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FOR REGISTRATION REGISTER OF DEEDS
Judy D. Martin
Moore County, NC
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Book 3893 Page 408-434
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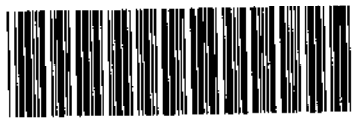

INSTRUMENT # 2011008667

Prepared by and return to Robbins May & Rich LLP (SFL), 120 Applecross Road, Pinehurst, North Carolina 28374

Brief Description for Index: 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 attached hereto.

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, and (k) Restrictive Covenants of McLendon Hills Subdivision/Phase 6A in Book 3357, Page 541, 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 provide for a general plan and uniform scheme of development and improvement for the real property subject to the Declarations (the "McLendon Hills Subdivision") and are intended to provide for the extension thereof to all lots hereafter incorporated into the McLendon Hills Community by Developer (collectively, the "McLendon Hills Community").

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

Community, Developer and Owners (as hereinafter defined) wish to adopt a single declaration of Restrictive Covenants for the McLendon Hills Community.

WHEREAS, pursuant to Section 7 of Article X of the Declarations, the Owners (as hereinafter defined) voted on or about March 15, 2011 to amend the Declarations in a manner consistent, except as otherwise hereinafter set forth, with the Restrictive Covenants of McLendon Hills Subdivision/Phase 6A recorded in Book 3357, Page 541, Moore County Registry (the "Phase 6A Declaration"), and the results thereof are set forth on Exhibit B.

WHEREAS, the Owners further voted, as of July 1, 2011 to amend the Unified Restrictive Covenants, and the results thereof are set forth on Exhibit C.

WHEREAS the Phase 6A Declaration, with minor modifications for consistent application to all Lots (as hereinafter defined) within the McLendon Hills Subdivision and to all lots hereafter created within the McLendon Hills Community, is thus hereafter set forth for ease of reference; provided, however, that, to the extent that Equestrian Lakes, LLC, in its capacity as Developer or Declarant, delegated or assigned any of its rights or responsibilities under the Declarations to Association, these Restrictive Covenants (as hereinafter defined) shall be, to the maximum extent permitted under applicable law as of the date thereof, subject to the delegation or assignment of its rights or responsibilities.

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

AMENDED AND RESTATED UNIFIED RESTRICTIVE COVENANTS OF McLENDON HILLS

KNOW ALL MEN BY THESE PRESENTS that (a) these 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 provisions of these Restrictive Covenants and (b) the McLendon Hills Subdivision and such additions thereto as may be hereafter made pursuant to the provisions 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

Developer 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 all properties within all phases of 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 all phases of McLendon Hills Subdivision.

To this end, the real property described herein, together with such 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 all phases of

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, has been delegated to McLendon Hills Property Owners' Association, which shall be the sole such organization or association for all phases of the McLendon Hills Subdivision, and the Owner of any Lot in any phase will belong to McLendon Hills Property Owners' Association upon the acceptance of his deed.

ARTICLE I
DEFINITIONS

Section 1. "Architectural Review Board" shall mean and refer initially to the Developer, and later to any board or committee established by the Developer or the Association for the purpose of serving as an architectural review board as referred to herein.

Section 2. "Association" shall mean and refer initially to McLendon Hills Property Owners' Association and its successors and assigns.

Section 3. "Common Area" shall mean all real property (including the improvements thereon) (a) owned by the Association or (b) labeled as "Common Area" on the Maps of all of the phases of McLendon Hills Subdivision (including, but not limited to, lakes, access areas, dams, foot paths, bridle paths and all roads and streets shown thereon whether labeled "Common Area" or not).

Section 4. "Declarant" shall refer to the Developer in its capacity of declaring and establishing these Restrictive Covenants.

Section 5. "Developer" shall mean and refer to Equestrian Lakes, LLC, a North Carolina limited liability company, its successors and assigns.

Section 6. "Development" shall mean and refer to all of the McLendon Hills Subdivision.

Section 7. "Lot" shall mean and refer to any plot or parcel of land with delineated boundary lines described in the deeds of conveyance or appearing on the Maps with the exception of the Common Areas.

Section 8. "Maps" shall mean and refer to the maps of the Properties as recorded (either now or hereafter) in the Moore County Registry.

Section 9. "Member" shall mean and refer to a member of the Association.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, according to 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.

Section 11. "Properties" shall mean and refer to the properties that are now or may hereafter be made subject to these Restrictive Covenants and brought within the jurisdiction of the Association.

Section 12. "Wetland Area" shall mean and refer to an area designated on a Map as a wetland area regulated under the laws of the State of North Carolina or the United States of America.

ARTICLE II
WETLANDS, MITIGATION AND CONSERVATION AREA

Section 1. 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.

Section 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 Restrictive Covenants. In the event a violation of these Restrictive 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 future owner of a parcel which includes any portion of the Wetland Area.

Section 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
RESERVATION OF RIGHTS

Section 1. Reservation of Rights. Except as otherwise provided in these Restrictive Covenants, 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 Restrictive 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.

ARTICLE IV
USE RESTRICTIONS

Section 1. Residential Use. All Lots shall be used only for single-family residential purposes and common recreational purposes auxiliary thereto. Only one family may occupy a Lot as a residence at any one time. No Lot, and no structure at any time constructed on any Lot, shall be used at any time, or in any way, for any business or business pursuit or for any activity normally conducted as business that would either pose a hazard, nuisance or inconvenience to Owners or residents or otherwise jeopardize the quality of community life, nor may any Owner permit any other person to conduct any commercial, manufacturing or mercantile activity or any business on any Lot or Common Area. No structure, except hereinafter provided, shall be erected, altered, placed or permitted to remain on any residential lot other than a detached single family dwelling. However, a garage or ancillary structures including, but not limited to, pools, pool houses, servants' quarters, barns, sheds, workshops, freestanding decking, greenhouses, gazebos, guest facilities or other outbuildings are permitted. No such ancillary building may be constructed prior to construction of the main building. No dwelling on any Lot may have more than two (2) partial or complete above-grade floors. No construction of any dwelling, garage, or ancillary structure shall be commenced unless construction plans are first approved in writing by the Architectural Review Board, as provided in Article V. Building construction on the Lots is also subject to the following general construction criteria as follows:

(a) Dwellings on Type 1 Lots (Lot Numbers in the 300 series):

(i) All single floor dwellings for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed ground floor area of at least 2,000 square feet not including basements, porches, screened porches, garages or stoops.

