acknowledge receipt of a copy of the Declaration, the Bylaws, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing, and the lease shall provide that the violation of any provision of this Declaration, the Bylaws, or rules and regulations of the Association shall be a breach of said lease, subjecting the tenant to termination of the lease and eviction. The Board may enact additional reasonable rules and regulations regarding the leasing of Lots, including, without limitation, a requirement that leases be registered with the Association and that tenant contact information and vehicle information be provided to the Board. No Lot or residence located thereon may be used for transient housing, for hotel purposes, or as a bed or breakfast.

Section 7. Temporary Structures. Except as hereinabove set forth no trailer, tent, shack, or other outbuilding shall be erected or placed on any Lot governed by these covenants.

Section 8. Fences. No fence or fencing-type barrier of any kind shall be placed, erected, allowed or maintained upon any portion of the Property, including any Lot, without the prior written permission to be

closer to the front street than the front of the residence, except upon approval by the Architectural Review Committee. The Architectural Review Committee may issue guidelines detailing acceptable fence styles or specification, but in no event shall "hog wire" or "chicken wire" or "chain link" fences be approved.

Section 9. Signs. No sign of any kind shall be erected by an Owner without the prior written consent of the Architectural Review Committee except:

- a. One (1) professionally lettered "For Sale" or "For Rent" sign having dimensions not to exceed 24 inches by 24 inches and a maximum height of two (2) feet above ground level may be posted in the front yard space of a Lot, or alternatively, in a window;
- b. Professional security signs may be posted on the Owner's Lot or in a window;
- c. Signs required by legal proceedings;
- d. Temporary signs may be posted in the front yard space of a Lot, or alternatively, in a window, to announce special events such as birthday parties and other social events, but such signs may be erected no more than 24 hours before the event takes place and must be removed immediately upon the conclusion of such event; and
- e. One (1) political sign with maximum dimensions of 24 by 24 inches may be posted in the front yard space of a Lot, or alternately, in window, but such sign may not be posted earlier than 45 days before the day of the election and must be removed within seven days after election day. For the purposes of this section, "political sign" means a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot.

The Architectural Review Committee shall have the right to enact reasonable rules and regulations governing the style, number, or size of permitted signs, as well as defining those events for which temporary signs may be utilized.

Notwithstanding the foregoing, the Declarant and/or Declarant's assigns shall be authorized to erect and maintain temporary signs for the sale and construction officers and for marketing of Lots and to erect and maintain decorative fencing at any sales or construction office.

Section 10. Accessory Buildings and Other Outdoor Structures. No accessory building of any nature whatsoever (including, but not limited to, detached garages, storage buildings, doghouses and greenhouses) shall be placed on any Lot without the prior written approval of the Architectural Review Committee. Under no circumstances shall metal storage buildings be permitted. All accessory buildings must conform to the same architectural style as the residence located on the same Lot. No outside clotheslines, supplies or equipment are allowed on a Lot. Garbage and refuse containers, transformers, air conditioning, and other alternative energy devices shall either be concealed behind screening or integrated into the building design so as to be inconspicuous. All outdoor equipment and accessories on a Lot, such as play structures, benches, sculptures etc. shall be concealed by approved screening or approved in writing by the Architectural Review Committee as compatible and harmonious with the surroundings.

Section 11. Appearance. Each Owner shall keep his Lot free of tall grass (grass greater than 8 inches in height is prohibited), undergrowth dead trees, trash and rubbish. Each Lot shall be maintained so as to present a neat and attractive appearance, and each Owner shall comply with those requirements set forth in Article VI, Section 3 of this Declaration. No trees that are more than 4 inches in diameter measured at a point 4.5 feet above the ground shall be removed without the prior written consent of the Architectural Review Committee except (a) dead or diseased trees; (b) trees that are located within 10 feet of a drainage area, septic field, a sidewalk, a residence or a driveway; (c) trees removed by Declarant; or (d) trees removed during the construction of the original dwelling on a Lot.

