

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR TURNBERRY SUBDIVISION

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TURNBERRY SUBDIVISION (This "Declaration"), made this 29th day of March, 1995, by and between THE NEW FORTIS CORPORATION, a North Carolina corporation (hereinafter referred to as "Declarant") and any and all persons, firms or corporations hereafter acquiring any of the lots shown on the map hereinafter referred to.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain real property (the "Property") in that certain subdivision (the "Subdivision") known as Turnberry, as shown on those certain maps (the "MAP" or "MAPS" as applicable) recorded respectively, in the Mecklenburg County Public Registry, in Map Book 26 at Page 391;

WHEREAS, Declarant plans to sell the lots (the "Lots") in the Subdivision to persons, firms, or corporations for the construction of single-family dwellings and the use and enjoyment thereof (such purchasers being hereinafter referred to as the "Lot Owner"); and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set forth to restrict the use and occupancy of the Property for the protection of the Lots and the Lot Owners;

WHEREAS, Declarant has caused to be created for the purposes aforesaid a North Carolina non-profit corporation under the name and style of TURNBERRY HOMEOWNERS ASSOCIATION, INC., (Association");

NOW, THEREFORE, Declarant hereby declares that the Lots shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements, which are for the purpose of protecting the value and desirability of, and which shall run with such Lots and be binding on all Lot Owners and any and all parties having any right, title or interest in such Lots, their heirs, successors, and assigns, and shall inure to the benefit of each such Lot Owner or party thereof. The Declarant and all Lot Owners hereby agree to restrict the Lots as follows.

SECTION 1. Subdivision of Lots. No Lot shall be subdivided by sale or otherwise so as to reduce the total area of any Lot from the area designated on the aforesaid recorded map or plat, except by and with the written consent of the Declarant, or its successors or assigns, or by the written consent of two-thirds of the then current Lot Owners.

SECTION 2. Reserved Easements. The Declarant reserves for itself, its successors and assigns, as easement in and the right at any time in the future to grant a ten-foot right-of-way over, under and along the rear and side lines of each Lot and a ten-foot right-of-way over, under and along the front portion of each lot adjacent to, but lying outside of the margin of the right-of-way of the street on which such Lot is located, for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary or useful for storm drainage purposes or for furnishings electric power, gas, water, sewer, cable television, telephone service and other utilities to the Lots or to any lots in the subdivision adjacent to the Subdivision which have been or will be developed by Declarant or its successors or assigns.

SECTION 3. Residential Use of the Property. All Lots shall be used for residential non-commercial purposes only, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling unit, not to exceed two and one-half (2 ½) stories in height (with a basement of any type not to be considered a story), and any necessary structure customarily incidental to such residential use. The foregoing is not just a structural restriction, but also a usage restriction. No garage constructed on any Lot shall be used for living quarters of any kind, either for guests, members of the family or domestic employees, and the construction or maintenance of “garage-apartments” is expressly prohibited. No portion of any Lot or dwelling thereon may be rented or leased except for a lease of the entire Lot and all of any dwelling thereon for a term of not less than three (3) months for use as a residence for a single-family unit. Provided, however, that Declarant may build, furnish and maintain a sales trailer or model homes, i.e., sales centers, in subject subdivision for the purpose of sales and merchandising of Lots and/or homes.

SECTION 4. Minimum Size of Dwellings. The dwellings shall contain at a minimum 1,200 square feet of heat space.

SECTION 5. Approval of Plans Before Construction.

(a) Guidelines. Listed hereinafter are guidelines which are not intended to be absolute and complete guidelines, but address certain critical areas which will be carefully considered by the Declarant, its successors or assignees in the approval or disapproval of an Owner’s plans and specifications:

1. Exterior Materials.

A. Exterior materials shall be brick, stucco, stone or siding, including vinyl siding, as approved by the Declarant.

B. Brick Type: Very light or white colored, orange or Holiday Hills brick is not acceptable. A brick sample must be submitted for approval to the Declarant prior to the ordering of brick for the construction of any residence.