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed floor area of at least 2,100 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County on or after January 1, 2011 must have a heated, enclosed floor area of at least 2,200 square feet not including basements, porches, screened porches, garages or stoops.

(ii) All single floor dwellings for which an improvement permit was issued by Moore County prior to January 1, 2011 shall have a heated, enclosed ground floor area of at least 1,800 square feet not including basements, porches, screened porches, garages or stoops.

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County after January 1, 2011 shall have a heated, enclosed floor area of at least 1,900 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County after January 1, 2011 must have a heated, enclosed floor area of at least 2,000 square feet not including basements, porches, screened porches, garages or stoops.

(b) Dwellings on Type II Lots (Lot Numbers in the 200 series):

(i) All single floor dwellings for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed ground floor area of at least 2,200 square feet, not including basements, porches, screened porches, garages or stoops.

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed floor area of at least 2,300 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County on or after January 1, 2011 must have a heated, enclosed floor area of at least 2,400 square feet not including basements, porches, screened porches, garages or stoops.

(ii) All single floor dwellings for which an improvement permit was issued by Moore County prior to January 1, 2011 shall have a heated, enclosed ground floor area of at least 1,900 square feet, not including basements, porches, screened porches, garages or stoops.

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County prior to January 1, 2011 shall have a heated, enclosed floor area of at least 2,000 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County prior to January 1, 2011 must have a heated, enclosed floor area of at least 2,000 square feet not including basements, porches, screened porches, garages or stoops.

(c) Dwellings on Type III Lots (Lot Numbers in the 100 series):

(i) All single floor dwellings for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed ground floor area of at least 2,500 square feet not including basements, porches, screened porches, garages or stoops,

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County on or after January 1, 2011 shall have a heated, enclosed floor area of at least 2,600 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County on or after January 1, 2011 must have a heated, enclosed floor area of at least 2,700 square feet not including basements, porches, screened porches, garages or stoops.

(ii) All single floor dwellings for which an improvement permit was issued by Moore County prior to January 1, 2011 shall have a heated, enclosed ground floor area of at least 2,200 square feet, not including basements, porches, screened porches, garages or stoops,

All split-level or multi-level dwellings (not including two story dwellings) for which an improvement permit was issued by Moore County prior to January 1, 2011 shall have a heated, enclosed floor area of at least 2,200 square feet not including porches, screened porches, garages, stoops, or basements unless approved in writing by the Developer.

Dwellings of two stories for which an improvement permit was issued by Moore County prior to January 1, 2011 must have a heated, enclosed floor area of at least 2,000 square feet not including basements, porches, screened porches, garages or stoops.

(d) Enclosed Garage. All dwellings on any lot type are required to have an enclosed garage (attached or unattached to the residence) for a minimum of two cars, constructed on the side or rear of the dwelling and such garage shall have only a rear or side entrance unless approved otherwise in writing by the ARB. If requested by the Owner, the Architectural Review Board may grant a variance due to circumstances outside the control of the Owner. All garages shall be constructed in substantial architectural conformity with the construction of the dwelling.

(e) Ancillary Structures. No ancillary structure on any lot type may be located closer to the "front lot line" (the lot line which the dwelling "faces") than the dwelling.

(f) Ancillary structures must architecturally match the dwelling and must be maintained by the lot owner so as to preserve the appearance and structural integrity of the structure. Ancillary structures used for equine housing may be constructed of metal or other material suitable for equine housing, and shall be finished, as closely as possible, in the same color as the dwelling structure.

(g) No trailer, "mobile home", "manufactured home", "factory-built home", or any structure constructed otherwise than on the Lot shall be placed on any Lot, except as allowed under Section 5 (Temporary Structures).

(h) No above-ground swimming pools are permitted,

(f) Location. No dwelling, garage, or ancillary structure on any lot type shall be located nearer than fifty (50) feet from the utility easement which runs parallel with the "front street" right-of-way, twenty-five (25) feet from the utility easement which runs parallel with the "side or back street" (the streets not "faced" by the dwelling) right-of-way, fifteen (15) feet to each "side lot line" (the lot line adjacent to the line "faced" by the dwelling) or any bridle trail and not closer than thirty (30) feet to the "rear lot line" (the lot line opposite the line "faced" by the dwelling) or twenty-five (25) feet from any rear existing easement. In order to assure that dwellings will be located with regard to the topography of each Lot, the Architectural Review Board reserves unto itself the right to absolutely and solely decide the precise site and location of any structure upon any lot provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. The Architectural Review Board's right to control the precise site and location of any structure shall specifically include the right to waive the above-stated setback or sideline requirements without obtaining the permission of any other Owner, excepting any setback or sideline required by a governmental agency.

Section 2. Nuisances. No noxious or offensive activity shall be carried out, allowed, or permitted on any Lot or on any part of the Development, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. There shall not be maintained any exterior lights or lighting, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof There shall be no discharging of firearms, guns or pistols, of any kind, caliber, type or method of propulsion. No hunting or trapping of any kind shall be

carried on or conducted in the Development.

Each Lot and the structures thereon shall be kept in good order and repair and free of debris, lawns shall be seeded and mowed, shrubbery trimmed, and painted or stained exterior surfaces painted or stained, all in a manner and with such frequency as is consistent with good property management. During construction or repair, the Owner is responsible to see that the contractor at all times maintains the lot in a reasonably tidy condition.

No business, commercial, manufacturing, or mercantile activity or retail sales will be allowed to operate from a private residence or at any time upon any Lot, other than an individual office within a dwelling where retail customers do not enter and exit the premises.

Section 3. Animals, Birds and Fowl. No animals, birds or fowl shall be kept or maintained on any part of the property except dogs, cats, pet birds and horses (as well as naturally existing wildlife). The dogs, cats, and pet birds may be kept in reasonable numbers as pets for pleasure or for the use of the occupants, but shall not be kept for any commercial use. All pets must be kept under control at all times, and must not become a nuisance by barking or other acts.

