

FOR REGISTRATION REGISTER OF DEEDS

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Moore County, NC

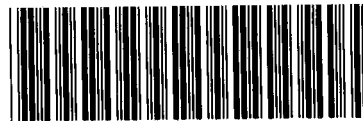
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Book 5701 Page 548-576

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INSTRUMENT # 2021020516

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Prepared by, and return to, McLendon Hills Property Owners' Association

953 Broken Ridge Drive, West End, North Carolina 27376

Brief Description for Index: Third Amended and Restated Unified Restrictive Covenants of McLendon Hills

## ADDITIONAL INDEXING INSTRUCTIONS

Please index this instrument, in the grantee and grantor indices, under the names of the record owners of the real property affected thereby and set forth on Exhibit A.**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS****THIRD AMENDED AND RESTATED  
UNIFIED RESTRICTIVE COVENANTS OF MCLENDON HILLS**

WHEREAS Equestrian Lakes, LLC, a North Carolina Limited Liability Company ("**Developer**") recorded (a) Restrictive Covenants of McLendon Hills Subdivision [Phase 1] in Book 1309, Page 437, Moore County Registry, (b) Amended Restrictive Covenants of McLendon Hills Subdivision [Phase 1] in Book 1434, Page 108, Moore County Registry, (c) Restrictive Covenants of McLendon Hills Subdivision/Phase 2 in Book 1613, Page 91, Moore County Registry, (d) Restrictive Covenants of McLendon Hills Subdivision/Phase 08-A, as amended, in Book 1662, Page 358, Moore County Registry, (e) Restrictive Covenants of McLendon Hills Subdivision/Phase 08-B in Book 2295, Page 332, Moore County Registry, (f) Restrictive Covenants of McLendon Hills Subdivision/Phase 03-A in Book 2583, Page 391, Moore County Registry, (g) Restrictive Covenants of McLendon Hills Subdivision/Phase 08-C in Book 2665, Page 519, Moore County Registry, (h) Restrictive Covenants of McLendon Hills Subdivision/Phase 03-B in Book 2724, Page 19, Moore County Registry, (i) Restrictive Covenants of McLendon Hills Subdivision/Phase 04 in Book 2942, Page 374, Moore County Registry, (j) Restrictive Covenants of McLendon Hills Subdivision/Phase 5 in Book 3357, Page 514, Moore County Registry, (k) Restrictive Covenants of McLendon Hills Subdivision/Phase 6A in Book 3357, Page 541, Moore County Registry, (l) Restrictive Covenants of McLendon Hills Subdivision/6B in Book 4432, Page 71, Moore County Registry, (m) Restrictive Covenants of McLendon Hills Subdivision/7A in Book 4432, Page 74, Moore County Registry, and (n) Restrictive Covenants of McLendon Hills Subdivision/7C in Book 4460, Page 172, Moore County Registry (collectively, the "**Declarations**").

WHEREAS McLendon Hills Property Owners' Association was incorporated under the North Carolina Nonprofit Corporation Act on September 19, 2008.

WHEREAS the Declarations provided for the general plan and uniform scheme of development and improvement for real property subject to the Declarations (collectively, the "**McLendon Hills Subdivision**") and are intended to provide for the extension thereof to all Lots (as herein defined) hereafter incorporated into the Development by the Developer.

WHEREAS, in order to address the minor inconsistencies amongst the Declarations and to provide for the application of a single declaration of Restrictive Covenants to the McLendon Hills Subdivision, Developer and Owners duly adopted the Unified Restrictive Covenants of McLendon Hills recorded in Book 3855, Page 22, Moore County Registry.

WHEREAS, pursuant to Section 7 of Article X of the Declarations, Developer and Owners duly amended and restated the Unified Restrictive Covenants of McLendon Hills pursuant to Amended and Restated Unified Restrictive Covenants of McLendon Hills recorded in Book 3899, Page 408, Moore County Registry.

WHEREAS, pursuant to Section 7 of Article X of the Declarations, the Owners voted on or about September 1, 2015 to amend the Declarations, as recorded in Book 4545, Page 450, Moore County Registry.

WHEREAS, pursuant to Section 7 of Article X of the Declarations, the Owners voted on or about January 13, 2021 to amend the Declarations, as recorded in Book 5518, Page 235, Moore County Registry.

WHEREAS, pursuant to Section 7 of Article X of the Declarations, the Owners voted on or about September 1, 2021 to amend the Declarations as hereinafter set forth, and the results thereof are set forth on Exhibit B.

NOW, THEREFORE, the Declarations are hereby amended and restated as hereinafter set forth.

### **THIRD AMENDED AND RESTATED UNIFIED RESTRICTIVE COVENANTS OF MCLENDON HILLS**

KNOW ALL MEN BY THESE PRESENTS that (a) these Third Amended and Restated Unified Restrictive Covenants of McLendon Hills (these "**Restrictive Covenants**") are applicable to the McLendon Hills Subdivision and such additions thereto as may be hereafter made pursuant to the provision of these Restrictive Covenants and (b) the McLendon Hills Subdivision and such additions thereto as may be hereafter made pursuant to the provision of these Restrictive Covenants is and shall be owned, held, transferred, sold, conveyed, mortgaged, hypothecated or encumbered, leased, improved, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in these Restrictive Covenants, each and all of which (i) shall run with the real property and be binding on all persons or entities owning any right, title or interest therein or any part thereof (whether legal, equitable or beneficial), their respective heirs, personal representatives, successors and assigns, (ii) shall inure to the benefit and be binding upon each Owner thereof, and (iii) are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the McLendon Hills Subdivision and of each of the Lots.

### **STATEMENT OF PURPOSES**

The POA desires to ensure the attractiveness of the McLendon Hills Subdivision and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the Development (as herein defined) within all of the McLendon Hills Subdivision, to regulate and supervise all improvements to be built within the McLendon Hills Subdivision, and to provide for the maintenance and upkeep of all Common Areas in the McLendon Hills Subdivision.

To this end, the real property described herein, together with additions as may hereafter be made thereto, shall be subject to the covenants, conditions, restrictions, easements, charges, and liens herein set forth, each and all of which is and are for the benefit of said property and each Owner.

The powers of owning, maintaining, and administering the Common Areas in the McLendon Hills Subdivision, administering and enforcing the covenants and restrictions contained herein, regulating and supervising all improvements to be built within the McLendon Hills Subdivision, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in the McLendon Hills Subdivision, all to ensure the Owners' enjoyment of the specific rights, privileges, and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas, are held by the McLendon Hills Property Owners' Association, which shall be the sole such organization or association for all of the McLendon Hills Subdivision, and the Owner of any Lot in any phase will belong to the POA upon acceptance of his deed.