C. Mortar: All brick veneer on each residential structure shall have standard color mortar joints, black or weeping mortar joints will not be accepted.

D. Stone: Weathered granite or Tennessee fieldstone with natural color mortar joints are acceptable. Black mortar joints will not be accepted.

E. Roofs: Roof pitches to be no less than 8:12, unless otherwise approved in writing by the Declarant. All flashings as well as roof stacks and plumbing vents, must be painted flat black; providing, however, that flashings constructed solely of copper may be left unpainted.

F. Mail Boxes and Supports: All mail boxes and supports shall be of a single type and color, fabricated to a design approved by the Declarant.

2. Exterior Colors: All exterior colors (brick, roof, paint, stain, etc.) must be submitted to the Declarant prior to ordering and application.

3. Interior Features: First floor ceiling height must be no less than 8 feet and may be smooth or blown finished.

4. Driveways and Walkways: All driveway and walkway surfaces must be paved concrete finished. Curved driveways are encouraged.

5. Garage Doors: Garage doors should be constructed in a manner and in a color to harmonize with the remaining construction of the residence.

6. Landscaping: Landscaping must be completed no later than thirty (30) days after final inspection by building inspector or prior to occupancy, whichever is sooner, unless an extension has been granted by the Declarant.

(b) Improvement Approval. Before (i) any building, structure, fence, sidewalk, hedge, landscaping, obstruction, wall, or drive, shall be erected, planted, placed or altered on any Lot; (ii) any exterior addition or change shall be made or constructed or altered on any Lot; (iii) any grading, excavation or alteration of the topography of any Lot shall be made; or (iv) any activity, whether construction, grading or excavation, shall be conducted which would or might alter, increase, redirect, channel or otherwise change the direction, volume or rate of flow of any storm water runoff from such Lot or otherwise affect, impact or overload the subdivision's storm water drainage control system (collectively such activities shall be referred to as "Improvements"), Declarant, its successors or assigns, must expressly approve in writing such proposed Improvements to ensure the conformity and harmony of the external design of the proposed Improvements

with existing or planned structures in the Subdivision. All proposed improvements shall comply with applicable governmental laws, ordinances, rules and regulations and the storm water drainage plans as originally conceived for the subdivision, and no proposed Improvements may unduly burden the subdivision's storm water drainage control system. As to the approval of items described in clause (iv) above, the Declarant may condition its approval upon the submission by the Lot Owner of satisfactory evidence that all governmental approvals required in connection with such activity have been obtained and that such activity will comply with all applicable governmental laws, ordinances, rules and regulations; provided, however, that by and through such approval process Declarant undertakes no responsibility in protecting any Lot or Lot Owner from violations by any other Lot Owner of any statutory or common law regarding the duties and obligations of a property owner with respect to the natural flow of water from, on or across such property owner's land, or the control over or effect upon any storm water runoff emanating from such property owner's land. The approval by Declarant, its successors or assigns, shall be based on the size, plan and appearance of the principal residential structure, the location of the principal residential structure on the Lot, the size, plan and appearance of any attached or detached garage, the location and manner of construction of any driveway, swimming pool, utility building, patio or other Improvements, the composition and color of all materials used on the exterior of any structure, and the location and type of any shrubbery and other landscaped features. Mere compliance with the required minimum heated area requirements established in Section 4 above will not ensure plan approval.