Section 4. Horses. In keeping with the intention of the Declarant to create an equestrian community with observance of good environmental practices, horses shall be permitted only on Lot numbers that end with the Letter H (for example, 106H and 107H) and all 300 series Lots (for example 301, 302, etc.) if any, and only in conjunction with a residence maintained on that Lot or any adjacent lot. The number of horses regularly kept on any Lot shall be limited to one (1) horse per two (2) acres, plus one (1) horse for each additional one (l) acre, of contiguous Lot or Lots owned by the same Owner. The Owner shall be responsible for controlling odor, insects, animal waste and runoff as it relates to the keeping of horses on said Lot and the Owner is responsible for providing adequate pasture area for the horses. Should the Owner fail to comply with these strict standards, complaints may be issued to the Developer, or the Association if it has been formed, and the Developer or Association shall have the right to enter said property and bring it up to suitable standards at the Owner's expense. Should said Owner have more than three complaints lodged against him at different times during a one year period, the Developer or Association reserves the right to determine whether said Owner shall lose his right to keep horses upon his property. Horse stables, paddocks or facilities located on individual Lots shall not be used or maintained for any commercial purpose. Horse pastures shall be no closer at any point than twenty-five (25) feet from the high water mark of the lake. Horses must stay within bridle paths or other designated areas of use, and horses shall not otherwise use Common Areas, walking paths, roadways (except for crossings) or road shoulders for any purpose. Use of the bridle paths is specifically restricted as provided in Article VI and Article IX.

Section 5. Temporary Structures. No structure of a temporary character shall be placed upon any Lot except port-a-johns, shelters or trailers used by a contractor during the construction of the dwelling or any ancillary structure; provided further that such permitted temporary structures may not be used as residences or permitted to remain on the Lot after completion of construction or in any event for more than twelve (12) months from the commencement of construction; and provided further that the Developer may maintain such a structure for a temporary real estate office.

Section 6. Antennas and Utility Service Lines. No television or radio receiver or transmitter or satellite dish or similar receiver or other antennas, which are visible from any Common Area, street, or adjoining Lot will be permitted without written approval from Developer, All utility service lines of all kinds, including but not limited to electric, telephone, cable, water and sewage, must be installed underground except with the prior written approval of the Developer.

Section 7. Fuel Tanks/Garbage Containers. All fuel tanks and similar storage receptacles must be installed within an ancillary structure, underground, or fully screened. All outdoor receptacles for ashes, trash, rubbish or garbage shall either be installed underground or screened or placed so as not to be visible from any street or any other Lot or any Common Area, but such receptacles must also be convenient for collection and in accordance with reasonable health laws or standards. Any containers for storage of any substance which would be hazardous to the environment, such as, but not limited to oil, gas, propane, or other petroleum or similar environmentally hazardous materials, shall be placed in such a manner so as to not create a hazard to the environment, a hazard to other Owners, or a nuisance to other Owners.

Section 8. Signs. No sign or device shall be displayed indicating the profession, business or trade of any person or advertising in any way. No commercial signs shall be erected or maintained on any Lot or on any structure on any Lot except in connection with the sale of a vacant or improved Lot, and such sign shall not exceed two (2) feet by three (3) feet in size, or except as may be permitted in writing by the Developer, or except as may be required by legal proceedings. The entrance sign naming the Development, road signs, and a temporary sign installed by the Developer announcing the Lots in the Development for sale shall, however, be excepted from this restriction. Developer specifically reserves the right to establish gates and suitable signs at entrances to specific "Gated Areas" to be constructed and maintained within the Development.

Section 9. Vehicles. Trucks and trailers owned by property owners for their own personal use to transport horses, as well as "pickup trucks", are allowed. However, commercial vehicles of any sort, and other trucks of any sort, are not allowed at any time upon the streets or upon any Lot except for the limited purpose of making a delivery or during active construction. No four wheelers, three wheelers, go-carts, dirt bikes, or motorized recreational vehicles of any sort are permitted on any bridle path or any Common Area. Exceptions to this Section IX may be approved from time to time by the Developer or the Association for use of such vehicles; for example, in the management or maintenance of the Common Areas and for transportation to and from the McLendon Hills Equestrian Center or such other facilities as may be established by Developer.

Section 10. Parking. No on-street vehicular parking shall be permitted except in accordance with reasonable standards which may be established by the Developer. Each Owner shall provide off-street parking space for at least two vehicles prior to the occupancy of any dwelling constructed on said Lot in accordance with reasonable standards established by the Developer. Class A motorhomes, Class B motorhomes 20 feet or greater in length, Class C motorhomes, truck camper shells, travel trailers over 19 feet in length, and watercraft of a size or type not authorized for use on Lake Troy Douglas, shall be parked in a garage or approved ancillary structure or at a location outside the Development. Smaller recreational vehicles, watercraft (trailered or not trailered) authorized for use on Lake Troy Douglas, horse trailers kept on the Owner's Lot, and utility trailers for the transport of other material, shall be parked, to the fullest extent possible, in the location that is least visible from adjacent Lots, roadways, and other Common Areas. No more than one vehicle that is required to be registered with the North Carolina Department of Motor Vehicles, which is not registered with the North Carolina Department of Motor Vehicles or with an agency of any other State, may be kept on any Lot, and such vehicle shall be stored in an enclosed garage. Non-operating vehicles, equipment, unused objects or apparatus, or any portion thereof, shall not be permitted to remain on any lot.

Section 11. Maintenance. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkempt conditions of his buildings or grounds. All driveways shall be paved for a minimum of the first seventy-five (75) feet from the edge of the paved street, and driveways crossing bridle trails shall be of concrete for the entire width of the bridle trail.

Section 12. Removal of Trees. No Trees may be removed from any Lot without the written consent of Developer until the Owner is ready to begin construction. Unless approved by the Developer, there shall be no more than sixty percent (60%) of the trees cut and removed from the Lot. "Trees" in this Section 12 refer to those trees six (6) inches or more in diameter as measured six (6) inches above ground level.

Section 13. Subdivision. No Lot shall be subdivided, or its boundary lines changed, unless each part of the subdivided Lot becomes a part of an adjacent whole Lot, and the total number of Lots is not increased or decreased without the written consent of the Developer. Each resulting modified Lot shall thereafter constitute one Lot. The restrictions and covenants herein shall apply to the modified Lots resulting from said subdivision and addition. However, the Developer hereby expressly reserves to itself the right to re-plat or re-subdivide any Lots shown on the Maps.

Section 14. Reconstruction. Any structure on any Lot, which is destroyed in whole or in part by fire, windstorm, flood or other Act of God. or otherwise, must be rebuilt, or all debris from such structure removed and the Lot returned to the condition it was in prior to commencement of construction of such structure with reasonable promptness; provided, however, that any such reconstruction must be commenced within six (6) months from the date of such destruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within six (6) months of such destruction. Any reconstruction must be approved by the Architectural Review Board in the same manner as new construction.

