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DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
MCMILLAN MANOR
(A Residential Subdivision)

Prepared by/return to:
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**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY
OF POLITICAL SIGNS** — Article V, Section 15 of these covenants regulates the display of
political signs in accordance with North Carolina General Statutes Chapter 47F-3-121(2)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this
"Declaration") is made this the 30 day of November, 2023, by Stout Land Development, LLC, a North
Carolina Limited Liability Company, hereinafter referred to as "Declarant".

(Remainder of Page Intentionally Left Blank)

WITNESSETH:

Declarant is the owner of certain property in Cumberland County, North Carolina shown on plat entitled:

"MCMILLAN MANOR SUBDIVISION" recorded in Plat Book 150 Page(s) 157 of the Cumberland County, NC, Registry (hereinafter "McMillan Manor").

McMillan Manor will be comprised of single family residential homes. Declarant desires to provide for the preservation of the values and amenities, and for the maintenance of the common area, in McMillan Manor and under a general plan or scheme of improvement desires to subject said property to the covenants, restrictions, easements, affirmative obligations, charges and liens hereinafter set forth, hereinafter referred to as the "Covenants" or the "Declaration", all of which is hereby declared to be for the benefit of said property and each and every owner of any and all parts thereof.

Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which can be delegated and assigned the power and authority of maintaining and administering the common properties, administering and enforcing these covenants and restrictions and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement. McMillan Manor Owners Association, Inc. is incorporated under the laws of the State of North Carolina as a non-profit corporation and can exercise the functions aforesaid, which functions are hereinafter more fully set forth.

NOW THEREFORE, the Declarant declares that the real property depicted on the above-described plats shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth. This Declaration and the affirmative and negative burdens of these covenants, shall touch and concern and run with the land herein referred to as the "Property." All rights and easements reserved by the Declarant hereunder shall also be reserved to the assignees and successors in interest of the Declarant.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to McMillan Manor Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Board of Directors of the Association.

Section 3. "Common Properties" or "Common Areas" shall mean and refer to:

- (a) "Common Area", "Mail Kiosk Area", "10x70 Sight Triangle", "Sign Easement" "5' No Access Easement", "10' Drainage Easement", "20 Drainage Easement", Lot CA 1, Lot CA 2, Lot CA 3, and all other identified plat easements.
- (b) any landscaping or hardscaping within the common areas;
- (c) any improvements constructed or as may be constructed within the common areas; and

- (d) any personal property acquired by the Association.
- (e) any adjoining real property acquired by the Association for the purposes of drainage, water management, or any other noncommercial purpose.
- (f) any 30' Vegetated Buffer as further defined in herein. Management and regulations regarding the 30' Vegetated Buffer are found in Article VI of this Declaration.

All Common Area is to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying dwelling places or accommodations of Owners on a guest or tenant basis, and visiting members (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Area shall lose their character as Common Area upon the expiration of such Lease.

Section 4. "Common Expenses" shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair, or replacement of the Common Area, including, without limitation, all labor, services, common utilities, materials, supplies, equipment, costs incurred in acquiring a Lot pursuant to a judicial sale, legal, accounting or managerial fees, and all expenses in connection with the Association's responsibilities under any stormwater management agreement (the "Stormwater Agreement") affecting the Property;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (d) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the association to purchase or as the Association may deem appropriate to purchase;
- (e) Ad valorem taxes and public assessment charges lawfully levied against Common Area;
- (f) The expense of the maintenance of drainage and utility easements and facilities located therein which are within the boundaries of the Common Area; provided, however that maintenance of drainage easements located within the Lots shall remain the responsibility of the Lot Owners.
- (g) Payments into any escrow account required under any Stormwater Agreement, which may include funding of the escrow account prior to a transfer of maintenance and operation responsibilities from Declarant to Association; and
- (h) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

Section 5. "Declarant" shall mean Stout Land Development, LLC, a North Carolina Limited Liability Company, its successors and assigns.

Section 6. "Covenants" or "Declaration" shall mean this instrument as it may be from time to time amended, supplemented, modified or incorporated by reference.

Section 7. "Lot" shall mean and refer to any numbered plot of land shown on the Plat and any plat of any additional phases of McMillan Manor, as such map or maps may be from time to time recorded, amended, or modified, excluding any infiltration basin, Common Area or open space.

Section 8. "Member" shall mean and refer to every person or entity entitled to membership in the Association.