Section 12. Parking. Each Owner shall provide for sufficient space for automobile parking for the Owner and Owner's guests in an enclosed garage or driveway on the Lot. Unless otherwise approved by the Board, there shall be no parking of automobiles on any portion of the Lot except in an enclosed garage or the driveway. There shall be no parking of automobiles on the Common Area. There shall be no parking of automobiles on the streets on the Property, unless on a temporary basis in accordance with rules promulgated by the Board. No boats, trailers, commercial vehicles, campers, motor homes, tractors, golf carts, motor cycles, recreational vehicles or similar items may be parked on the streets in the Property or any Lot unless such items shall be parked in an enclosed garage or in an area approved by the Architectural Review Committee which is screened from view from the street and adjoining Lots. In no case shall recreational vehicle

parking allowed in front of or beside a residence. No inoperative, abandoned, or unlicensed vehicle or any vehicle displaying an invalid inspection sticker shall be parked or stored on any Lot or on the streets in the Property. No tractor trailer or tractor cab may be parked anywhere within the Property at any time, whether permanently or temporarily.

The operation of motor bikes, dirt bikes, all-terrain vehicles, go-carts, and motorized recreational vehicles shall be prohibited both on the streets of the subdivision and the Lots.

The Board of Directors may promulgate additional rules and regulations governing parking and operation of vehicles, conveyances and equipment within the Property, including on the Lots.

Section 13. Antennas, Satellite Dishes. No radio, television or other antenna, aerial or satellite dish may be installed without the approval of the Architectural Review Committee, except as follows:

- a. Satellite Dishes: Satellite dishes that 36 inches or less in diameter and are designed to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite, may be installed without pre-approval. As long as adequate reception is available, satellite dishes must be located on the rear exterior wall or rear roof of the residence, or the rear yard behind the residence, and to the extent possible must not be visible from adjoining lots, streets, or common area.
- b. Other Antennas: Antennas That are 36 inches or less in diameter or diagonal measurement and are designed to receive video programming services via broadband radio service (wireless cable) or to receive or transmit fixed wireless signals other than via satellite and antennas that are designed to receive local television broadcast signals may be installed without pre-approval. As long as adequate reception is available, such antennas must be located on the rear roof of the residence, or the rear yard behind the residence, and to the extent possible must not be visible from adjoining lots, streets, or common area. Dishes and other antennas and accompanying equipment should be painted to the extent possible to match the exterior of the residence or to blend in with the surrounding area and must be screened from view where possible. Owners are solely responsible for maintaining satellite dishes, antennas, and all related equipment. Owners are not permitted to install satellite dishes or antennas of any type on the Common Area.

Section 14. Garbage Receptacles. All garbage shall be stored in receptacles, which are picked up and disposed of weekly. Receptacles shall be placed out of sight of the subdivision streets at all times with the exception of the purpose of garbage pickup.

Section 15. Tanks. Propane or any other storage tanks located on any Lot must be either buried or screened in such a manner that the tank is not visible from any adjoining Lot.

Section 16. Mailboxes. No curb side mailboxes or other mail or newspaper receptable shall be installed by any Owner within the Property, including on a Lot. Central mailbox units(s) in a number sufficient to allocate one mail receptable per Lot shall be installed by Declarant on the Property, and shall be maintained, repaired, and replaced by the Association, whether located on a Lot or Common Area. No Owner may move, deface, damage or otherwise after said central mailbox units. The Board shall have authority to establish rules or regulations governing use of the boxes to the extent said rules do not interfere with the regular delivery of mail, and shall access owners on an individual basis for keys or replacement keys to the central mailbox units as may be needed.

Notwithstanding the foregoing, in the event U.S. Postal Service resumes offering individual home mail delivery, the Architectural Review Committee may permit the installation of individual curbside mailboxes, the style and color of which shall be determined by the Architectural Review Committee, but the maintenance of which shall be the responsibility of the individual Owner. No mailbox may be installed without written permission of the Architectural Review Committee.

Section 17. Pools. An in-ground pool may be permitted with the approval of the Architectural Review Committee. No above-ground pools allowed.