## ARTICLE I DEFINITIONS

- 1.1** “**Accessory Structure**” shall mean and refer to a garage, pool, pool house, guest quarters, barn, shed, workshop, freestanding decking, greenhouse, gazebo, dock, manure enclosures, permanently installed recreational equipment, and similar structures other than a Dwelling.
- 1.2** “**ARB**” shall mean and refer to the Architectural Review Board, a board of Owners appointed by and accountable to the Board.
- 1.3** “**Board**” shall mean and refer to the Board of Directors, the governing body of the POA.
- 1.4** “**Common Areas**” shall mean and refer to all real property owned or leased by the POA or granted as an easement for POA use, including infrastructure and improvements thereon, as delineated on the plats in the Moore County Registry. Common Areas include, but are not limited to, Lake Troy Douglas, the dam, footpaths, bridle trails, roads, gate areas, and the POA property located at 953 Broken Ridge Trail, commonly known as, and referred to, as the “**Amenities Area**.”
- 1.5** “**Contiguous Lots**” shall mean and refer to any two Lots with a common boundary line, not within a road easement, as shown on the plats recorded in the Moore County Registry.
- 1.6** “**Covenants**” shall mean and refer to the Declarations of Restrictive Covenants, and amendments thereto, applicable to one or more portions of the McLendon Hills Subdivision recorded in the Moore County Registry.
- 1.7** “**Developer**” shall mean and refer to Equestrian Lakes, LLC, a North Carolina limited liability company, and any assignee thereof pursuant to a single assignment, grant, transfer, or other alienation that includes all, but not less than all, of its rights and obligations under these Covenants, and is set forth in a written instrument, effective upon recordation in the Moore County Registry, that constitutes a complete assignment of all, but not less than all, of its rights and obligations under these Covenants.
- 1.8** “**Development**” shall mean and refer to the McLendon Hills Subdivision constituting all properties that are now or may hereafter be made subject to these Covenants and brought within the jurisdiction of the POA.
- 1.9** “**Dwelling**” shall mean and refer to the structure used or to be used as the primary residence on a Lot.
- 1.10** “**Equine**” shall mean and refer to any member of the Equus genus of animals including and without limitation horse, donkey, ass, or mule.
- 1.11** “**Family**” shall mean and refer to persons related to the Owner through blood, marriage, legal adoption, or mutual commitment to a shared life, residing with the Owner.
- 1.12** “**Front Road**” shall be the road facing the Dwelling front as indicated on building plans approved by the ARB, except that the ARB shall designate the Front Road for corner Lots and for Lots not facing a road.
- 1.13** “**Lot**” shall mean and refer to the smallest buildable plot or parcel of land (except for the Common Areas) with delineated boundary lines described in the deeds of conveyance as shown on the plats in the Moore County Registry. Classifications of Lots shall be:
- a. “**Unimproved Lots**”. Lots shall be designated as unimproved until a certificate of occupancy is issued for the Dwelling.
  - b. “**Improved Lots**”. Lots shall be designated improved when a certificate of occupancy has been issued for the Dwelling.
- 1.14** “**Member**” shall mean and refer to an Owner.
- 1.15** “**Owner**” shall mean and refer to the owner of record of the property, whether one or more persons or entities, as recorded in the Moore County Registry, of a fee simple title to any Lot, but shall not include any person or entity having an interest merely as security for the performance of an obligation.

**1.16** **“POA”** shall mean and refer to the McLendon Hills Property Owners' Association, its successors, and assigns.

**1.17** **“Wetland Areas”** shall mean and refer to the areas delineated as wetlands on the plats of the Lots and Common Areas of the Development as recorded in the Moore County Registry or regulated as wetlands under the laws of the State of North Carolina or the United States of America.

## ARTICLE II WETLANDS AND MITIGATION/CONSERVATION AREA

**2.1** **Wetland Areas.** A portion of certain parcels within the McLendon Hills Subdivision is located within the boundaries of a Wetland Area. The Wetland Areas shall remain in their natural and open condition in perpetuity and any activities which would directly and significantly damage the nature of any Wetland Area are prohibited. Dredging, ditching, and filling of any Wetland Area shall be deemed activities which significantly damage their nature and shall be prohibited. Notwithstanding the foregoing, the installation and maintenance of driveways, utility lines, road crossings, and pedestrian and equestrian trails are permitted within the Wetland Area in accordance with all applicable federal and state regulatory requirements. Normal or customary residential activities, including, but not limited to, the planting and maintenance of grass, shrubs, and gardens, shall not be prohibited on areas adjacent to the Wetland Area, in accordance with all applicable federal and state regulatory requirements.

**2.2** **Enforcement of the Wetland Area Covenants.** The covenants set forth in this Article II are in consideration for, and required as a condition of, Section 401 Water Quality Certification, No. 3209, dated April 6, 1999, issued by the North Carolina Division of Water Quality, Department of Environment and Natural Resources, for activities impacting wetlands in the McLendon Hills Subdivision, including mitigation therefor, and are intended to ensure in perpetuity, preservation of the Wetland Areas and continued compliance with all applicable federal and state regulatory requirements. Therefore, this Article II is for the benefit of and may be enforced by the State of North Carolina and the United States of America. The State of North Carolina and the United States of America may, after reasonable notice to the Owner of the parcel within the McLendon Hills Subdivision that includes the relevant portion of a Wetland Area, conduct a visual inspection of the Wetland Area at reasonable times to determine compliance with these Covenants. In the event a violation of these Covenants is found to exist, the State of North Carolina and the United States of America may institute suit to enjoin, by ex parte, temporary, or permanent injunction, such violation, and require restoration of the applicable Wetland Area to the condition in which it existed immediately prior to the violation. No failure on the part of the State of North Carolina or the United States of America to enforce any covenant contained in this Article II shall discharge or invalidate such covenant or their respective rights to enforce the same in the event of a subsequent breach. The covenants set forth in this Article II run with the land and shall be binding upon the Developer and any Owner of a parcel which includes any portion of the Wetland Area.

**2.3** **Phase I Mitigation/Conservation Area.** That certain ±10.2-acre parcel designated as “Mitigation/Conservation Area” on the Map recorded in Plat Cabinet 6, Slide 698, Moore County Registry, shall be maintained in perpetuity in its natural condition, as modified by work performed pursuant to that certain mitigation plan as approved by the State of North Carolina and the United States of America. Said Mitigation/Conservation Area may not be sold or otherwise conveyed at any time without first advising the U.S. Army Corps of Engineers, Wilmington District, in writing, and transferring permit number 19954573, together with the conditions, to such third party, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing. This covenant is intended to ensure continued compliance with the mitigation condition of authorizations issued by the State of North Carolina and the United States of America and therefore may be enforced by the State of North Carolina and the United States of America. This covenant is to run with the land and shall be binding on all parties and all persons claiming under them.

**ARTICLE III  
DEVELOPER RESERVATION OF RIGHTS**

**3.1 Developer Rights.** Except as otherwise provided in these Covenants, the Developer expressly reserves unto itself, and its successors and assigns, the right to develop commercially, or to otherwise exclude property, by statement contained in a deed or by statement recorded in the Moore County Registry, from the operation of these Covenants, in whole or in part, and the right to grant or convey to the Owner of such property the nonexclusive right to use the Common Areas of the Development.

**3.2 Termination of Developers Rights.** Notwithstanding any other provision of these Covenants, however, all rights of the Developer arising from or relating to these Covenants shall automatically cease and terminate when all Developer owned Lots are sold or transferred.

**3.3 Conveyance of Common Areas to the POA.** At the election of the Developer, the Developer may convey any Common Areas to the POA. The Developer shall notify the POA in writing of the Common Areas to be conveyed prior to the date of conveyance. The Developer shall warrant Common Areas conveyed are in a condition commensurate to their age and use and are free of liens and encumbrances.

**3.4 Road Improvements.** The Developer hereby reserves to itself the right, after consultation with the POA, to grade, re-grade, and improve the streets, avenues, roads, and any open spaces as the same may be designated on Development maps, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein.

