

Lily Farm Rules and Regulations

These apply in addition to the HOA Covenants and provide further clarification of guidelines

ARC approval is required for: Fences, Buildings/sheds, Driveway extensions, Patios, Swimming Pools, large landscaping changes on the exterior of the home including planting of shrubs, trees and large flower beds. All external changes to homes including, but is not limited to, changes to doors, and windows require approval. When in doubt, submit a request form. If changes occur after ARC approval, you must notify the board in writing BEFORE the project is completed with changes.

If the regulations below state you must receive ARC approval, you are required to submit the attached Architectural Request Form before altering the exterior of your home or landscape. This form asks for detailed information about the project, diagrams, drawings, photos, rooflines, dimensions, colors, plat plans, types of plantings and signatures of adjacent neighbors.

The approval of your request does not ensure that your project meets any City, County or State codes, rules, or guidelines. Please contact these agencies to learn what is required, and to obtain all necessary permits.

Yard Maintenance

- Yards should remain maintained including easements within your property. Weeds should remain in control.
- Home sites must be kept clean, mowed, weeded, mulched (pine straw, mulch, rock, gravel) and free of debris.
- Trees, shrubs, and plantings may not overhang or encroach upon any street (at least 10 feet away from street) or another homeowner's property (including roots)
- Housing Exteriors shall be maintained and remain free of mold and discoloration

Fences

- 6-foot privacy (wood or white vinyl)
- Wood fences can be clear coated with wood sealer or stained a natural color. If stained, the stain must be maintained at all times (Color should be specified and included in your ARC review request)
- 4-foot black chain link with privacy slats optional
- 4 foot black aluminum fence
- Top of wood slats must be consistent with topography of the land, and that they be 6 foot in height and no larger.
- Fences cannot be "scaloped" at the tops, they must be straight.
- Fences should be even on both sides of house and should be as close to the back corner as possible (i.e., off the back corner on one side and even on the other side).
- All fences must be maintained and free of bowed boards, mold, mildew and remain structurally sound.
- Provide as much detail as possible in your ARC Review Request

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Sheds

-Shed structures 12 x 18 or less can be made of wood, siding or decorative plywood and must be painted the same color as shown on the home. Shed can also be wrapped in vinyl to match home. Shingles must also match the shingle color of home. All sheds must be located in the backyard and follow Johnston County's setback regulations and be maintained in good condition at all times. One (1) shed will be allowed per lot.

- Lean-tos are allowed as long as Johnston County Building Code is followed

Swimming Pools

-Require ARC approval

-Kiddie pools are allowed in the rear yard without approval but shall remain maintained

-Must be located in the rear yard

-Privacy Fences are required for all pools larger than standard kiddie pool or deeper than 2 ft.

- No in-ground pools allowed

Solar Panels

-Must be approved

-Should be installed so they are on the roof of the house, flat on the roof. No free standing or ground mounted panels will be allowed

Basketball goals

-Permanent, in ground, hoops require ARC approval before installation. Hoops attached to the home are not allowed. Portable basketball goals are allowed but must be placed next to the driveway in such a manner that use of the goal is contained to the driveway. Portable basketball goals may not be placed in the yard next to the street in such a manner that to use the goal one must be in the street.

Lighting (Exterior)

-Requires ARC approval before installation of new exterior lighting. Replacement of an existing light fixture does not require ARC approval.

-Exterior lighting may not shine on adjacent properties or public spaces.

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Noise and offensive activities

-Residents must respect the rights of their neighbors to peace and quiet. Noise from your property should never be so loud as to disturb neighbors. Johnston County Noise Ordinance is in effect from 11:00pm – 7:00am daily.

Residents are encouraged to politely request offenders to reduce the noise. When this is not done, residents should phone the police (911), giving their name and address, as well as the address from which the offending noise is coming.

Parking

-On-street parking is limited to guests of residents. Personal vehicles should be parked in the garage or driveway.

-Overnight street parking should be allowed for 2 consecutive nights only for out-of-town guests (if there is no space in your driveway). Please contact a member of the HOA board and notify in advance of a situation where longer parking would be needed.

-You and your guests should not park directly behind a neighbor's driveway or directly across from another parked vehicle

- All vehicles should be parked in a manner that passage of large vehicles can occur at all times not limited to delivery vehicles, school buses and emergency vehicles.