(c) Procedure. Any Lot Owner desiring the Declarant or the Declarant's successors' or assigns' approval of any proposed Improvement to any Lot shall submit to the Declarant or its successors or assigns, (i) plans and specifications showing in such detail and manner as Declarant may require the nature, height (ii), materials and location of the proposed Improvements, and (iii) a plat prepared by a North Carolina Registered Land Surveyor showing the location of the proposed Improvements on the Lot. All decisions by Declarant shall be based on the Declarant's discretionary determination as to whether any particular Improvements is suitable and harmonious with the general plan of development of the Subdivision. The Declarant may, but shall not be required to, promulgate and from time to time supplement or amend certain architectural guidelines (the "Architectural Guidelines") to assist Lot Owners in preparing plans that comply with the aforesaid architectural standards. The Declarant's approval or disapproval of any proposed Improvements shall be in writing. In the event that the Declarant fails to approve or disapprove any proposed Improvement within thirty (30) days after the plans and specifications in such detail as the Declarant may require have been submitted to Declarant, no approval will then be required and compliance with this Section shall be deemed to have been obtained. Subsequent to the approval of any proposed Improvements, the Lot Owner shall have the responsibility for making such Improvement in accordance with the plans and specifications as approved. Approval by Declarant of any proposed Improvement shall not constitute or be construed as approval of the structural stability, design or quality of any Improvement or compliance of any such Improvement with applicable laws and codes. The Declarant may appoint, dismiss, replace members of, add members to, and/or dismiss members from as architectural

review committee (the “Architectural Review Committee”) consisting of one or more individuals to review and approve proposed plans in the place and stead of Declarant. Upon the vesting of Declarant’s rights in the Association, the Association shall appoint an Architectural Review Committee (the “Architectural Review Committee”) which shall act as successor to the Declarant or the Architectural Review Committee and shall be vested with and exercise the Declarant’s right of architectural approval (including the right to promulgate or amend the “Architectural Guidelines”) as specified in this Section 5 (c). The Association Architectural Review Committee shall be composed of three (3) or more persons, at least two (2) of which shall be Lot Owners and residents of the Subdivision.

(d) Remedies/Declarant. The plans and specification for the proposed Improvements must be submitted prior to any ground breaking or construction. If the Lot Owner fails to submit such plans for approval, whether such failure is intentional or not, and Declarant, its successors or assigns, fails to demand enforcement of the restrictions set forth in this Section by mere inadvertence or otherwise, such failure on the part of Declarant, its successors or assigns, shall not constitute a waiver of Declarant’s its successors’ or assigns’, right of approval nor of any right to enforce, at law or in equity, all conditions, covenants and restrictions contained in this Section. Any Lot Owner which fails to obtain the approval required in the Section 5 will be proceeding in constructing an Improvement at his own risk. In addition, in the event that the Declarant, its successors or assigns, must resort to legal action to enforce the restrictions herein set forth, Declarant, its successors or assigns, shall be entitled to recover reasonable attorney’s fees from the offending Lot Owner.

SECTION 6. Setback Lines for Buildings.

(a) Setback Lines. No building shall be erected on any residential Lot nearer to any street line than the building setback lines shown on the recorded map, and with respect to a corner Lot no residence or other building shall be located nearer to the side street line than the building setback lines shown on the recorded map. With respect to corner Lots the front lot line shall be deemed the street line having the shorter frontage, and any residence erected on such corner Lot shall face the front lot line. No building, garage or other accessory structure incidental to the residential use of the Lots shall be located nearer to a side Lot line than permitted by Charlotte/Mecklenburg zoning ordinances. For purpose of determining compliance or noncompliance with the foregoing building line requirements, porches, terraces, eaves, wing-walls, and steps extended beyond the outside wall of a structure shall not be considered as part of the structure; provided, however, that this provision shall not be construed to authorize or permit encroachment of any structure upon any easement shown on the recorded plat or reserved herein or upon any other Lot.

(b) Violation of Setback Line Requirements. Declarant may waive an unintentional, minor violation of any of the building line restrictions herein set forth; provided however, the width of the encroachment into the restricted are shall not exceed ten percent (10%) of the marginal requirement of such building line restriction. The

decision as to whether the violation is “minor”, is solely within the discretion of the Declarant, its successors or assigns, and said decision shall be a final determination of the issue.