Section 9. "Owner" shall mean and refer to the owner as shown by the records in the Register of Deeds of Cumberland County, North Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities, including the Declarant, of fee title to any Lot depicted on the plat of McMillan Manor, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term Owner mean or refer to any lessee or tenant of an Owner.

Section 10. "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) December 31, 2045; or (ii) when Declarant has voluntarily terminated its Declarant Rights hereunder in writing.

Section 11. "Plat" or "Plats" shall refer to the following:

Plat entitled "MCMILLAN MANOR Subdivision" recorded in Plat Book 150 Page 157 of the Cumberland County, NC, Registry.

Section 12. "Property" or "Subdivision" shall mean and refer to the land as shown on the Plats. "Property" shall also include future sections of McMillan Manor as the same may be annexed pursuant to Article II below.

Section 13. "30' Vegetated Buffer" shall mean and refer to the 30' Vegetated Buffers identified on the Plat. Such 30' Vegetated Buffers are subject to regulations regarding their use and activities within the zones found within this Declaration, the Cumberland County Ordinances, the North Carolina General Statutes, and the rules and regulations promulgated by the North Carolina Department of Environmental Quality.

Section 14. "Cemetery Tract" shall mean and refer to that certain tract containing approximately .32 acres as shown on the Plat. See Article III section 7.

ARTICLE II PROPERTY, UTILITIES, AND RESERVED RIGHTS

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these covenants is defined as the Property above.

Section 2. Annexation of Additional Property. At any time prior to the end of the Period of Declarant Control, additional land may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this section may increase the cumulative number of Lots within the Property and therefore, may alter the relative maximum voting strength of the various types of Members. Any Supplemental Declaration

may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots so annexed as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. A Supplemental Declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members.

Section 3. Special Declarant Rights. Declarant reserves the following special declarant rights for the entire Property during the Period of Declarant Control:

- (a) To complete any and all improvements indicated on the plats and plans;
- (b) To exercise any development right reserved in this Declaration;
- (c) To construct and maintain any sales office, signs advertising the Property or any property which may be added thereto, management office or model on any of the Lots or on any of the Common Area shown on the plat;
- (d) To use easements through the Common Area for the purpose of making improvements within the Property or any property added thereto; to enter upon the subdivision for access, including ingress and egress for both vehicles and pedestrians, to and from any public street; or to connect at Declarant's expense to any street, roadway walkway or other means of access located on the Common Area;
- (e) To create and add Lots, to alter the size of any Lot, combine or merge two or more Lots, to subdivide Lots or other Property into Common Property, to add Common Area, or to extend streets and utilities through Lots;
- (f) To appoint or remove any officer or member of the Association Board during the period of Declarant control;
- (g) To annex any adjacent property developed in conformity with this Declaration;
- (h) To transfer responsibility for any storm water best management practices or facilities affecting the Property to the Association in accordance with any Stormwater Agreement; or
- (i) To approve any supplemental declaration or other declaration of covenants, conditions or restrictions affecting any phase, sub-section or other portion of McMillan Manor; without Declarant's review and consent, such supplement declaration or other declaration of covenants, conditions or restrictions shall be voidable in the sole discretion of Declarant.

Section 4. Utilities Reserved by Declarant. Declarant reserves the right to subject the Property to a contract with public utility provider(s) for the installation of overhead and/or underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to such public utility provider by the owner of each Lot. Declarant may devote any Lot or portion thereof, not already sold, for any construction and uses which it, in its discretion, deems necessary in order to provide the subdivision with utilities.

Section 5. Utility Easements. Easements for installation and maintenance for utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage, or which may obstruct or retard the flow of water.

Section 6. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Property for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

ARTICLE III
PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Owners' Easement of Enjoyment in Common Area. Except as limited by the provisions of this Declaration, by the rules and regulations adopted by the Board of Directors of the Association, and any fees or charges established by the Board of Directors of the Association, every Owner shall have a right of easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title of every Lot.

Section 2. Delegation of Use.

- (a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence.
- (b) Tenants; Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy a residence within the Properties.
- (c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchaser, subject to such rules and regulations as may be established by the Board of Directors.
- (d) Suspension of Rights. The rights of any delegate of an Owner shall be suspended by, upon and during suspension of such Owner's rights as provided in this Declaration. Additionally, the privilege granted to guests and tenants of Owners to use and enjoy the Common Areas, subject to the rules, regulations and fees, if any, established by the Association for such use, (other than ingress and egress) may be denied to or withdrawn from such guests or tenants by an affirmative vote of ninety percent (90%) of the votes cast at a meeting of the Association called for the purpose of voting on such denial or withdrawal.