Trash Cans/ Recycling Bins

-Trash Cans/ Recycling Bins should not be placed by the road until the night before designated Trash pickup. After trash pickup they should be moved to the side of your house within 1 day. Occasional extensions given due to Friday pick up days and out of town vacations.

Vehicles

-Only very minor motor vehicle maintenance is permitted on your lot within the community. Repairs may not be made on common area or on any street

- One boat, camper or trailer per household shall be allowed and parked to the rear of the house. Grass shall be maintained around the structure at all times. Any more than 1 of the above should be parked in an enclosed privacy fence.

All-Terrain Vehicles

- No ATVs, dirt bikes or go-carts will be permitted to operate on any street or common areas. The use should be limited to your personal property. Golf Carts that are properly authorized for operation on public streets and operated by a licensed driver, may be driven within the properties, however.
- This does not apply to street legal all-terrain vehicles.

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Pets

- Animals, livestock, or poultry of any kind shall not be raised, bred, or kept in any lot.
- No more than 4 dogs per household, no pets shall be kept outside
- No animals should be kept chained or tied to a stake of any kind at any time. No outside dog houses or chain link pens.
- When off of owners premise all dogs must be leashed and accompanied
- Pet-owners are responsible for the removal of all of their animal's waste on all private and common areas.

First Notice:

A letter will be sent to the Owner of the property outlining the violation. If the home is a rental a letter will be sent to both the owner and the property tenant. The owner is given 14 calendar days to bring the violation into compliance. Can request an extension on a case by case basis.

Second Notice:

The second letter notifies the Homeowner that a fine of (\$20 per day from the date of the second letter until the violation is corrected. Maximum of \$100) has been assessed against them and continued violation will result in legal action and legal fees assessed to the Homeowner at the discretion of the Board of Directors.

Violation Fees will be added to the general fund.

Subsequent violations will be subject to a lien on your property.

Violation fee: \$20 per day from the date of the second letter until the violation is corrected. Maximum of \$100.

§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or services.

Unless a specific procedure for the imposition of fines or suspension of planned community privileges or services is provided for in the declaration, a hearing shall be held before the executive board or an adjudicatory panel appointed by the executive board to determine if any lot owner should be fined or if planned community privileges or services should be suspended pursuant to the powers granted to the association in G.S. 47F-3-102(11) and (12). Any adjudicatory panel appointed by the executive board shall be composed of members of the association who are not officers of the association or members of the executive board. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further

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§ 47F-3-116. Lien for sums due the association; enforcement.

(a) Any assessment attributable to a lot which remains unpaid for a period of 30 days or longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the clerk of superior court of the county in which the lot is located in the manner provided in this section. Once filed, a claim of lien secures all sums due the association through the date filed and any sums due to the association thereafter. Unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the claim of lien under this section as well as any other sums due and payable to the association under the declaration, the provisions of this Chapter, or as the result of an arbitration, mediation, or judicial decision.

(b) The association must make reasonable and diligent efforts to ensure that its records contain the lot owner's current mailing address. No fewer than 15 days prior to filing the lien, the association shall mail a statement of the assessment amount due by first-class mail to the physical address of the lot and the lot owner's address of record with the association and, if different, to the address for the lot owner shown on the county tax records for the lot. If the lot owner is a corporation or limited liability company, the statement shall also be sent by first-class mail to the mailing address of the registered agent for the corporation or limited liability company. Notwithstanding anything to the contrary in this Chapter, the association is not required to mail a statement to an address known to be a vacant lot on which no dwelling has been constructed or to a lot for which there is no United States postal address.

(c) A claim of lien shall set forth the name and address of the association, the name of the record owner of the lot at the time the claim of lien is filed, a description of the lot, and the amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure, as provided in subsection (f) of this section. The first page of the claim of lien shall contain the following statement in print that is in boldface, capital letters, and no smaller than the largest print used elsewhere in the document:

"THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH FORECLOSURE AGAINST YOUR PROPERTY IN LIKE MANNER AS A MORTGAGE UNDER NORTH CAROLINA LAW."