SECTION 7. Use of Outbuildings and Similar Structures. No trailer, camper or other structure of a temporary nature shall be erected upon any Lot and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence either temporarily or permanently upon any Lot and no motor homes, motorized vehicles, trailers or boats with trailers shall be allowed or permitted to be stored or kept on any Lot, or on the street or streets adjoining such Lot, in excess of seventy-two (72) continuous hours unless completely contained in a carport, garage or other approved outbuilding.

SECTION 8. Nuisance and Unsightly Materials. No noxious, offensive or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Subdivision. All security systems installed in residences in the Subdivision must have automatic reset mechanisms that limit any exterior noise to a reasonably appropriate length of time. Any residence with a security system that emits noise audible to the residents of adjoining Lots for more than a reasonably appropriate length of time shall be deemed a nuisance within the meaning of this Section. No exterior antennas, towers, or solar panels or equipment shall be erected on any Lot or attached to any structure on any Lot without receiving Declarant’s prior written consent. No satellite dishes shall be erected on any Lot or attached to any structure. No basketball goals shall be allowed in any front yard. No statues, animal replicas, basketball goals or similar appurtenances shall be placed or erected in the front or side yard of any Lot without Declarant’s prior written consent. No person may keep any animal or poultry upon any part of a Lot except that any Lot Owner then occupying a residence upon a Lot may keep customary household pets upon such Lot; provided, that such pets (i) are not kept, bred or maintained for any commercial purposes; (ii) that such pets are not kept in such numbers, or of such a nature, or in such a manner as to become a nuisance to the other Lot Owners or residents of the Subdivision; and (iii) are not of a breed or type that has been identified or designated as “dangerous” or otherwise require their owners to implement special precautionary measures under the provisions of any local animal control or other applicable law, regulations or ordinance.

SECTION 9. Maintenance of Lot. Each Owner shall keep his Lot in an orderly condition and shall keep the improvements thereon in a suitable state of repair, promptly repairing any damage thereto by fire or other casualty, including water or sewer casualties. No clothesline may be erected or maintained on any Lot other than a clothesline located directly behind the residence. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever nor for the storage of any property or thing or the conducting of any activity that will be a nuisance or cause any noise that will disturb the peace and quiet of the residents of surrounding Lots, and no trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure; provided, however, the the foregoing shall not be construed to prohibit temporary deposits, not in excess of three (3)

days, of trash, rubbish and other debris for collection by governmental or other similar garbage and trash removal units. In the event that any Lot Owner fails or refuses to comply with any of the terms and provisions of this Declaration, including the payment or repayment of any costs or charges for which such Lot Owner is responsible hereunder, the Declarant, its successors or assigns, or any of the then existing Lot Owners within the Subdivision may demand that the offending Lot Owner promptly comply with and remedy the same by mailing a notice to the Owner at the address of his Lot identifying the offensive activity or such failure of payment or other non-compliance, or by posting such notice on a sign placed in the front yard of such offending Lot Owner's Lot. If the Owner has not complied of such notice, the Declarant or any other Lot Owner, by and with the approval in writing of five (5) of the then existing Lot Owners in the Subdivision, may make such payment if such payment has not already been made by the Declarant or the Association, or enter and correct such violation or non-compliance at the offending Lot Owner's expense, or obtain injunctive relief by order of a court of competent jurisdiction, in which event the offending Lot Owner shall be responsible for the costs and expenses of correcting such violation or non-compliance, including attorneys' fees, and/or costs and expenses associated with obtaining such injunctive relief. All Lot Owners, by acquiring property subject to these restrictions, agree (i) to pay all such costs and expenses that are the responsibility of the Lot Owner or a particular Lot Owner pursuant to the provisions hereto promptly upon demand and (ii) that until such time as such costs and expenses are paid, the Declarant or its successors and assigns (or the applicable Lot Owners) as provided for herein, shall be entitled to and shall have a lien upon the offending Lot Owner's Lot in the amount of such costs and expenses, which lien shall be subordinate and inferior to the lien of any first or second priority Deed of Trust on such Lot. No such entry as provided herein shall be deemed a trespass.