**ARTICLE IV  
USE RESTRICTIONS**

**4.1 Residential Use and Construction.**

a. All Lots shall be used only for residential purposes and common recreational purposes auxiliary thereto, except as specified in these Covenants. Only one Family may reside on a Lot at any one time, except that live-in caregivers of the residing Family shall be allowed. Persons may not occupy a Dwelling or otherwise live or reside, temporarily or otherwise, on an Unimproved Lot.

b. All Dwellings and Accessory Structures must be built to ARB standards for aesthetics and construction quality to preserve community character and property values. The location and orientation of all structures on a Lot shall require ARB approval. Only detached single-family Dwellings and approved Accessory Structures are permitted. No clearing, or construction of a structure, shall be commenced unless plans for such are first approved in writing by the ARB, as provided in Article V. No Accessory Structure may be constructed prior to commencing construction of the Dwelling. Improvement of Lots is also subject to the general construction criteria in this Article IV.

c. The ground floor of each Dwelling or Accessory Structure shall be the floor that is at or near ground level on the front elevation of the building plans approved by the ARB. Dwellings and Accessory Structures shall have no more than one story above the ground floor.

d. New single floor Dwellings shall have a heated and enclosed ground floor area suitable for year-round use of at least 2,000 square feet not including basements, porches, garages, and stoops. New multi-level Dwellings shall have a heated and enclosed floor area suitable for year-round use of at least 2,400 square feet, including hillside walkout style below ground floor living space and bonus rooms, excluding porches, garages, stoops, and basements that are completely below ground. The ground floor of a multi-level Dwelling shall contain a minimum of 1,500 square feet.

e. Dwellings are required to have an enclosed garage, either attached or unattached, for a minimum of two (2) cars with vehicle entrances that do not face the Front Road. Upon request of the Owner, the ARB may grant a variance to the garage entrance location due to circumstances outside of the Owner's control, such as natural topography or Lot configuration.

f. No Accessory Structure on a Lot may be located closer to the Front Road than the Dwelling. Upon request of the Owner, the ARB may grant a variance for the location of Equine facilities due to Lot topography or configuration.

g. Accessory Structures must match the Dwelling in design, construction, materials, color, and finish as close as possible, as shall be determined by the ARB, considering the purpose of such structures, and

must be maintained to remain so. Barns and other Accessory Structures used for Equines may be constructed of materials typically used for equine structures when approved by the ARB, and finished, as close as possible, with the same design elements and colors as the Dwelling, and maintained to remain so.

h. Without limiting the generality of any other provision of these Covenants, recreational equipment, pet enclosures, and similar structures require ARB approval, except for those specifically identified in the ARB Standards and Procedures as not requiring approval.

i. Dwellings and Accessory Structures may be not closer to Lot lines than specified in this Section 4.1, except that the ARB may grant a variance due to circumstances outside the control of the Owner such as Lot topography or configuration.

(1) Front: Eighty-five (85) feet from the center line of the Front Road for a Lot with no equestrian easement; one hundred five (105) feet from the front lot line for a Lot with an equestrian easement; ninety-five (95) feet from the front-most lot line point for a Lot on a cul-de-sac.

(2) Side: Fifteen (15) feet from the side lot line (a lot line between side-by-side Lots) when no equestrian easement runs along the side lot line; twenty-five (25) feet from the side lot line when an equestrian easement runs along the side lot line.

(3) Side Road of a Corner Lot: Sixty (60) feet from the side road lot line for a Lot with no equestrian easement along the side road; seventy-five (75) feet from the side road lot line for a Lot with an equestrian easement along the side road.

(4) Rear: Thirty (30) feet from the rear lot line, the lot line opposite the Front Road, for a Lot with no equestrian easement along the rear lot line; forty-five (45) feet from the rear lot line for a Lot with an equestrian easement along the rear lot line.

(5) Lakeshore: Fifty (50) feet from the lake's ordinary high watermark except that a dock, decking, gazebo, or other structure may be located within fifty (50) feet of the high watermark with ARB approval.

j. All driveways shall be paved for a minimum of the first seventy-five (75) feet from the edge of the paved road.

k. Manufactured homes (including, but not limited to, trailers, mobile homes, and structures built on a permanent chassis and designed to be used as a temporary or permanent dwelling) are prohibited.

l. Modular homes, as defined and labeled under the North Carolina State Building Code are prohibited.

m. The ARB may allow Accessory Structures that are factory-built or prefabricated if they otherwise meet all criteria for Accessory Structures in these Covenants and architectural standards developed by the ARB.

n. No above-ground swimming pools are permitted.

**4.2 Tree Removal.** Written ARB approval is required for the removal of any tree eighteen (18) inches or more in circumference measured at three (3) feet above the ground and for the removal of more than 60% of the trees on a Lot.

**4.3 Temporary Structures.**

a. Temporary structures shall not be placed or constructed upon an Unimproved Lot except dumpsters, port-a-johns, shelters, or trailers used by a contractor during construction on the Lot. No temporary structure may be used as a residence or remain on the Lot after completion of construction or for more than twelve (12) months from the commencement of construction.

b. Portable moving and storage containers may be placed in the driveway of a residence for up to seven (7) days. The Board may grant an extension for extenuating circumstances. Portable storage containers shall not be placed on Unimproved Lots.

**4.4 Utilities.**

a. Each Lot shall connect to the central water distribution system of the Development and to a septic system approved by the appropriate public health authority in accordance with local ordinances.

b. All utility service lines must be installed underground.

**4.5 Drainage.**

a. It shall be the obligation of the Owner to provide, install, and maintain adequate culvert and drainage pipe under all driveways as needed so that the natural flow of surface water will not at any time be blocked or diverted in the roadway drainage ditch. The culvert or drainage pipe must be of sufficient size to accommodate the flow of surface water in the ditch and in no instance shall the drainage pipe be less than twelve (12) inches in diameter. Driveway connections must be approved in advance by the ARB. The natural flow or drainage of any creek, spring, or stream shall not be interfered with or diverted.

b. Each Lot Owner shall:

(1) Undertake reasonable efforts (including but not limited to compliance with applicable law) to prevent erosion, run-off, and sedimentation from the Lot owned related to, but not limited to, construction or improvements erected upon the Lot owned;

(2) Maintain, repair, and ensure the full performance of all erosion and drainage control devices installed or situated upon the Lot owned; and

(3) Be liable to other Lot Owners and the POA for violations hereof.

**4.6 Fuel Tanks, Garbage/Trash Containers, Pool Filters, and Irrigation Pumps.**

a. New or replacement fuel tanks that are refilled on site must be buried.

b. All outdoor receptacles for garbage/trash and swimming pool filters and pumps, shall be placed where they are least visible from roads and shall be screened to an appropriate height, depth and width with plantings, or other suitable ARB approved screening material.

c. Above ground landscaping irrigation equipment shall be appropriately screened or enclosed, and intakes and intake hoses or pipes of lakeside irrigation pumps shall be submerged or buried.

d. Containers for storage of hazardous substances such as, but not limited to oil, gas, propane, or other environmentally hazardous materials, shall be placed where they do not constitute a hazard to persons, property, or the environment.

**4.7 Fences, Gates, Walls, Bulkheads, Piers, and Docks.**

a. Fences, gates, and walls shall not be erected until after the plans and specifications showing the nature, shape, height, materials, construction, color, and precise location have been approved in writing by the ARB.

b. The construction of a bulkhead, pier or dock, or other platforms on the lakeshore or extending out within the lake, shall be approved by the ARB, and must comply with applicable law including, but not limited to regulations promulgated by the State of North Carolina and the U.S. Army Corps of Engineers.

**4.8 Communications Structures.** The POA shall permit, to the maximum extent required by applicable law or regulation, the erection, installation, placement, and maintenance of:

a. Antennas that are one meter (39.37") or less in diameter and are designed: (1) to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite, or (2) for use to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, or to receive or transmit fixed wireless signals other than via satellite;

b. Antennas that are used to receive television broadcast signals (collectively, "Signal Receivers").

**4.9 Reconstruction.**

a. When a structure on a Lot is destroyed in whole or in part by fire, windstorm, flood, other Act of God, or otherwise, the Owner shall remove all debris from such structure within six (6) months and commence construction of the new structure, if one is to be rebuilt. If a replacement structure is not built, the Lot must, within six (6) months, be returned to the condition it was in prior to construction of the destroyed structure.

b. Construction of a replacement structure must be approved by the ARB in the same manner as new construction, and replacement Dwellings shall be not less than the enclosed heated square footage of the damaged or destroyed structure or the enclosed heated square footage listed in Article IV, whichever may be less.