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The person signing the claim of lien on behalf of the association shall attach to and file with the claim of lien a certificate of service attesting to the attempt of service on the record owner, which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy of a summons and a complaint. If the actual service is not achieved, the person signing the claim of lien on behalf of the association shall be deemed to have met the requirements of this subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first-class mail, postage prepaid to the physical address of the lot and the lot owner's address of record with the association, and, if different, to the address for the lot owner shown on the county tax records and the county real property records for the lot. In the event that the owner of record is not a natural person, and actual service is not achieved, the person signing the claim of lien on behalf of the association shall be deemed to have met the requirements of this subsection if service has been attempted once pursuant to the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9). Notwithstanding anything to the contrary in this Chapter, the association is not required to mail a claim of lien to an address which is known to be a vacant lot on which no dwelling has been constructed or to a lot for which there is no United States postal address. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the filing of the claim of lien in the office of the clerk of superior court.

(d) A claim of lien filed under this section is prior to all liens and encumbrances on a lot except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed of trust on the lot, recorded before the filing of the claim of lien in the office of the clerk of superior court and (ii) liens for real estate taxes and other governmental assessments and charges against the lot. This subsection does not affect the priority of mechanics' or materialmen's liens.

(e) The association shall be entitled to recover the reasonable attorneys' fees and costs it incurs in connection with the collection of any sums due. A lot owner may not be required to pay attorneys' fees and court costs until the lot owner is notified in writing of the association's intent to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class mail to the physical address of the lot and the lot owner's address of record with the association and, if different, to the address for the lot owner shown on the county tax records for the lot. The association must make reasonable and diligent efforts to ensure that its records contain the lot owner's current mailing address. Notwithstanding anything to the contrary in this Chapter, there shall be no requirement that notice under this subsection be mailed to an address which is known to be a vacant lot on which no dwelling has been constructed or a lot for which there is no United States postal address. The notice shall set out the outstanding balance due as of the date of the notice and state that the lot owner has 15 days from the mailing of the notice by first-class mail to pay the outstanding balance without the attorneys' fees and court costs. If the lot owner pays the outstanding balance within this period, then the lot owner shall have no obligation to pay attorneys' fees, costs, or expenses. The notice shall also inform the lot owner of the opportunity to contact a representative of the association to discuss a payment schedule for the outstanding balance, as provided in subsection (i) of this section, and shall provide the name and telephone number of the representative.

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(f) Except as provided in subsection (h) of this section, the association, acting through the executive board, may foreclose a claim of lien in like manner as a mortgage or deed of trust on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes, if the assessment remains unpaid for 90 days or more. The association shall not foreclose the claim of lien unless the executive board votes to commence the proceeding against the specific lot.

The following provisions and procedures shall be applicable to and complied with in every nonjudicial power of sale foreclosure of a claim of lien, and these provisions and procedures shall control to the extent they are inconsistent or in conflict with the provisions of Article 2A of Chapter 45 of the General Statutes:

(1) The association shall be deemed to have a power of sale for purposes of enforcement of its claim of lien.

(2) The terms "mortgagee" and "holder" as used in Article 2A of Chapter 45 of the General Statutes shall mean the association, except as provided otherwise in this Chapter.

(3) The term "security instrument" as used in Article 2A of Chapter 45 of the General Statutes shall mean the claim of lien.

(4) The term "trustee" as used in Article 2A of Chapter 45 of the General Statutes shall mean the person or entity appointed by the association under subdivision (6) of this subsection.

(5) After the association has filed a claim of lien and prior to the commencement of a nonjudicial foreclosure, the association shall give to the lot owner notice of the association's intention to commence a nonjudicial foreclosure to enforce its claim of lien. The notice shall contain the information required in G.S. 45-21.16(c)(5a).

(6) The association shall appoint a trustee to conduct the nonjudicial foreclosure proceeding and sale. The appointment of the trustee shall be included in the claim of lien or in a separate instrument filed with the clerk of court in the county in which the planned community is located as an exhibit to the notice of hearing. The association, at its option, may from time to time remove a trustee previously appointed and appoint a successor trustee by filing a Substitution of Trustee with the clerk of court in the foreclosure proceeding. Counsel for the association may be appointed by the association to serve as the trustee and may serve in that capacity as long as the lot owner does not contest the obligation to pay or the amount of any sums due the association, or the validity, enforcement, or foreclosure of the claim of lien, as provided in subdivision (12) of this subsection. Any trustee appointed pursuant to this subsection shall have the same fiduciary duties and obligations as a trustee in the foreclosure of a deed of trust.

(7) If a valid debt, default, and notice to those entitled to receive notice under G.S. 45-21.16(b) are found to exist, then the clerk of court shall authorize the sale of the property described in the claim of lien by the trustee.