SECTION 10. Signboards. No signboards, billboards or advertising signs of any description shall be displayed upon or above any Lot with the exception of:

(a) One sign stating "For Rent" or "For Sale", which sign shall not exceed two feet by three feet in dimensions;

(b) The name of the resident of any Lot and the street address, the design of which shall be furnished to the Declarant upon request and shall be subject to approval by the Declarant; and

(c) During construction and marketing of the Subdivision of a dwelling, one sign stating the name of the building or contractor, which sign shall be not more than sixteen by twenty-four inches in dimensions, and one sign stating "Future Home of ...", which sign shall not be more than sixteen by twenty-four inches in dimensions; and

(d) One sign stating "Model Open" and one sign providing model information, which signs shall not exceed three feet by six feet in dimensions.

SECTION 11. Enforcement. The Declarant, any Owner, or any other person, firm or corporation owning any interest in a Lot, shall have the right to enforce, by any

proceedings at law or equity, all conditions, covenants and restrictions now or hereinafter imposed by the provisions of this Declaration. Any failure by such party to enforce any such covenant, condition or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 12. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any of the other provisions not expressly held to be void, and such remaining provisions shall remain in full force and effect.

SECTION 13. Effective Period. The covenants, conditions and restrictions of this Declaration shall run with the land and bind the Lot Owners of the Lots for a period of twenty-five years from the date this Declaration is recorded, after which time such covenant, condition or restrictions shall be automatically extended for successive periods of ten (10) years unless terminated as hereinafter provided. The reserved easements shall permanently run with the Lots.

SECTION 14. Amendment and Termination. This Declaration may be altered, modified, cancelled or changed at any time in any manner by a written document executed by the Declaration together with the Lot Owners of at least two-thirds of the Lots then owned by persons or entities other than the Declarant. Any such amendment must be recorded in the Mecklenburg County Public registry and shall not be effective until so recorded. After the initial twenty-five (25) year term hereof, this Declaration may be modified or terminated by a vote of the Lot Owners of a majority of the Lots.

SECTION 15. Association as Successor to Declarant. Upon the transfer by Declarant of its rights hereunder to the Association pursuant to a recorded memorandum of transfer (“Transfer Date”), all of the rights, duties, benefits, privileges and obligations of Declarant hereunder shall vest automatically in the Association. Any reference to Declarant herein shall be deemed to include a reference to Declarant or its successors or assigns.

SECTION 16. Entrance Features. Declarant shall have the right and reserves an easement to construct or cause to be constructed and to maintain, repair, dismantle, renovate or revise certain entrance features (the “Entrance Features”) for the Subdivision on certain lots as hereinafter specified, which Entrance Features shall include but not be limited to walls, fences, signage (either affixed to such entrance walls or fences or free standing), gates, lighting, and/or some combination of the foregoing, together with landscaping associated therewith. The following lots (collectively the “Entrance Feature Lots”) shall be subject to the foregoing right and easement (the “Entrance Features Easement”):

LOT NO.

1, 2, 3, and 4

73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85 and 86

If Declarant constructs Entrance Features on any Entrance Feature Lot, it will maintain same until it transfers its rights hereunder to the Association pursuant to Section 15 above, after which date the Association shall assume such maintenance obligation. No Owner of any Entrance Feature Lot shall remove, alter, obscure or conceal in any manner (including but not limited to the failure to maintain and keep trimmed such portions of the Entrance Lot in the immediate vicinity of the Entrance Feature) any Entrance Feature or portion thereof. After the Transfer Date, the Association may not remove, relocated, alter or dismantle any Entrance Feature without the Declarant's prior written consent unless and until such time as Declarant shall have conveyed all of Declarant's Lots in the Subdivision.