**4.10 Division and Combination of Lots.**

- a. No Lot shall be divided or subdivided, so as to reduce the aggregate acreage thereof, or to create any additional Lot, tract, or parcel, or change boundary lines, without the written consent of the Board.
- b. Each part of a divided Lot must be combined with a Contiguous Lot. Contiguous Lots with identical ownership may be combined into a single Lot when recorded as such in the Moore County Registry.
- c. Combined Lots shall each constitute a single Lot in these Covenants, except for the payment of dues and assessments when more than two (2) Lots are combined, as defined in Article VII.
- d. The Developer expressly reserves to itself the right, upon notice to the Board, to re-plat Lots.

**4.11 Maintenance and Appearance.**

- a. Improved Lots shall be landscaped and maintained in accordance with these Covenants, POA Rules, and community standards. The ARB shall ensure that landscaping projects submitted for ARB approval are in accordance with community standards. All structures and grounds, including natural areas of landscaping, shall be kept in good order and repair and free of debris, and shall not become unclean, unsightly, or unkempt.
- b. Grasses, weeds, and similar vegetation, shall be maintained at twenty-four (24) inches or less on Unimproved Lots.
- c. Outdoor clotheslines are prohibited.

**4.12 Signs and Displays.** No sign, display, banner, advertisement, or display device shall be erected, posted, placed, or displayed on any Lot, Dwelling, or Accessory Structure except as otherwise provided for in this Article IV. Any sign, display, banner, advertisement, or display device posted, placed, or displayed on any Common Area must be approved by the Board.

- a. Signs with residential addresses, residents' names or farm names shall be permitted.
- b. Signs, banners, and displays marking special occasions shall be temporarily permitted. These shall include, but not be limited to birthdays, weddings, graduations, homecomings, family reunions, sporting events, estate sales, and open houses. Directional signs may be placed at Development entrances and along roadsides with permission of the Lot Owner.
- c. Decorative signs, banners, and displays celebrating a holiday or that are seasonal in nature shall be temporarily permitted on the days during which the holiday or season is customarily observed, or with approval of the Board.
- d. Informational signs, no more than eight (8) inches by ten (10) inches in size, which warn of hazards, give directions or instructions, or identify security protection shall be permitted.
- e. Signs and postings required by law and postings the Board deems necessary for safety and security measures shall be permitted.
- f. One (1) political sign limited to no larger than twenty-four by twenty-four inches (24"x24") may be displayed not earlier than forty-five (45) days before an election and not longer than seven (7) days after an election. Said sign shall not be located within 15 feet of a road's edge.

**4.13 Parking and Storage of Vehicles, Trailers, Watercraft, and Equipment.**

- a. Overnight parking on roads and roadside easements is prohibited except when an Improved Lot is inaccessible due to a construction project, at which time residents may park on the roadway or the adjacent roadside easement until access becomes available. Temporary parking on roads is permitted, providing it is safe to do so, and traffic is not impeded, and vehicles do not remain overnight.
- b. Commercial use vehicles and trailers owned or used by residents with equipment attached or with signage totaling more than nine (9) square feet shall be kept overnight in a garage or Accessory Structure. Commercial vehicles, trailers, and equipment supporting active construction projects may be parked unenclosed overnight on a Lot.
- c. Vehicles and trailers for use on public roads and with a current DMV registration may be parked unenclosed on a Lot, subject to other restrictions in this Article IV. Unregistered or non-working vehicles shall be parked or stored in a garage or Accessory Structure. Trailers, including horse trailers, and working tractors and farm equipment parked or stored unenclosed on a Lot shall be, to the fullest extent possible, in the location that is least visible from roads.



d. All private vehicles, including but not limited to, cars, vans, pickups, and SUVs, not kept in a garage or Accessory Structure shall be parked on a driveway, or on a paved parking space, except as otherwise permitted in this Article IV.

e. Watercraft that exceeds the maximum length of watercraft authorized in lake rules shall not be parked unenclosed on a Lot. Only one watercraft requiring a motor for operation shall be kept unenclosed on a Lot. Additional watercraft requiring a motor to operate, non-working watercraft, or those not authorized for use on Lake Troy Douglas shall be stored in a garage or Accessory Structure.

f. Recreational Vehicles (RVs) and trailers longer than nineteen (19) feet shall be kept in an enclosed garage or in an enclosed Accessory Structure, or stored offsite. Owners' and residents' RVs may be parked on a driveway or other paved surface at the residence for two (2) consecutive nights for maintenance purposes. RVs belonging to visiting guests of Owners and residents may be parked on a driveway or other paved area of a Lot for up to seven (7) days. The Board may grant an extension of these time periods upon request and when justified.

g. Trailer parking. Not more than two (2) trailers may be kept unenclosed on a one-acre or less Lot, plus one (1) additional trailer for each additional acre Lot owned, not to exceed a total of four (4) trailers, except with Board approval. Not more than one (1) enclosed box cargo trailer shall be stored unenclosed on any Lot, except with Board approval. Enclosed box cargo trailers with a cargo box longer than fourteen (14) feet shall be enclosed in a garage or Accessory Structure. Trailers, including horse trailers, parked unenclosed shall be parked, to the fullest extent possible, in a location least visible from roads.

h. Keeping personal property, including but not limited to RVs, vehicles, trailers, equipment, storage containers, or structures of any type, on Unimproved Lots, is prohibited except when approved by the Board.

#### **4.14 Nuisances.**

a. Sounds, lighting, displays, activities, or behaviors of a volume, duration or character that unreasonably annoy, disturb, or otherwise infringe on the comfort, health, privacy, peace, or safety of persons, pets, or Equines are prohibited.

b. The operation of blowers, mowers, and other powered maintenance equipment is prohibited between 8:00 p.m. and 7:00 a.m.

c. Fireworks are prohibited, except for those that do not explode or become airborne.

d. Open burning of debris from Lot clearing or otherwise is prohibited.

e. The discharge of firearms, except for self-defense as allowed by North Carolina law, is prohibited.

f. Hunting and trapping are prohibited, except for the removal of nuisance animals. Removal of nuisance animals shall be in accordance with North Carolina law and requires prior Board approval and the Owner's permission when performed on private property.

#### **4.15 Household Pets.**

a. Household pets refer to domestic animals living at the Dwelling, kept for companionship and pleasure including, but not limited to, dogs, cats, birds, ferrets, rabbits, rodents, fish, non-venomous reptiles and spiders, and non-constricting reptiles. The keeping of poultry and livestock, other than equines, is prohibited.

b. Pet owners shall not permit the barking, whining, howling or other pet behavior to become a nuisance.

c. Dogs must be kept on leash in Common Areas and under the control of the handler. Dogs on private Lots must be restrained or controlled so that they do not leave the Lot and run at large or threaten the safety of persons, pets, or equines by attacking, chasing, snapping, lunging, or similar behavior.

d. Pet owners are required to pick up pet waste on Common Areas (exclusive of manure from Equines in areas where they are permitted) including foot paths and roadsides and are responsible for damage to Common Areas caused by pets.

e. Pets may be kept in reasonable numbers but shall not be kept for commercial purposes.