(8) If, prior to the expiration of the upset bid period provided in G.S. 45-21.27, the lot owner satisfies the debt secured by the claim of lien and pays all expenses and costs incurred in filing and enforcing the association assessment lien, including, but not limited to, advertising costs, attorneys' fees, and the trustee's commission, then the trustee shall dismiss the foreclosure action and the association shall cancel the claim of lien of record in accordance with the

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These apply in addition to the HOA Covenants and provide further clarification of guidelines provisions of G.S. 45-36.3. The lot owner shall have all rights granted under Article 4 of Chapter 45 of the General Statutes to ensure the association's satisfaction of the claim of lien.

(9) Any person, other than the trustee, may bid at the foreclosure sale. Unless prohibited in the declaration or bylaws, the association may bid on the lot at a foreclosure sale directly or through an agent. If the association or its agent is the high bidder at the sale, the trustee shall allow the association to pay the costs and expenses of the sale and apply a credit against the sums due by the lot owner to the association in lieu of paying the bid price in full.

(10) Upon the expiration of the upset bid period provided in G.S. 45-21.27, the trustee shall have full power and authority to execute a deed for the lot to the high bidder.

(11) The trustee shall be entitled to a commission for services rendered which shall include fees, costs, and expenses reasonably incurred by the trustee in connection with the foreclosure, whether or not a sale is held. Except as provided in subdivision (12) of this subsection, the trustee's commission shall be paid without regard to any limitations on compensation otherwise provided by law, including, without limitation, the provisions of G.S. 45-21.15.

(12) If the lot owner does not contest the obligation to pay the amount of any sums due the association or the validity, enforcement, or foreclosure of the claim of lien at any time after the expiration of the 15-day period following notice as required in subsection (b) of this section, then attorneys' fees and the trustee's commission collectively charged to the lot owner shall not exceed one thousand two hundred dollars (\$1,200), not including costs or expenses incurred. The obligation to pay and the amount of any sums due the association and the validity, enforcement, or foreclosure of the claim of lien remain uncontested as long as the lot owner does not dispute, contest, or raise any objection, defense, offset, or counterclaim as to the amount or validity of any portion of the sums claimed due by the association or the validity, enforcement, or foreclosure of the claim of lien. Any judgment, decree, or order in any action brought under this section shall include costs and reasonable attorneys' fees for the prevailing party.

(13) Lot owners shall be deemed to have the rights and remedies available to mortgagors under G.S. 45-21.34.

(g) The provisions of subsection (f) of this section do not prohibit or prevent an association from pursuing judicial foreclosure of a claim of lien, from taking other actions to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of assessments shall include an award of costs and reasonable attorneys' fees for the prevailing party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

(h) A claim of lien securing a debt consisting solely of fines imposed by the association, interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines imposed by the association may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the General Statutes. In addition, an association shall not levy, charge, or attempt to collect a service, collection, consulting, or administration fee from any lot owner unless the fee is expressly allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the General Statutes.

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(i) The association, acting through its executive board and in the board's sole discretion, may agree to allow payment of an outstanding balance in installments. Neither the association nor the lot owner is obligated to offer or accept any proposed installment schedule. Reasonable administrative fees and costs for accepting and processing installments may be added to the outstanding balance and included in an installment payment schedule. Reasonable attorneys' fees may be added to the outstanding balance and included in an installment schedule after the lot owner has been given notice, as required in subsection (e) of this section. Attorneys' fees incurred in connection with any request that the association agrees to accept payment of all or any part of sums due in installments shall not be included or considered in the calculation of fees chargeable under subdivision (f)(12) of this section.

(j) Where the holder of a first mortgage or first deed of trust of record or other purchaser of a lot obtains title to the lot as a result of foreclosure of a first mortgage or first deed of trust, the purchaser and its heirs, successors, and assigns shall not be liable for the assessments against the lot which became due prior to the acquisition of title to the lot by the purchaser. The unpaid assessments shall be deemed to be common expenses collectible from all the lot owners, including the purchaser, its heirs, successors, and assigns. For purposes of this subsection, the term "acquisition of title" means and refers to the recording of a deed conveying title or the time at which the rights of the parties are fixed following the foreclosure of a mortgage or deed of trust, whichever occurs first. (1998-199, s. 1; 2005-422, s. 6; 2009-515, s. 1; 2011-362, s. 1; 2013-202, s. 3.)