Section 15. Utilities. All plumbing fixtures, dishwashers, toilets and sewage disposal systems shall be connected to a septic tank sewage system and approved by the appropriate governmental public health authority, or shall be connected to a central sewer system wherever such system is available. No septic tank system shall be used unless the design, location, construction and maintenance are in all respects approved by the appropriate governmental public health authority. Each Lot shall connect to the central water distribution system of the Development.

Section 16. Drainage. It shall be the obligation of the Owner to provide, install, and maintain adequate culvert and drainage pipe under all driveways as needed in order that the natural flow of surface water will not at any time be blocked along 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 Architectural Review Board. The natural flow or drainage of any creek, spring or stream shall not be interfered with or diverted. Each Lot Owner shall (a) undertake reasonable efforts (including but not limited to compliance with applicable law) to prevent erosion, run-off and sedimentation from his or her Lot related to, but not limited to, construction or improvements erected upon his or her Lot, (b) maintain, repair and ensure the full performance of all erosion and drainage control devices installed or situate upon his or her Lot and (c) be liable to other Lot Owners and the Association for any and all violations hereof.

Section 17. Fences, Gates, Walls, Bulkheads and Piers. No fence, gate, wall, bulkhead or pier shall be erected until after the plans and specifications showing the nature, shape, height, materials, construction, and location of said fence, gate, wall, bulkhead or pier shall have been approved in writing by the Architectural Review Board. The construction of a bulkhead, pier or dock must be in compliance with applicable law including but not limited to regulations promulgated by the State of North Carolina and the U.S. Army Corps of Engineers.

Section 18. Mail Boxes and Paper Boxes. Any mail box or paper box shall be erected only after the plans and specifications showing the nature, shape, height, materials, and location of said mail

boxes and paper boxes shall have been approved in writing by the Architectural Review Board.

Section 19. Lake Use. The use of the lake for any purpose is restricted to Owners and guests accompanied by an Owner. No motor boats or any type of vehicle driven by gasoline motor are permitted on the lake. Boats driven by electric motors, sail boats and other non-motorized boats are permitted on the lake. The construction of any piers, boat houses, or other structures on the lake shore or extending out into the lake must have prior written approval by the Architectural Review Board.

Section 20. Divided Ownership. No Lot, or dwelling thereon, shall be leased, purchased, sold, conveyed, owned, used or operated so as to constitute or create a time-share estate.

Section 21. Rules and Regulations. The Association may promulgate additional rules and regulations governing the use of any Common Areas. All such rules and regulations shall be mailed to all Owners via first class mail, postage prepaid.

Section 22. Compliance. In the event that any Owner fails to comply with any of the restrictions set forth in these Restrictive Covenants or the rules or any regulations subsequently promulgated by the Association, the Association or the authorized agents of the Association shall have the right, but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Owner's default. All expense and cost incurred by the Association or its authorized agents in curing such default shall be charged to the defaulting Owner and shall be payable by such Owner to the Association immediately upon demand. The Association and its authorized agents shall not be liable for any damage which may result from such entry unless such damage results from the willful misconduct of the Association or its authorized agents.

ARTICLE V
ARCHITECTURAL CONTROL

Section 1. Architectural Review. The Developer, or any board or committee established by the Developer for such purpose, shall function as the Architectural Review Board until the McLendon Hills Property Owners' Association is formed as set forth in Article VIII, and thereafter the Association, or any board or committee established by the Association for such purpose, shall function as the Architectural Review Board. After the Association has been formed, the Association's Board of Directors shall appoint the members of the committee to carry out the functions of the Architectural Review Board.

Section 2. Required Architectural Approval. No improvement or structure of any kind, including, without limitation, any building, fence, gate, wall, bulkhead, pier, pool, pool house, servants' quarters, barns, sheds, workshops, freestanding decking, greenhouses, gazebos, guest facilities, screen enclosure, sewer, drain, disposal system, landscaping, recreational structure, external lighting, other outbuilding, or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration to any of the foregoing be made, unless and until the plans, specifications and location of the same, shall have been submitted to, evaluated, and approved in writing by the Architectural Review Board as to harmony of external design and location in relation with the architectural and landscape standards of the Architectural Review Board.

Section 3. Approval of Plans, Specification and Construction. Prior to commencement of any construction, all proposed building plans, specifications, exterior color or finish, facade, roofing material, roof pitch, plot plans (showing the proposed location of such building or structure, dives and parking areas), and construction schedule shall be approved in writing by the Architectural Review Board. Upon receipt of all required information and the Owner's written request for approval of his or her plans by the Architectural Review Board, the Architectural Review Board shall, within thirty (30) days from

receipt, approve or disapprove the plans or request additional information; provided, however, that, if within the thirty (30) day period, the plans are not disapproved and no additional information is requested by the Architectural Review Board, the plans shall be deemed to have been approved. Garages and other ancillary structures (except those used for equine housing) on any Lot must be constructed of the same or compatible materials as specified for the dwelling constructed thereon. No alterations may be made in such plans after approval by the Architectural Review Board except with the written consent of the Architectural Review Board. No alterations in the exterior appearance of any building or structure shall be made without the written consent of the Architectural Review Board. .One copy of all plans and related data shall be retained by the Architectural Review Board for its records. The exterior of all structures must be completed within one year after construction is commenced, except where such completion is delayed by strikes, fires, national emergencies or natural calamities.

Section 4. Architectural Standards. In addition to standards and considerations set forth elsewhere herein, the Architectural Review Board may establish informal standards for the design, location, size, style, structure, color, mode of architecture, mode of landscaping, and relevant criteria deemed important to the Board for the construction of any improvements. Disapproval of plans, location or specifications may be based upon any ground, including purely aesthetic considerations, which the Board, in its discretion, deems sufficient.

Section 5. Non-liability For Approval of Plans. The Architectural Review Board's approval of plans shall not constitute a representation, warranty or guaranty, whether express or implied, that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications, neither the Architectural Review Board, the Members thereof, the Association, any Member thereof, nor the Developer, assumes any liability or responsibility therefore, or for any defect in the structure constructed from such plans or specifications. By disapproving such plans and specifications, neither the Architectural Review Board, the Members thereof, the Association, any Member thereof, nor the Developer, assumes any liability or responsibility for the cost of such disapproved plans and specifications, or for the re- preparation thereof.