Section 3. Access Easement. Appurtenant to each Lot is an easement over the streets and roadways within the Properties for access, ingress and egress from and to public streets and an easement for pedestrian access, ingress and egress over sidewalks and walkways in the Common Area. Any such easement shall be upon such walkways, driveways or other ways as are designated by the Declarant and/or the Association and shall be subject to the terms of this Declaration.

Section 4. Title to Common Area. The Declarant covenants for itself, its successors or assigns, that it shall convey to the Association by limited warranty deed the "Common Properties" or "Common Area" prior to the conveyance of the first Lot. All said parcels of land may be conveyed to the Association subject to: (1) all restrictive covenants of record at that time, including but by no means limited to this Declaration; (2) all existing mortgages; (3) easements reserved by the Declarant herein for special declarant rights; and (4) any Stormwater Agreement affecting the Property.

Section 5. Extent of Owners' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) the right of the Association, in accordance with its Bylaws, to borrow money from the Declarant or any other lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein and in aid thereof to mortgage said properties;

- (b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure;
- (c) the right of the Association to suspend the rights and easements of enjoyment of any Owner, or any tenant or guest of any Owner, for any period during which the payment of any assessment against any Lot owned by such Owner remains delinquent, and for any infraction of its published rules and regulations, it being understood that any suspension for either nonpayment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Owner's obligation to pay the assessment;
- (d) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area and to limit the use of such facilities to Owners who occupy a residence on the Properties and to their families, tenants and guest, as provided in this Article;
- (e) the right of the Declarant or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility easements on any part of the Common Area; and
- (f) the right of the Association to give, dedicate, sell or exchange all or any part of the Common Area, including leasehold interests, to any public agency, authority, public service district, or private concern for such other purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedication, transfer and determination as to purposes and conditions shall be authorized by (i) the Declarant as long as it owns any portion of the Property and (ii) the affirmative vote of three-fourths (3/4) of the votes cast at a duly called meeting of the Association, subject to the quorum requirements established herein and unless written notice of the meeting and of the proposed agreement and action thereunder is sent to every Member of the Association at least thirty (30) days prior to such meeting. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by an officer of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Area prior to the recording thereof. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without the consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewerage, utility (including cable television) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of properties within McMillan Manor.
- (g) the right of Declarant to use Common Area for promotional, sales, and similar purposes during the Period of Declarant Control;
- (h) the right of the Association to open the Common Area and, in particular, any recreational facilities constructed thereon, for use by non-members of the Association;
- (i) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area;
- (j) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area; and
- (k) the special Declarant rights reserved herein.

Section 6. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

- (a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, except as specifically provided herein, no Owner or tenant, guest or invitee of an Owner shall, without specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

- (b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

- (c) Rights and Responsibilities of the Association as to the Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and officers, against any loss or damage suffered by any person resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iii) pay all property taxes and assessments for public and private capital improvements made to or for the benefit of the Common Area levied against Common Area owned in fee by the Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any *ad valorem* taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six months, each Owner of a Lot in McMillan Manor shall become personally obligated to pay to the County Tax Assessor a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due by the total number of Lots in McMillan Manor. If such sum is not paid by the Owner within thirty days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner(s), the Owner(s)' heirs, devisees, personal representatives, assigns, and the County Tax Assessor may either bring an action at law against the Owner personally obligated to pay the same or may elect to foreclose the lien against the property of the Owner. The Common Area may not be further subdivided, developed or conveyed by the Association, except where approved under the provisions of the Cumberland County Code of Ordinances Section 2402 and the Cumberland County Zoning Ordinance.

- (d) Declarant's and Association's Right of Entry. The Declarant and the Association and the

employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

Section 7. Regulation and Maintenance of the Cemetery Tract. The Association shall be responsible for the maintenance and upkeep of the Cemetery Tract. The Cemetery Tract shall not be considered Common Area as defined by this Declaration, and the Owners shall not receive any Easement of Enjoyment in and to it.