**4.16 Equines.**

a. Equines are permitted on 300 series Lots and on Lots 106H, 107H, and 182H. Two hundred (200) series Lots contiguous with equine Lots may be combined and repurposed as an equine Lot with the written approval of the Board.

b. The number of Equines kept on a Lot shall be limited to one (1) Equine per two (2) acre Lot, plus one (1) Equine for each additional one (1) acre of Contiguous Lot or Lots owned by the same Owner. The Board may approve an Owner's request to temporarily keep one (1) additional Equine above the limit due to extenuating circumstances.

c. Equines may not be kept or pastured on Unimproved Lots. The Board may grant an exception for extenuating circumstances.

d. A Certificate of Veterinary Inspection issued within thirty (30) days, and proof of negative Coggins issued within the previous twelve (12) months is required for every Equine brought into McLendon Hills. Certificates shall be delivered to the Board, or its designee, in person, by mail, or electronically. Proof of a negative Coggins shall be submitted to the same annually for each Equine kept thereafter on a Lot.

e. Owners shall provide adequate pasture for Equines kept and are responsible for controlling odor, insects, animal waste, and runoff associated with the keeping of Equines. Pastures shall be no closer at any point than twenty-five (25) feet from the highwater mark of Lake Troy Douglas.

f. The Board and the Developer separately reserve the right to revoke an Owner's right to keep Equines for repeated infractions of these Covenants or POA rules as they relate to the keeping of Equines.

**4.17 Lake Use.** The use of Lake Troy Douglas is restricted to Owners, Families, residents, and visiting guests. Watercraft powered by electric motors, sailboats, and other non-motorized watercraft, within restrictions specified in these Covenants and POA rules, are permitted on the lake. The operation of gasoline or diesel engines on the lake is prohibited.

**4.18 Commercial Use and Divided Ownership.**

a. No Lot or portion thereof, or Dwelling or Accessory Structure or portion thereof, shall be leased, rented, purchased, sold, conveyed, owned, used, or operated as a vacation rental, a time-share, or similar short-term rental and, without limitation upon the generality of the preceding provision, no Lot or portion thereof, or Dwelling or Accessory Structure or portion thereof, shall be leased or rented or subject to similar arrangement for a term of less than six (6) months unless the Board specifically authorizes a shorter term.

b. No production, manufacturing, retail sales or other business activity is permitted on a Lot or Common Area where the general public regularly enters and exits. Commercial activities including but not limited to retail sales, instruction, and entertainment, which are for the sole enjoyment of Owners, Families, residents, and visiting guests thereof are allowed with prior Board approval. All said activities shall not pose hazard or threat to the health and safety of others or constitute a nuisance as defined in Section 4.14.

**4.19 Yard Sales.** Yard sales, garage sales, and similar sales on private Lots are prohibited except for an estate sale or moving sale that is approved by the Board when a property is sold.

## ARTICLE V ARCHITECTURAL CONTROL

**5.1 ARB Responsibility, Authority, and Composition.**

a. The ARB shall ensure Owners' proposed construction, remodeling, and landscaping projects are aesthetically acceptable and in compliance with these Covenants and ARB Standards and Procedures.

b. The ARB shall be solely comprised of Owners and shall consist of not fewer than five (5) members. The members of the ARB shall be appointed by the Board for terms of one (1) year or until their successors are appointed. Any vacancy in the membership of the ARB shall be filled by the Board for the remaining portion of the vacating member's term provided that, in the vacating member's absence, the remaining members of the ARB may continue to act until the vacancy has been filled. Any member may be removed with or without cause by the Board. A majority of the members of the ARB present at any meeting shall constitute a quorum. The ARB shall maintain minutes of its meetings and a record of the votes taken thereat.

c. The ARB shall regulate the external design and appearance of the Lots as well as the external design, appearance, and location of the structures thereon and improvements thereto to enforce the architectural provisions of these Covenants as well as ARB Standards and Procedures adopted by the Board and to preserve and enhance values and to maintain a harmonious relationship among structures and improvements within the McLendon Hills Subdivision.

**5.2 Required Architectural Approval.** No construction or property improvement, including alterations to existing structures and property, shall commence without written approval from the ARB, except for projects identified in ARB Standards and Procedures as not requiring approval.

**5.3 Approval of Plans, Specifications, and Construction.**

a. Owners must submit an ARB project application to include all proposed building plans, plot plans (showing the proposed location of such building or structure, driveways, and parking areas), and construction schedule. Construction prior to approval of the ARB application is prohibited.

b. The ARB shall acknowledge receipt of the application and may request additional information. Owners shall be notified of approval or disapproval within thirty (30) days from the receipt of the application or receipt of any additional information requested.

c. No alterations may be made in such plans after approval by the ARB except with the written approval of the ARB. No alterations in the exterior appearance of any building or structure shall be made without the written approval of the ARB.

d. One copy of all plans and related data shall be retained by the ARB for its records.

e. The primary Dwelling and all Accessory Structures must be completed within one year of the date construction begins, or as may otherwise be specified in ARB Standards and Procedures, except if completion is delayed by strikes, fires, national emergencies, natural calamities, or other force majeure the ARB may grant additional time for completion.

**5.4 Architectural Standards.**

a. ARB recommendations for changes to ARB Standards and Procedures shall be submitted to the Board for review and comment. Board accepted recommendations shall be noticed to Owners for a comment period of not less than fifteen (15) days. At the end of the comment period, the Board may return the recommendation to the ARB for revisions or approve its adoption with notification to Owners.

b. Approval and disapproval of plans, structure locations or other specifications shall be based on the project's compliance with these Covenants and ARB Standards and Procedures. Disapprovals may be also based on other criteria the ARB deems appropriate including purely aesthetic considerations.

c. The ARB may grant variances as allowed in Article IV. Variances granted by the ARB shall be in writing and signed by the ARB chair. Variance grants shall include the date issued, Lot number and the Owner thereof, and reason for granting the Variance. The ARB shall retain a copy of the Variance grant in its records.

d. An ARB disapproval of plans, structure locations or other specifications may be appealed to the Board by the applicant Owner, following procedures promulgated by the ARB and the Board.

**5.5 Non-Liability for Approvals.** The basis for the review and approval of any plan, proposal or application by the ARB is limited to aesthetic considerations and the satisfaction of the requirements set forth in these Covenants and in ARB Standards and Procedures. No approval by the ARB shall be construed as a representation, warranty or implication that any structure or improvement, if built in accordance with the submitted plan, proposal or application, will: (1) be free from any defect, (2) meet applicable codes and laws, (3) be built in a good and workmanlike manner, (4) meet applicable standards for the prevention of soil erosion, siltation, and sediment pollution or alteration of the natural flow and diversion of surface water to adjoining properties or (5) meet applicable standards for structural, mechanical, electrical or other aspect of a proposed design. Neither the POA nor the ARB—nor any of their respective directors, officers, committee members or volunteers—shall be liable for any injury, damage or loss arising out of the manner or quality of any approved structure or improvement or modifications on or to any Lot. Further, in no event shall the POA or the ARB—or any of their respective directors, officers, committee members or volunteers—have any liability whatsoever to any Owner, contractor or any other party for any cost or damage (consequential or otherwise) that may be incurred or suffered on account of the approval, disapproval or conditional approval of any plan, proposal, or application by the ARB.

**5.6 Security Deposits.** A security deposit shall be required prior to approving applications for projects within the scope of ARB authority. The amount of the deposit and the amount retained for violation of these Covenants, or the ARB Standards and Procedures, shall be based on criteria administered by the ARB including, but not limited to, adherence to approved plans and specifications, the general contractor's compliance with these Covenants or the ARB Standards and Procedures, industry standards and accepted operating practices, and adverse effects on common areas.

**5.7 Road Usage Assessment.** A non-refundable fee shall be assessed for construction of the Dwelling on a Lot to compensate for road use during such development. Said fee shall be deposited in the Replacement Fund Account. Said fee shall be determined by the Board and thereafter may be raised annually by the Board by not more than twenty percent (20%).