Section 6. Surety Deposits. The Architectural Review Board, with approval of the Association's Board of Directors, may require a surety deposit prior to approving applications for work within its scope of its regulation. The amount of the deposit eligible for refund when work has been completed will be based on rules to be determined by the ARB based on relevant factors including, but not limited to, adherence to approved plans and specifications, the general contractor's compliance with applicable ARB rules, industry standards and accepted operating practices, and the impact on the surrounding area.

ARTICLE VI
EASEMENTS

Section 1. Easements Reserved by Developer. 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 street 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. Further, the Developer reserves unto itself a perpetual easement over, upon, across, and under each road right-of-way, utility easement, bridle path, and other Common Area, and an additional area on each side of each road right-of-way, utility easement, bridle path, and other Common Area as necessary for the maintenance of such road rights-of-way, utility easements, bridle paths, and Common Areas, including, but not limited to, cutting and maintain

drainways 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 any trees, bushes, or shrubbery, making any grading of the soil, or taking any other similar action reasonably necessary to ensure that such road lights-of-way, utility easements, bridle paths, and Common Areas are maintained in a fashion suitable for their intended uses. This reservation shall not be considered an obligation of the Developer to provide and maintain any such road right-of-way, utility easement, bridle path, or Common Area, or any utility or service or facility located upon such road right-of-way, utility easement, bridle path, or Common Area. Further, the Developer expressly reserves unto itself, and its successors and assigns, the continuing and perpetual right to use, and to allow or license the use of, the road rights-of-way, utility easements, bridle paths and other Common Areas for any purpose it deems appropriate, including, but not limited to, commercial use, and the use by other properties and the owners of other properties, including, but not limited to, McLendon Hills Equestrian Center. Further, the Developer reserves unto itself, and to McLendon Hills Equestrian Center, the unlimited tight to use and to license the use of the bridle paths, including, but not limited to, the exclusive right to charge a fee for the use of the bridle paths, or otherwise, and to require a liability release to be executed as a condition to the use of the bridle paths, or to otherwise restrict the use of the bridle paths, except that Owners and resident family members of Owners will not be charged a fee for the use of the bridle paths (except as provided in Article VII (Covenants for Maintenance Dues)). Further, Developer specifically reserves unto itself the right to establish gates and suitable signs at entrances to specific "Gated Areas" to be constructed and maintained within the Development.

Section 2. Easements for Ingress and Egress. Easements are hereby reserved, and granted across all streets reserved on the deeds of conveyance or shown on the Maps for ingress and egress of the Developer, its licensees, public safety personnel and any authorized agents, employees, or assigns of any of the foregoing for the purpose of constructing, maintaining, inspecting and repairing the streets and the utilities and drainage areas. In addition, the Developer, and such other entities shall have a continuing easement to enter the Lots and Properties in order to maintain, inspect and repair all utilities facilities and drainage areas located on the Lots and Properties. This easement includes the right to disturb the structures located on each Lot and Properties in order to inspect, maintain and repair any utility facility located within or beneath such structures or land.

Section 3. 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 or retard the flow of water through the drainage channels.

Section 4. Bridle Paths, Bridle Paths shall be reserved for equine use exclusively including, but not limited to, the riding and walking of horses, and the use of equine-drawn conveyances. Use of Bridle Paths and other Common Areas shall be as protected by 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. No hedge, fence or mass planting or other obstruction shall be placed in any Bridle Path so as to interfere with the uses for which such easements are intended, provided however, that obstacles such as walls, hedgerows, jumps, water, or other similar or related amenities, and other equestrian sporting jumps shall be permitted, constructed either by Owner with prior permission of the Architectural Review Board, or by the Association or McLendon Hills Equestrian Center, so long as at least twelve (12) feet of a path remains unobstructed for use around such obstacles by equine-drawn conveyances.

ARTICLE VII
COVENANTS FOR MAINTENANCE DUES

Section 1. Responsibility for Maintenance Services. Prior to the creation of the McLendon Hills Property Owners Association as hereinafter provided, the Developer shall be responsible for collecting the dues and assessments set forth in this Article VII. Upon creation of the Association, the Association shall thereafter collect the dues and assessments set forth in this Article VII.

Section 2. Purpose of Annual Dues. The annual dues levied shall be used as follows:

(a) to maintain and repair all common roads constructed within the Development to at least the standard that such roads were in at the time of their completion, and to maintain the entrance and road signs and all street lights and landscaping adjacent to such roads in a manner consistent with the overall appearance of the Development;

(b) to maintain lakes, dams, drainage structures and drainage easements;

(c) to provide garbage removal services for all Lots, if the Association elects to provide said service;

(d) to upgrade and maintain the Common Areas, foot paths, lakes and bridle paths;

(e) to pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;

(f) to pay the premiums on all hazard insurance carried by the owner of the Common Areas and all public liability or other insurance carried by the Association; and

(g) to pay all legal, accounting and other professional fees incurred in carrying out the duties as set forth herein or in the Bylaws of the Association.

Section 3. Assessment Rate.

(a) The amount of the aggregate annual dues for each year shall be the amount necessary to fund the expenses described in Section 2 of this Article VII. The Developer or, after creation of the Association, the Board of Directors of the Association shall fix the amount of the annual dues against each Lot and dwelling at least thirty (30) days in advance of each annual dues period, subject to the limitations set forth in this Section 3.

(b) From and after March 17, 2011:

(i) Two (2) contiguous Lots that are held in identical record ownership may be recombined as a single Lot for purposes of the applicable restrictive covenants of McLendon Hills (including, but not limited to, assessments, dues, and voting rights) if (A) the Lots are recombined and described as a single Lot on a deed and plat thereof recorded in the Moore County Registry and (B) a single dwelling is located on the single recombined Lot; provided, however, that no Owner shall, notwithstanding discrete record ownership, be entitled to recombine more than two (2) Lots of which he, she or it is the beneficial owner as a single recombined Lot for purposes of the applicable restrictive covenants of McLendon Hills.

(ii) The Owner of two (2) contiguous Lots so recombined as a single Lot shall be thereafter entitled to re-subdivide the single recombined Lot, pursuant to a plat thereof recorded in the Moore County Registry, so long as (A) the re-subdivision shall

not result in the violation of any provision of the applicable restrictive covenants of McLendon Hills or any rule duly adopted by the Association, (B) the Owner thereupon pays all dues and assessments applicable to the Lots, notwithstanding their recombination into a single Lot, for the five (5) years prior to their recombination (which obligation shall (i) be joint and several amongst the record owners (if more than one) and (ii) constitute a lien against the Lots), and (C) the re-subdivision is identical to the original platted boundaries of the Lots set forth on the plat thereof recorded by Developer.