Section 18. Governmental Regulations. All governments buildings codes, health regulations, zoning restrictions and the like applicable to the Property shall be observed. In the event of any conflict between any provisions of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

ARTICLE VIII
ANNEXATION OF ADDITIONAL PROPERTIES

Annexation of additional property shall require approval from the appropriate governmental authority, and shall be required to occur within twenty-five (25) years from the date of this instrument, provided, however, that no annexation of additional property shall have the effect of placing the original development in violation of the appropriate governmental ordinances. Annexation of additional property shall be accomplished by recording in the Johnston County Registry a Declaration of Annexation, duly executed, describing the lands annexed and incorporating the provisions of this Declaration, either by executed, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by the fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the property on the date of recordation of the Declaration of Annexation. In the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation, except approval by government authority. Otherwise, approval of a majority of the members present in person by proxy at a meeting duly called for such purpose shall be required to annex additional property. Prior to the conveyance of the first Lot in any newly annexed area, the Declarant shall deliver to the Association one or more deeds conveying fee simple title to any Common Area within the lands annexed.

ARTICLE IX
INSURANCE

Section 1. Insurance coverage obtained by the Association on the Property shall be governed by the following provisions:

- a. Ownership of Policies. All insurance policies on the Common Area shall be purchased by the Association for the benefit of the Association and the Owners.
- b. Coverage. All buildings and improvements located on the Common Area and all personal property owned by the Association shall be insured in an amount equal to one hundred percent (100%) insurable replacement value, as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:
 - i) Loss of damage by fire and other hazards covered by the standard coverage endorsement, and
 - ii) Such other risks as from time to time shall be customarily covered with respect to improvements on the land, if any.

Such policies shall contain clauses providing for waiver of subrogation.

- c. Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be desirable and necessary, including, but not limited to, officer and directors liability coverage.
- d. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as an assessment according to the provisions of Article V above.
- e. Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgages as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stand herein or stated in the Bylaws and for the benefit of the Owners and their mortgages in the following shares:
 - i. Proceeds on account of damage to Common Area.
 - ii. In the event a mortgage endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

Section 2. The Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as their insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

- a. Expense of the Trust. All expenses of the insurance trustee shall be first paid or provisions made thereof.
- b. Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after delaying such cost shall be distributed to the beneficial Owners as above provided.

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

ARTICLE X 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 any Owner to enforce any covenant or restriction 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 judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. These covenants and restrictions shall run with, burden 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. During the Declarant Control Period, this Declaration may be unilaterally amended by the Declarant without the need for membership approval. Otherwise, this Declaration may be amended by the affirmative vote or within written agreement of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

- a. Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to any Lot to be examined.)
- b. Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed.
- c. Record the amendment in the Office of the Register Deeds of Wake County.

Section 4. Management and Contract Rights of Association. Declarant may enter into a contract with a management company for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such a contract without justification or penalty after transfer of management by the Declarant to the Association.

Section 5. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request 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 ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any modification of any insurance policy or fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the content of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

IN WITNESS WHEREOF, Declarant has hereunto caused this instrument to be executed by its duly elected officers and its corporate seal affixed hereto, all as an act and deed of the Declarant this the ____ day of June, 2020.

JSJ DEVELOPMENT, LLC

By: 
Jason S. Johnson, Managing Member

JSJ BUILDERS, INC.

By: 
Jason S. Johnson, President

NORTH CAROLINA
CUMBERLAND COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JASON S. JOHNSON

This the 6 day of July, 2020.



Official Signature of Notary

Notary's printed/typed name: Jennifer K Fincher

My Commission Expires: 4/17/21

JENNIFER K FINCHER
Notary Public
North Carolina
Cumberland County

NORTH CAROLINA
CUMBERLAND COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JASON S. JOHNSON

This the 6 day of July, 2020.



Official Signature of Notary

Notary's printed/typed name: Jennifer K Fincher

My Commission Expires: 4/17/21

JENNIFER K FINCHER
Notary Public
North Carolina
Cumberland County

The foregoing Certificate of

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.

By _____ REGISTER OF DEEDS FOR CUMBERLAND COUNTY,
Deputy/Assistant – Register of Deeds