## ARTICLE VI EASEMENTS

### **6.1 Easements Reserved by the Developer.**

a. The Developer reserves unto itself a perpetual easement over, upon, across, and under each road right-of-way and utility easement for the purpose of the erection, maintenance, installation, and use of road signs and signs denoting the Development, and installation, maintenance, and use of electrical and telephone wire, cables, conduits, sewers, electric, and telephone equipment, gas, sewer, water, or other public conveniences or utilities, and other facilities located, or to be located thereon.

b. The Developer's easement shall be conveyed to the POA with any conveyance of the related road right-of-way by operation in this Section 6.1. Further, the Developer reserves unto itself a perpetual easement over, upon, across, and under each road right-of-way, utility easement, and equestrian easement, and an additional area on each side of each road right-of-way, utility easement, and equestrian easement as necessary for the maintenance of such road rights-of-way, utility easements, and equestrian easements, including, but not limited to, cutting and maintenance of drain ways for surface water wherever and whenever such action may appear to the Developer to ensure proper drainage of surface water while maintaining the overall appearance of the Development, cutting trees, bushes, or shrubbery, grading of the soil, or taking other similar action reasonably necessary to ensure that such road rights-of-way, utility easements, equestrian easements, and Common Areas are maintained in a fashion suitable for their intended uses. Said easement shall be conveyed to the POA with any conveyance of the related road right-of-way by operation of this Article VI.

c. These reservations shall not be considered an obligation of the Developer to provide and maintain such road right-of-way, utility easement, equestrian easement, or Common Area, or utility or service, or facility located upon such road right-of-way, utility easement, or equestrian easement.

d. The Developer reserves unto itself and to McLendon Hills Equestrian Center, the unlimited right to use the equestrian easements, to charge a fee for use of same and to require a liability release to be executed as a condition to the use of the equestrian easements except as applicable to Owners and their Family, residents, and visiting guests.

e. The Developer specifically reserves unto itself the right of a perpetual easement to erect suitable signs naming the Development and announcing Lot sales at entrances to the Development.

**6.2 Easements for Common Areas.** The Developer and the POA have the right to grant utility, drainage, and other easements across the Common Areas and under the roads.

**6.3 Easements for Ingress and Egress.** Easements are hereby reserved and granted across all roads reserved or described on the deeds of conveyance or shown on the plats of the Development in the Moore County Registry for ingress and egress of the POA and the Developer and their respective licensees, public safety personnel, contractors, authorized agents, and employees to construct, maintain, inspect, repair, and replace the roads, utilities, and drainage areas. In addition, the Developer and the POA and their respective licensees, public safety personnel, contractors, authorized agents, and employees shall have a continuing easement to enter the Lots and Common Areas to maintain, inspect and repair all utility facilities and drainage areas located on the Lots and Common Areas. This easement includes the right to disturb

the structures located on each Lot and Common Areas to inspect, maintain, repair, and replace any utility facility located within or beneath such structures or land.

**6.4 Owners' Easements for Ingress and Egress.** Every Lot is hereby conveyed a perpetual, nonexclusive right to use any common roadway which forms a part of the Development for the purpose of providing access to and from each Lot. It is understood and agreed, however, that the easement for ingress and egress shall not be used for access to, or to service, any property outside the McLendon Hills Subdivision Development. Furthermore, no Owner shall construct or allow to be constructed any roadway for vehicular traffic, or allow any easement for access, from the Lot owned to any property outside the Development.

**6.5 Obstruction.** Within any easement, no structure, fence, planting, or other material shall be placed or permitted to remain which may interfere with the uses for which such easement is intended, and specifically, concerning drainage easements, which may change the direction of flow, or which may obstruct, impede, delay, or block the flow of water through the drainage channels.

**6.6 Equestrian Easements.**

a. Equestrian easements shown on plats of privately-owned Lots are for Equine use including, but not limited to, the riding, walking, and driving of Equines. Permanent obstacles including, but not limited to, walls, hedgerows, jumps, water features, and equestrian jumps are permitted with the consent of the Lot Owner and the written permission of both the ARB and Board. Obstacles shall be constructed keeping to safe equine practice and shall be placed so as to allow at least twelve (12) feet of contiguous unobstructed trail width.

b. Owners of Lots with an equestrian easement grant its use for equestrian activities within the easement. No hedge, fence, mass planting, or other obstruction may be placed in an equestrian easement that interferes with the uses for which it is intended. Equestrian easements are subject to the North Carolina Landowner Liability Act (Chapter 38A of the North Carolina General Statutes), as amended from time to time, or any successor provision thereto.

**ARTICLE VII  
COVENANTS FOR DUES AND ASSESSMENTS**

**7.1 Responsibility for Collection.** The Board shall be responsible for levying and collecting the annual dues and special assessments set forth in this Article VII.

**7.2 Purpose of Dues.** Annual dues shall be used to:

a. Maintain and repair all roads constructed within the Development to at least the standard that such roads were in at the time of their completion and to maintain, repair, and replace the entrance and road signs and landscaping adjacent to such roads in a manner consistent with the overall appearance of the Development.

b. Maintain lakes, dams, drainage structures, and drainage easements.

c. Provide garbage removal and such other community services for all Lots as the POA elects to provide.

d. Upgrade and maintain the Common Areas and maintain and replace POA property thereon.

e. Maintain and repair all equestrian trails (including easements over Lots) and maintain appropriate signage thereon.

f. Pay all ad valorem taxes levied against the Common Areas and property owned by the POA.

g. Pay the premiums on all hazard insurance for the Common Areas and all liability and other insurance carried by the POA.

h. Pay all legal, accounting, other professional fees, and operating expenses incurred in carrying out the duties and fulfilling the responsibilities set forth herein or in the Bylaws of the POA.

i. Collect all dues and special assessments due from the Lots.

j. Create and fund reserve accounts deemed necessary or advisable by the Board for expenses related to the upgrade, repair, maintenance, and replacement of the Common Areas or any portion thereof.

k. Pay all expenses necessary and proper for the operation of the POA and the discharge of its duties hereunder.

### **7.3 Determination of Dues.**

a. The total dues for each year shall be the amount, as reasonably determined by the Board, necessary to fund the expenses described in this Article VII. The Board shall establish the amount of the dues for the succeeding calendar year at least thirty (30) days prior to the annual membership meeting, subject to the limitations in these Covenants.

b. Dues may not be increased by more than twenty percent (20%) of the prior year's dues without the written consent of more than fifty percent (50%) of the Owners of the total number of Lots then subject to these Covenants.

c. The Developer shall be exempt from the payment of dues and special assessments.

d. Combined Lots.

(1) Two (2) Contiguous Lots, with identical ownership, which have been combined into a single Lot and recorded as such in the Moore County Registry, shall be considered a single Lot for the purpose of paying dues and assessments except as otherwise restricted in this Article VII.

(2) No more than two (2) Lots, recorded as combined in the Moore County Registry, whether in a single transaction or in subsequent transactions, shall constitute a single Lot for the payment of dues or assessments.

(3) The Owner of two (2) Contiguous Lots combined as a single Lot shall be entitled to subdivide the single combined Lot, as recorded in the Moore County Registry, so long as:

(a) The subdivision shall not result in the violation of these Covenants, or any rule duly adopted by the POA; and

(b) The Owner thereupon pays all dues and assessments applicable to the Lots, notwithstanding their combination into a single Lot, for the five (5) years prior to their combination, which obligation shall: (1) be joint and several amongst the record Owners (if more than one) and (2) constitute a lien against the Lots.

**7.4 Special Assessments for Capital Improvements and Emergencies.** The Board may levy assessments for capital improvements, to defray unanticipated or emergency expenses, in whole or in part, and for construction, reconstruction, repair, or replacement of a capital improvement in the Common Areas. Such special assessments may be levied only after obtaining the written consent, whether in the form of ballot or otherwise, of the Owners of more than fifty percent (50%) of the aggregate number of Lots then subject to these Covenants.