(c) Both annual dues and special assessments must be fixed at a uniform rate for all Lots and dwellings and shall initially be $400.00 per annum for each developed Lot and $200.00 per annum for each undeveloped Lot, commencing and becoming due and payable on January 1, 1999 for 1999. Thereafter, except as provided at subsection (c) hereof, the annual dues may not be increased annually by more than twenty percent (20%) of the prior year's dues.

(d) Any increase in the annual dues above the annual maximum increase as set forth in the preceding subsection must have the written consent of at least fifty-one percent (51%) of the owners of the aggregate number of Lots then subject to these Restrictive Covenants.

(e) Due to the cost of development of McLendon Hills Subdivision, the Developer shall be exempt from the payment of any annual dues or special assessments.

Section 4. Special Assessments for Capital Improvements and Emergencies. In addition to the annual dues authorized above, the Association may levy, in any year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement Upon the Common Area, including but not limited to the common roadways, utility easements, foot paths, lakes, and bridle paths serving the Development, or for the purpose of meeting any unanticipated expenses related to the Common Areas. Such special assessments may be levied only after obtaining the written consent of the Owners of at least 51 % of the aggregate number of Lots then subject to these Restrictive Covenants.

Section 5. Assessments of Lots and Dwellings. All annual dues and special assessments on the Lots shall be billed to and collected from the Owner by remitting same to the Developer or, after creation of the Association, to the Association.

Section 6. Creation of the Lien and Personal Obligation for Dues and Assessments. The Declarant hereby covenants, for each Lot and for each Owner of each Lot, and each Owner, by acceptance of a deed whether or not it shall be so expressed in such deed, is deemed to covenant and agree that each Owner shall hereafter promptly pay the annual dues assessed for and against each Lot owned from time to time by Owner, in such amounts as are necessary to pay for the services set forth in Section 2 of this Article VII and for the charges and special assessments for capital improvements established and collected as herein provided. Any such assessment or charge, together with interest, and costs and reasonable attorney's fees for collection, shall be a charge and continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, and costs and reasonable attorney's fees for collection, shall also be the personal obligation of the Owner of such Lot at the time the assessment or charge fell due. 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 lien upon the Lot or Lots involved.

Section 7. Date of Commencement of Annual Dues; Due Dates. The annual dues provided for herein shall commence for each Lot upon the completion of the street on which such Lot fronts and for each dwelling upon commencement of foundation construction. The first annual dues shall be adjusted

according to the number of months remaining in the calendar year. Written notice of the annual dues shall be sent to every Owner. The due dates shall be established in such written notice.

Section 8. Effect of Nonpayment of Dues or Assessments; Remedies of the Association. Any assessment or dues not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate allowable under North Carolina Law at the time of default, or eighteen percent (18%) per annum if the maximum legal rate is unlimited by law. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Developer or the Association to defray the costs arising because of late payment. The Developer or the Association 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 attorney's 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 his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the charges and assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust to the Developer. Sale or transfer of any Lot shall not affect the assessed lien. However, the sale or transfer of any Lot pursuant to the foreclosure or any proceeding in lieu thereof of such 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 Developer or the Association may in its sole discretion determine such unpaid dues and assessments to be an annual or a special assessment, as applicable, collectable pro-rata from all Owners. Such pro-rata portions are payable by all Owners notwithstanding the fact that such proration may cause the annual assessment to be in excess of the maximum permitted under Section 5 of this Article VII. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE VIII
ASSOCIATION

Section 1. Membership. Every Owner shall be a member of the Association. Membership of an Owner shall be appurtenant to and may not be separated from the ownership of his Lot. Upon termination of ownership, an Owner's Membership shall automatically terminate and 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 any Lot all such persons shall collectively be considered one Owner and one Member.

Section 2. Voting. All Owners (including the Developer) shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot all such persons shall collectively be considered one 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 with respect to any Lot.

Section 3. Board of Directors. The Association shall be governed by a Board of Directors in accordance with its Bylaws.

Section 4. Formation of the Association. The North Carolina Secretary of State incorporated the Association on September 19, 2008.

Section 5. Conveyance of Common Areas to the Association. At the election of the

Developer, the Developer may convey any or all of the Common Areas to the Association.

ARTICLE IX
PROPERTY RIGHTS

Section 1. Use of Common Areas. Notwithstanding any recordation of any map or any other action by Developer or the Association, all Common Areas (excluding public roads) shall remain private property and shall not be construed as dedicated to the use or enjoyment of the general public. The Developer hereby reserves to itself the right to grade, re-grade, and improve the streets, avenues, roads and any open spaces as the same may be designated on any Map, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein.

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the right to use and enjoy the Common Areas, as limited by these Restrictive Covenants, which shall be appurtenant to and shall pass with the title to his Lot, and further specifically subject to the following:

(a) The right of the Developer, or the Association if the Common Area is deeded to the Association, to promulgate any and enforce reasonable regulations governing the use of the Common Areas to ensure the safety and rights of all Owners;

(b) The right of the Developer, or the Association if the Common Area is deeded to the Association, to suspend the right to use the Common Areas by any Owner for a period during which any assessment against his Lot remains unpaid and tor a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Developer, or the Association if the Common Area is deeded to the Association, to grant utility, drainage or other easements across the Common Areas;

(d) Use of all Common Areas is restricted to Owners, their resident family members and their accompanied guests:

(i) Owners, resident family members and accompanied guests who wish to use the Bridle Trail can do so without payment of any fees, so long as each such person (or his or her legal guardian if a minor) duly executes a customary liability release and provides, for each horse, proof of a negative Coggins test which is not more than one year old if same is not on file with the McLendon Hills Equestrian Center or other designated entity.

(ii) A recognized, professional trainer employed by a resident Owner or their resident family member, shall be entitled to unaccompanied use of the Bridle Trail, without payment of any fees, for the purpose of schooling or training a horse owned by his or her Owner or resident family member employer, so long as each such trainer duly executes a customary liability release.