SECTION 17. Assessments. The Declarant, for each Lot owned by it, hereby covenants and agrees, and each Lot Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association any costs, fees, charges or assessments (collectively, the "Assessment") that may be levied or assessed by the Association or any governmental body or agency or municipality in connection with the maintenance, upkeep, repair or replacement of the Entrance Features. Any such Assessment, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the Lot of each Owner and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal or corporate obligation of the person(s), firm(s), or corporation(s) owning such Lot at the time the Assessment fell due, but such personal obligation shall not be imposed upon such Lot Owner's successors in title, unless expressly assumed by them. Although any unpaid Assessment is not the personal obligation upon such Lot Owner's successors in title unless expressly assumed by the successors in title, any unpaid Assessment continues to be a lien upon the Lot against which the Assessment has been made.

The lien for the Assessment provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any Assessment liens. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessment as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

The Assessment provided for herein shall commence as to all recorded Lots following the Transfer Date in an amount to be determined by the Board of Directors of the Association. At least thirty (30) days before January 1 of each year following the

Transfer Date, the Board of Directors shall set the amount of the Assessment for the ensuing year for each Lot. The due dates for the payment of the Assessment shall be established by the Board of Directors. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a minimum rate of eight percent (8%) per annum or at the rate established by the Board of Directors at the beginning of the fiscal year of the Association. The Association may bring an action at law against the Lot Owner personally obligated to pay the Assessment or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such Assessment. No Lot Owner may waive or otherwise escape liability for any Assessment provided for herein by abandonment of his Lot. The mortgagee of a Lot within the property is not required to collect Assessment from the Lot Owner.

The omission of the Board of Directors, before the expiration of any year, to fix the Assessment hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or release of any Lot Owner from the obligation to pay the Assessment, or any installment thereof, for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

SECTION 18. Annexation of Property. If Declarant is the owner from time to time of any property adjoining in whole or in part any portion of the land now or hereafter constituting any portion of the Property ("Additional Property") which it desires to add to the scheme of this Declaration, it may do so by filing of record, on or before December 30, 1999, a Supplemental Declaration (herein so called) which shall extend the scheme of this Declaration to such Additional Property; provided, however, that such Supplemental Declaration, as applied to the Additional Property covered thereby, may include such specific additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens as may be set forth in such Supplemental Declaration; and if a person or entity other than Declarant desires to add property to the scheme of this Declaration, such property may only be so added if it adjoins in whole or in part any portion of the land now or hereafter constituting any portion of the Property and if Declarant and the Association, by a vote of 2/3 of the members present at any annual or special meeting at which the addition of further property is considered, give written consent thereto, and if the foregoing condition are met such property shall be considered "Additional Property"; provided, however, that Declarant's consent will not be necessary after December 30, 1999.

SECTION 19. Contents of Supplemental Declaration. Each Supplemental Declaration shall set forth the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens to which the Additional Property covered thereby shall be subject. Such controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens may contain additions, deletions and modification from those contained in this Declaration, as the parties subjecting such Additional Property to the scheme of this Declaration may desire; provided if such party is other than Declarant, as a condition to such party's right to so impose such additions,

definitions or modifications, such party must obtain the prior written consent thereto of Declarant and the Association, acting through its Board; provided, however, that Declarant's consent will not be necessary after December 30, 1999. In no event shall such Supplemental Declaration revoke, modify or add to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens established by this Declaration or a previously filed Supplemental Declaration as it applies or they apply to the Property or to previously added Additional Property.

SECTION 20. Membership in the Association. Each Lot Owner shall be a member of the Association; provided, however, that any person or entity who holds title or interest in a Lot merely as a security for the performance of an obligation shall not be a member of the Association. Members of the Association are subject to the Articles of Incorporation and By-Laws of the Association, which are hereby incorporated herein by reference.

SECTION 21. HUD, FHA, V A, FNMA Approval. As long as there is Class B membership as defined by the By-Laws of the Association, the following actions will require the prior approval of the Department of Urban Housing and Development ("HUD"), the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") or the Federal National Mortgage Association ("FNMA"): annexation of Additional Property, dissolution, mergers or consolidations of the Association, dissolutions and amendment of this Declaration, dissolution and amendment of the Articles of Incorporation of the Association, and amendments of the By-Laws of the Association.