**7.5 Payment of Dues and Special Assessments.** All dues and special assessments on Lots shall be billed to and paid by the Owner of record and remitted to the POA or its designated agent. Written notice of dues and special assessments shall be sent to every Owner. The due date shall be established by the Board and included in such written notice.

### **7.6 Creation of the Lien and Personal Obligation for Dues and Assessments.**

a. Each Owner, by acceptance of the deed to the Lot owned, whether or not it shall be so expressed in such deed, is deemed to covenant, and agree, to hereafter promptly pay the dues and any special assessment assessed for and against each Lot owned as are established and are to be paid and collected as hereinafter provided. All dues and any special assessment, together with interest, late fees, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon the Lot against which such dues or assessment is made.

b. All dues and each assessment, together with interest, late fees, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time the dues or assessment were assessed or levied. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them but shall remain a continuing lien upon such Lot.

**7.7 Commencement of Dues and Special Assessments.** Dues and pending special assessments applicable to Lots purchased from the Developer shall be prorated to the date of purchase of such Lot based on the remaining days in the billing or assessment period.

**7.8 Effect of Nonpayment of Annual Dues or Special Assessments.** Any outstanding dues or special assessment not paid within thirty (30) days after the due date established by the Board shall bear interest from the due date at the lesser of: (1) the maximum legal rate allowable under North Carolina law at the time of default, or (2) eighteen percent (18%) per annum. In addition to such interest charges, the delinquent Owner shall also pay such late charges as may have been heretofore established by the Board to defray the costs arising because of late payment. The POA may bring an action at law against the delinquent Owner, or foreclose the lien against the Lot, or both. All interest, late payment charges, costs, and reasonable attorneys' fees of such actions or foreclosures shall be added to the amount of such charge or assessment. No Owner may waive or otherwise escape liability for the charge and assessment provided for herein by not using the Common Areas or by abandoning the Lot owned.

**7.9 Subordination of the Lien to Mortgages.** The lien of the charges and assessments provided for herein shall be subordinate to the continuing lien of any first mortgage or deed of trust granted by the Developer or any Lot Owner. Sale or transfer of a Lot shall not affect the continuing lien. However, the sale or transfer of any Lot pursuant to the foreclosure of such senior mortgage or deed of trust shall extinguish the lien of such dues and assessments as to payments which became due prior to such sale or transfer; provided, however, that the foreclosure of such senior mortgage or deed of trust shall not extinguish the personal liability of the Owner for the obligations previously secured by the lien.

## ARTICLE VIII PROPERTY OWNERS' ASSOCIATION (POA)

**8.1 Formation of the POA.** The North Carolina Secretary of State incorporated the POA on September 19, 2008.

**8.2 Membership.** Every Owner shall be a Member of the POA. Membership of an Owner shall be appurtenant to and may not be separated from the ownership of a Lot. Upon transfer of a Lot, its Owner's membership shall automatically terminate and shall be automatically transferred to the new Owner of the Lot. When more than one person owns an interest (other than a leasehold or security interest) in a Lot, all such persons shall collectively be considered one Owner and one Member. When ownership is held by an entity not being a natural person, the entity shall authorize a natural person to act on its behalf in matters of the POA.

**8.3 Voting.** All Owners (including the Developer) shall be entitled to one (1) vote for each Lot owned, as recorded in the Moore County Registry. When more than one (1) person owns an interest (other than a leasehold or security interest) in any Lot all such persons shall collectively be considered as one (1) Owner and one (1) Member and voting rights appurtenant to said Lot may be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast for any Lot.

**8.4 Board of Directors.** The business and affairs of the POA shall be governed by a Board of Directors elected by the Members and shall do so in accordance with its Bylaws. Only Owners may serve on the Board.

**8.5 Committees.** The Board may establish committees to assist the Board and to accommodate the interests and needs of the POA and its Members. Committees shall be advisory to, and accountable to, the Board. Owners and their adult Family members may serve on Committees.

**8.6 Liability.** The POA shall not be liable to any Member or otherwise for any failure of any services to be obtained by the POA or paid for out of the common funds or for injury or damage to person or property caused by the elements or resulting from the flow of surface water. The POA shall not be liable to any Member or otherwise for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas. No diminution or abatement of dues or any special assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to any of the Common Areas or from any action taken by the POA to comply with any of the provisions of these Covenants or with any applicable law or with the order or directive of any municipal or other governmental authority.

## ARTICLE IX PROPERTY RIGHTS

**9.1 Use of Common Areas.** Notwithstanding any recordation of any Development map, document, or any other action by Developer or the POA, all Common Areas (excluding Development roads) shall remain private property and shall not be construed as for the use or enjoyment of the general public.

**9.2 Rights to Use Common Areas.** Owners, Families, residents, and visiting guests thereof shall have the right to use and enjoy the Common Areas subject to the following:

a. The right of the Board to promulgate and enforce rules and policies ensuring the safety and rights of those persons entitled to use the Common Areas.

b. The Board shall have the right to suspend an Owner, Family, resident, or guest thereof the use of Common Areas for a period during which dues or an assessment against the Owner's Lot remain unpaid, and for a period not to exceed sixty (60) days for an infraction of these Covenants or POA rules.

c. Owners renting or leasing their Lots, or any trustee Owner that allows residential occupancy of a Lot, shall not be entitled to use and enjoyment of the Common Areas during the rental, lease, or occupancy period. Rights to the use and enjoyment of Common Areas shall convey, subject to reasonable rules and regulations, to the benefit of the tenant, lessee, or occupant.

d. Owners, Families, residents, accompanied guests, and equine trainers thereof may use equestrian easements for equestrian activities. Equestrians must stay within equestrian easements and other areas the Board may designate for Equine use and may not traverse privately-owned Lots without the Owner's permission. Except for trail maintenance, non-equestrian use of the equestrian easements, including but not limited to walking and hiking, is prohibited.

e. The McLendon Hills Equestrian Center is permitted to use the bridle trails. All persons permitted use of bridle trails shall execute an equine activity liability waiver. If a minor, a legal guardian shall execute said waiver in form and substance.

## ARTICLE X GENERAL PROVISIONS

**10.1 POA Rules.** Owners shall be notified of proposed rules and changes thereto and be given fifteen (15) days from the date of the notice in which to comment. If at the end of the comment period, the intent or substance of the proposed rule is revised, a notice of the revision shall be given to Owners for a second and final comment period of fifteen (15) days. Rules shall be adopted as follows:

a. Rules governing Common Areas may be adopted by the sole authority of the Board. Notice of the rule adopted shall be sent to Owners and residents, and the rule shall be effective seven (7) days thereafter.

b. Rules governing Lots shall require an affirmative vote by Owners. Owners shall be provided notice of the proposed rule with a ballot for affirmation or rejection and shall have fifteen (15) days from the date of notice to respond. More than fifty percent (50%) of Owners must return ballots for a vote to be valid. To adopt or change a rule more than fifty percent (50%) of the returned ballots must vote for approval. Owners shall be notified if the rule was approved or rejected. If approved the rule shall become effective seven (7) days after receipt of majority affirmative response.