(iii) All other persons shall be limited to using the Bridle Trail accompanied by a guide provided by The McLendon Hills Equestrian Center, after such person (or his or her legal guardian if a minor) duly executes a customary liability release, pays the fees assessed by the McLendon Hills Equestrian Center and provides proof of negative Coggins test (per above) if using a horse not provided by the McLendon Hills Equestrian Center;

(e) The right of the Developer to grant other easements and the light to use and to grant to others the right to use the bridle paths and other Common Areas for any purpose it deems

appropriate, including, but not limited to, commercial use, and the use by other properties and the owners of other properties including, but not limited to, McLendon Hills Equestrian Center; and

(f) Any Owner who rents or leases his Lot to a tenant shall not be entitled to use and enjoy the Common Areas during the period of the tenancy, but the right to use and enjoy such shall inure to the tenant.

Section 3. 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, and for underground utility easements. It is understood and agreed, however, that the easement for ingress and egress and for underground utility easements provided herein 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 or utilities, from his Lot or from any Common Area to any property outside the Development without the prior written consent of Developer.

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. The Developer, the Association, the Architectural Review Committee, or by non-breaching Owner, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of such terms 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 attorney's fees. from the losing party or parties, in the discretion of the court. In addition to the foregoing, the Developer and the Association shall have the right, but not the obligation, whenever there shall have been built on any Lot any structure which is in violation of these Restrictive Covenants or without the prior approval of the Architectural Review Board, to enter upon such Lot and correct or remove such violating structure at the expense of the Owner. Any 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.

Section 2. Notices. Notices shall be in writing and shall be addressed as follows: (i) If to an Owner, to the address of his Lot; (ii) if to Developer, to Equestrian Lakes, LLC, P.O. Box 940, Rockingham, North Carolina 28380; (iii) if to the Association, to the address therefor on file with the Moore County Tax Department. The Developer may designate a different address for notices by giving written notice of such change of address to all Owners and to the Association. The Association may designate a different address for notices by giving written notice of such change of address to all Owners and to the Developer. Any Owner may designate a different address tor notices by giving written notice of such change of address to the Developer and to the Association,

Section 3. Headings. The headings used in these Restrictive 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 Restrictive Covenants.

Section 4. Severability. The invalidation by any Court of any restriction or covenant contained in these Restrictive Covenants shall in no way affect any of the other restrictions or covenants, but they shall remain in full force and effect.

Section 5. Supplemental Declaration. Developer reserves the right to subject any property now or hereafter owned by Developer to the provisions of these Restrictive Covenants.

Such addition(s) shall be made by Developer, its successors or assigns, filing of record a Supplementary Declaration of Covenants and Restrictions, which shall identify the property to be included and which shall incorporate these Restrictive Covenants by reference.

However, no other land within the vicinity of the Development shall be subject to these Restrictive Covenants unless the provisions of this Section 5 are complied with, it being intended that these Restrictive Covenants may not be construed or considered as a scheme for the development of any land other than that shown on the presently existing and recorded Maps and additional properties for which a Supplementary Declaration of Covenants and Restrictions may hereafter be filed as provided in this Section 5.

In addition the Developer reserves the right to file separate and unrelated declarations concerning other properties now or hereafter owned by Developer.

Section 6. Duration. Each and every Owner, by accepting the deed to his Lot, accepts the same subject to these Restrictive Covenants, and all covenants, restrictions and servitudes contained therein, and agrees for himself, his heirs, legal representatives, administrators, and assigns, to be bound by each of said covenants, restrictions, and servitudes, jointly, separately, and severally, without limitation for the terms set forth herein.

(a) Article II of these Restrictive Covenants shall continue into perpetuity, unless earlier amended pursuant to Section 7 of this Article X and with the 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.

(b) The balance of these Restrictive Covenants shall be in effect until January 1, 2027, and shall be automatically extended for successive periods of ten (10) years each unless the Owners of not less than two-thirds (⅔) of the Lots agree in a writing signed and recorded in the Moore County Registry, at any time prior to the expiration of the said term or any succeeding ten- (10)-year period, to terminate these Restrictive Covenants.

Section 7. Amendment. Article II of these Restrictive Covenants may not be amended at any time, in any way, without the 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 and by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots then subject to these Restrictive Covenants. The balance of these Restrictive Covenants may be amended by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots then subject to these Restrictive Covenants.

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IN WITNESS WHEREOF, these 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: Peter A Dotto (Seal)
Peter A. Dotto
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
Peter A. Dotto	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 N.C. Driver's License or
☐ A credible witness has sworn to the identity of the principal

Witness my hand and official stamp or seal on this the 8th day of July, 2011.

AMY M. HIGGINS
Notary Public
Moore County
My Commission Expires
08/18/2013
NORTH CAROLINA

Amy M. Higgins
Notary Public

Print notary name: AMY M. HIGGINS
(notary name must be exactly as on notary seal)

My commission expires: 8-18-2013

[affix notary seal, which must be fully legible, below]

Exhibit A

[List of record owners provided by McLendon Hills Property Owners' Association]

Equestrian Lakes, LLC	
McDonald Brothers, Inc.	
McLendon Hills Property Owners' Association	
McLendon Hills Construction Co., Inc.	
Montgomery Farms, LLC	
Truesdell	David E.
Truesdell	Avis J.
Laton	William A. Jr.
Laton	Jeanette
DeVee	Todd Mark
DeVee	Carrie L. Druskins
Reeves	Glenn R.
Reeves	Bonnie S.
Wyatt	Patricia D.
Peter	Prem, M.D.
Wright	Mary
Westcott	Kenneth R.
Piscopo	Nancy D.
Bradbury	Phil N.
Bradbury	Martha C.
Dougherty	Frank A.
Dougherty	Linda
Ballard	Vernon C.
Ballard	Brenda J.
Heilig	Christina Boatwright
Heilig	Douglas Arthur
Boatwright	Colin Byrn
Boatwright	Mary Catherine
Abbondanzio	Louis Jr.
Abbondanzio	Patricia D.
Denardo	Mark S.
Denardo	Paula J.
Clemens	Donna L., Trustee
Ohman	Boris
Ohman	Frances
Dotto	Peter A.
Dotto	Marilyn A.
Chandler	C. Carl
Chandler	Cassandra M.
Gariepy	Jeff Leo
Gariepy	Kimberly Vanderveer
Yelcich	Matthew
Yelcich	Karen
Sinclair	Raymond A.
Sinclair	Suzanne A.
Berninger	John W.
Berninger	Honora M.

McNair	Tony Charles
McNair	Linda Mabe
Sugden	Tyler
Sugden	Shelley
Pape	Carol Trustee
Heitman	Timothy W.
Heitman	Diana Phelps
Welch	Jon Shelley
Welch	Candy Collins
Seitz	Thomas W.
Seitz	Nancy
Lasswell	James A.
Lasswell	Sharon O.
Dougherty	Heather A
Julius	Terry
Mehler	Michele J.
McGillivray	Scott
McGillivray	Debbie
Haun	Terrence B., Trustee
Haun	Victoria L., Trustee
Carr	Thomas T.
Devine	John A., Trustee
Devine	Sarah S., Trustee
Duncan	Lana McCoy
Duncan	Bruce James Jr.
Wolters	Jeffrey L.
Wolters	Stephanie P.
Marshall	Clark D.
Marshall	Karen L.
Fessenden	John M.
Fessenden	Sally A.
Betts	Charles W.
Betts	Lynne C.
Carter	Bruce G.
Carter	Kimberly V.
Marinis	Michelle P., Trustee
McNeill	Craig S.
McNeill	Ellen L.
Clarke	Steven A.
Clarke	Judy A.
Protz	William F.
Protz	Carolyn W.
Williams	David D.
Williams	Shirley Ann
Erickson	Duane R.
Erickson	Sharon M.
Canevari	Theron A.
Gottheil	Robin A.
Keel	Thomas D., Trustee
Thomas	Anna S., Trustee
Sciarrino	JoAnn

Wolters	William W.
Wolters	Jennifer T.
Alloway	Patrick K.
Alloway	Karen J.
Revak	Paul
Revak	Tracey
Incandela	Salvatore J. Jr.
Incandela	Ruth E.
Goodrich	Curt L.
Goodrich	Julia E.
Johnson	Georgia A.
Carr	Rachel J.
Wright	Peter S.
Wright	Linda
French	Susan A.
Greco	John
Greco	Karyn
Lukich	Richard A.
Lukich	Lisa
Anisansel	David A.
Anisansel	Mary A.
Toporek	Abby, Trustee
Pfeiffer	David J.
Pfeiffer	Lisbeth S.
Boyd	Robert
Boyd	Deborah
Moseley	William II.
Tanner	Maunone
Zalkan	Robert L.
Zalkan	Kaye T.
Auster	Susan C.
Kayser	Charles W.
Kayser	Dorrie
Picerno	Nicholas J.
Picerno	Janice M.
Colby	Frank W.
Colby	Mary L.
Underwood	Bonnie P.
Stewart	Maureen D.
Appice	Debra A.
Powell	Wade Chester
Powell	Susan Marie
Kim	Douglas D.
Kim	Grace S.
Krallinger	Joseph C., Trustee
Krallinger	Hilde, Trustee
Buckner	Richard G.
Buckner	Paulette
Darwell	David Winston
Darwell	Cheryl Ann

Branch Banking and Trust Company

Robinette	Kenneth R.
Robinette	Claudia
Dawkins	John R. III
Dawkins	Carolyn
Anderson	Roger
Anderson	Maren
Nuechterlein	James R.
Nuechterlein	Janice L.
Freund	Clegg
Freund	Cathy
Hunt	Todd B.
Hunt	Cristen C.
Baughman	Edward C., Trustee
Baughman	Constance R., Trustee
Sylvester	Leon W., Jr.
Sylvester	Sylvia
Winslow	Larry Kent
Winslow	Joan Kirkman
Auster	David
Kutilek	Karen
Garcia	Kristine
Ashbridge	Edward B. III
Ashbridge	Louise A.
Bulkley	Cecelia L.
Curtis	Craig
Curtis	Kathleen M.
Tart	Casper, Jr.
Van Vliet	Alan T.
Van Vliet	Elaine L.
Gibbons	Roger D.
Gibbons	Linda B.
Hilliard	Kenneth J.
Hilliard	Stacey W.
Decker	Daveslyvin Desmond
Decker	Debra Amea Buie
Wilkins	Tom
Wilkins	Carolyn
Jones	William O., Sr.
Jones	Joyce A.
Scott	Mary F., Trustee
Barchard	Edward A.
Barchard	Dorthea R.
Nicholson	Todd R.
Nicholson	Sherri T.
Henry	Virginia Long
Thomas	Patricia A.
McCarthy	Tracey
Collins	Jason
Collins	Amie N.
Newman	Sidney O.
Newman	Sandra T.

Miller	Steven D.
Miller	Kay E.
Blanchard	Kristin
Richardson	Charles E.
Richardson	Lisa J.
Tibbs	Mary Patricia
Jordan	Terry W.
Barget	Gail M.

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Exhibit B

PHASE	TOTAL ELIGIBLE VOTES	AFFIRMATIVE VOTES		NEGATIVE VOTES			
		NECESSARY TO PASS	CAST	CAST	BALLOTS NOT RETURNED	INVALID BALLOTS	TOTAL REJECT
1	65	34	41	8	15	1	24
2	17	9	14	0	2	1	3
3-A	17	9	14	0	3	0	3
3-B	12	7	8	2	2	0	4
4	39	20	34	0	5	0	5
5	3	2	3	0	0	0	0
6-A	17	9	17	0	0	0	0
8-A	6	4	6	0	0	0	0
8-B	4	3	4	0	0	0	0
8-C	3	2	3	0	0	0	0

Exhibit C

AMENDMENT	AFFIRMATIVE VOTES		NEGATIVE VOTES			
	NECESSARY TO PASS	CAST	CAST	BALLOTS NOT RETURNED	INVALID BALLOTS	TOTAL REJECT
Article IV, Section 1 (Residential Use)	97	113	19	57	0	76
Article IV, Section 1 (Residential Use)	97	118	14	57	0	71
Article IV, Section 1(d) (Enclosed Garage)	97	121	11	57	0	68
Article IV, Section 1(d) (Enclosed Garage)	97	125	7	57	0	64
Article IV, Section 1(f) (Ancillary Structures)	97	113	19	57	0	76
Article IV, Section 10 (Parking)	97	114	18	57	0	75
Article IV, Section 16 (Drainage)	97	118	14	57	0	71
Article IV, Section 17 (Fences, Gates, Bulkheads and Piers)	97	123	9	57	0	66
Article V, Section 3 (Approval of Plans, Specifications and Construction)	97	127	5	57	0	62
Article V, Section 6 (Surety Deposits)	97	115	17	57	0	74
Article VII, Section 3(b) (Assessment Rate)	97	120	12	57	0	69
Article IX, Section 2(d) (Owners' Rights to Use and Enjoy Common Areas)	97	128	4	57	0	61
Article X, Section 6(b) (Duration)	97	128	4	57	0	61