**10.2 Compliance and Enforcement.**

a. The Board shall have the right to impose fines and suspend privileges of Owners, Families, and residents for noncompliance with these Covenants, ARB Standards and Procedures or POA Rules. Owners, Families, and residents shall have the right to appeal fines or suspension of privileges in a hearing, which shall include notice and an opportunity to be heard before the Board prior to their imposition. Guests, contractors, and other non-residents may, at the discretion of the Board, be denied access to the Development for violations of these Covenants, ARB Standards and Procedures or POA Rules.

b. The Developer, the Board, any Owner, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel compliance with these Covenants or to prevent the violation or breach of these Covenants by any Owner or other person. The prevailing party or parties shall be entitled to



recover the costs and expenses of such action, including reasonable attorneys' fees from the losing party or parties, in the discretion of the court; provided, however, that this Section 10.2(b) shall not be construed to entitle any party other than the POA (and its directors, officers, committee members, and volunteers) and the Owners to recover their costs and expenses. The prevailing party is the party determined by the court to have most nearly prevailed even if the prevailing party did not prevail in all matters.

c. The Developer and the Board shall have the right, but not the obligation, whenever there shall have been built on a Lot any structure which is in violation of these Covenants or without the prior approval of the ARB, to enter upon such Lot and correct or remove such violating structure at the expense of the Owner. Such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any such right, reservation, restriction, or condition shall not be deemed a waiver of the right to do so thereafter as to the same or another breach and shall not bar or affect such later enforcement.

d. The Board and the ARB, through their authorized officers and their members, shall have the right to enter a Lot to ensure compliance with these Covenants, POA rules, and ARB Standards and Procedures. Permission of the Owner or resident shall be requested prior to entry. If no permission is granted, the Board has the right to enter the Lot after notice to the Owner or resident of not less than seventy-two (72) hours. Furthermore, no more than two persons, at least one being a member of the Board, shall enter said Lot, and entry shall be during daytime hours and shall be limited to ensuring compliance with these Covenants, POA rules and ARB Standards and Procedures. Neither the POA nor the ARB nor any of their authorized officers or members shall be deemed to have committed a trespass or wrongful act solely by reason of such action.

**10.3 Notices.** Notices shall be in writing and addressed as follows:

a. To an Owner at the address of Lot owned unless the Owner has notified the Board of a different delivery address in writing or by electronic means of which the POA acknowledged receipt in writing.

b. To the Developer at the address provided thereby to the POA in writing or, if none, the address on file therefor with the Moore County Tax Department.

c. To the POA at the address provided thereby to the POA in writing or, if none, the address on file therefor with the Moore County Tax Department.

**10.4 Headings.** The headings used in these Covenants are for convenience and reference only and the words contained therein shall not be held to expand, modify, or aid in the interpretation, construction, or meaning of these Covenants.

**10.5 Severability.** The invalidation by any court of any restriction or covenant contained in these Covenants shall in no way affect any of the other restrictions or covenants, but they shall remain in full force and effect.

**10.6 Supplemental Declaration.** The Developer reserves the right to subject any property now or hereafter owned by Developer to the provisions of these Covenants. Such addition(s) shall be made by Developer, its successors, or assigns, by the filing of record a Supplementary Declaration of Covenants and Restrictions, which shall identify the property to be included and which shall incorporate these Covenants by reference. However, no other land within the vicinity of the Development shall be subject to these Covenants unless it complies with these Covenants; it being intended that these Covenants may not be construed or considered as a scheme for the development of any land other than that shown on the plats of the Development in the Moore County Registry and additional properties for which a Supplementary Declaration of Covenants and Restrictions may hereafter be filed as provided in this Article X. In addition, the Developer reserves the right to file separate and unrelated declarations concerning other properties now or hereafter owned by the Developer.

**10.7 Duration.**

a. Each Owner, by accepting the deed to the Lot owned, accepts the same subject to these Covenants, and all covenants, restrictions, and servitudes contained therein, and agrees to be bound by each of said covenants, restrictions, and servitudes.

b. These Covenants shall run with and bind the land in perpetuity.

**10.8 Internet Services.**

a. The POA shall be empowered, but shall not be obligated, to enter into an agreement with one or more internet service providers (a "**Service Agreement**") for the provision of internet service to the Lots (collectively, the "**Services**") at the option of each Owner. In the event that the POA enters into a Service Agreement, the POA shall be empowered to bill in advance and to collect all fees and expenses due from subscribing Owners and their respective successors and assigns in title for the provision of Services thereto (collectively, "**Service Fees**"), and the Service Fees shall constitute assessments pursuant to Article VII.

b. The POA shall use ordinary diligence in the collection of Service Fees and, notwithstanding any other provision of these Covenants the POA: (1) shall not be required to segregate funds collected from or designated for payment of Service Fees, and (2) shall be entitled, subject to the obligation of the POA to use ordinary diligence in the collection of Service Fees, to use general revenues for payment of Service Fees.

c. Upon subscription for Services, each subscribing Owner who or which elects to subscribe for the provision of Services (a "**Subscriber**") shall enter into an agreement with the POA for a definite term for the provision of Services (a "**Services Subscription Agreement**"), and, thereafter: (1) no Subscriber shall be entitled to avoid or escape liability for any Service Fees by his or her or its subsequent election to discontinue or suspend the use of Services, and (2) if a Subscriber transfers his or her or its Lot prior to the expiration of the Services Subscription Agreement, his or her or its successor in title (a) shall be deemed, pursuant to his or her or its recordation of a deed for the Lot, to have assumed the Services Subscription Agreement, and (b) shall not be entitled to avoid or escape liability for any Service Fees by his or her or its election to discontinue or suspend the use of Services.

d. The POA shall be empowered to grant permits, licenses, and easements over, in, on, under, and through the Common Areas (including an assignment of rights in any easement held by the POA) in order to facilitate the installation of infrastructure necessary or customary for the provision of the Services pursuant to the Service Agreement.

**10.9 Amendment.**

a. Subject to Section 10.9.b., these Covenants may be amended by an instrument approved by not fewer than sixty-seven percent (67%) of all of the Owners, and any amendment to these Covenants shall become effective, unless a later effective date is therein specified, upon the recordation in the Moore County Registry of: (1) the amendment and (2) a signed statement, executed by the president of the POA, certifying that the amendment was duly adopted.

b. Article II of these Covenants may not be amended at any time, in any way, without the additional specific and written approval of the U.S. Army Corps of Engineers, Wilmington District, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing.

**10.10 Listing of Lots and Dwellings for Sale.** A listing of Lots and Dwellings for sale within the Development shall be available in print at the Developer's sales office and shall be posted on the Developer's website. Owners shall be responsible for providing listing information on properties for sale to the Developer. Should the Developer cease operations, the POA may maintain said listing on the POA website or otherwise.

**(the remainder of this page left intentionally blank)**

IN WITNESS WHEREOF, this Restrictive Covenants are executed by the duly authorized officer of the McLendon Hills Property Owners' Association on its behalf under seal by adoption of the facsimile seal printed hereon for such purpose or, if an impression seal appears hereon, by affixing such impression seal or by adoption of the word "SEAL" appearing next to the name of the corporation or the signatures of the officer.

McLENDON HILLS PROPERTY OWNERS' ASSOCIATION, a North Carolina nonprofit corporation

By: Margaret W. Boor (SEAL)  
Margaret W. Boor  
President

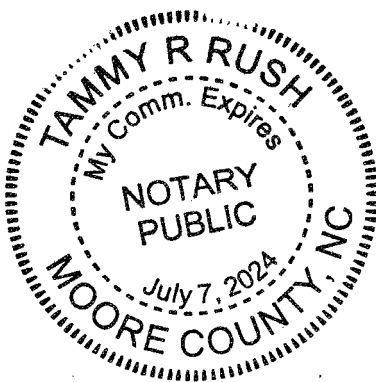
STATE OF North Carolina  
COUNTY OF Moore

I certify that the following person personally appeared before me this day and acknowledged to me that the following person voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name	Capacity
Margaret W. Boor	President, McLendon Hills Property Owners' Association

- I have personal knowledge of the identity of the principal;
- I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a \_\_\_\_\_; or
- A credible witness has sworn to the identity of the principal.

Witness my hand and official stamp or seal on this the 14<sup>th</sup> day of September, 2021.



Tammy R. Rush  
Notary Public

Print notary name: Tammy R. Rush  
(notary name must be exactly as on notary seal)

My commission expires 7-7-2024  
[affix notary seal, which must be fully legible, below]