ARTICLE IV ARCHITECTURAL CONTROL

Section 1. Architectural Approval. No residence or other building, and no fence, wall, utility yard, driveway, solar panel, swimming pool or other structure or improvement, regardless of size or purposes, whether attached to or detached from the main residence, shall be commenced, placed, erected or allowed to remain on any Lot, nor shall any addition to or exterior change or alteration thereto be made, unless and until building plans and specifications covering the same, showing the nature, kind, shape, height, size, materials, floor plans, exterior color schemes with paint samples, location and orientation on the Lot and approximate square footage, construction schedule, on-site sewage and water facilities, and such other information as the Declarant or the ARC (as hereinafter defined) shall require, including, if so required, plans for the grading and landscaping of the Lot showing any changes proposed to be made in the elevation of surface contours of the land, have been submitted to and approved in writing by the Declarant or by an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board of Directors of the Association and until a copy of all such plans and specifications, as finally approved by the Declarant have been lodged permanently with the Declarant or the ARC. The Declarant or ARC, as the case may be, shall have the absolute and exclusive right to determine the style and appearance of the dwellings, including, but not limited to flag staffs, fences, walls, buildings outbuildings, garages, storage sheds, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, utility layout, and any other improvements to be built or constructed on any Lot. The Declarant or ARC, as the case may be, shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons connected with future development plans of the Declarant of said land or contiguous lands. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Declarant or ARC may take into consideration the suitability and desirability of the proposed construction and of the materials of which the same are proposed to be built to the Lot upon which it proposes to erect the same, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such construction as viewed from neighboring properties. In the event the Declarant or ARC fails to approve or disapprove such building plans and specifications within thirty (30) days after the same have been submitted to it as required above, the approval of the Declarant or ARC shall be presumed and the provisions of this paragraph shall be deemed to have been complied with.

Section 2. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modification.

Section 3. Variances. The Board may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping

with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

ARTICLE V USE RESTRICTIONS

Section 1. Business Use Prohibited. All Lots shall be used for residential purposes only and shall not be used for any business or commercial purposes, provided, however, that Declarant reserves for itself and any approved builder the right to use any Lot as a model home with sales office. Declarant, builders, real estate brokers, Owners and their agents may show lots and homes for sale or lease. Group family homes are prohibited.

Section 2. Building Type/Size. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed three stories in height and a private garage for not more than three cars and other outbuilding incidental to the residential use of the Lot. Such outbuilding erected, altered, placed, or permitted shall be placed to the rear of the dwelling structure on the Lot. All garages shall be constructed in the same architectural style and materials as the dwelling.

Section 3. Setbacks. The setback of any dwelling house on any Lot shall be as shown on the Plat. When consistent with the zoning ordinances (or any variance granted), the building line set-backs as provided for in this paragraph may be varied by as much as ten (10) percent with the express consent of Declarant, which said consent document need not be on record in the Office of the Register of Deeds, Cumberland County, North Carolina.

Section 4. Walls, Fences and Hedges. All walls, fences, and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established by the Declarant or the ARC.

No wall, fence, or hedge shall be planted or erected closer to the street on which the house fronts than the rear corner of the house; provided, however, that for houses with screened porches, the fence may attach at either the front or back corner of the screened porch.

For corner Lots, no wall, fence, or hedge shall be planted or erected closer to the side street than ten (10) feet from the corner of the house.

No fence made of concrete block, chain link, wire, or what is commonly known as "chicken wire" shall be permitted anywhere on the Lot. No wall, fence, or hedge shall exceed six [6'] feet in height. The design and materials of all fences shall be approved by the Declarant or the ARC prior to any construction pursuant to the approval requirements of Article V of this Declaration.

Section 5. Accessory Structures. No trailer, tent, shack, garage, car port, awning, utility or storage shed, barn or other building shall be placed, erected or allowed to remain on said property without the written consent of Declarant or the ARC. No structure of a temporary character shall be used as a residence temporarily, permanently or otherwise.

Section 6. Maintenance of Improvements. Each Owner shall maintain all improvements constructed upon such Owner's Lot to the standards of their original construction. Each Owner shall maintain in good

condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the dwelling. Such maintenance obligations include keeping the exterior of all such improvements free of mold and mildew. No Owner shall change the exterior design or color of the dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article IV hereof.

Section 7. Storage. No Lot or Common Area shall be used for the storage of rubbish. No trash of any kind, whether household or yard debris, shall be placed or allowed to remain on any Lot, except in proper containers. Containers should only be placed by the street on the evening before the day trash is scheduled to be picked up. Each owner shall promptly remove the trash container from the street, in no case later than the evening of the day the trash was removed.

Section 8. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 9. Lawns. Each Lot shall be maintained in a neat condition by the Owner thereof. For the purposes of this Section 9, "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface, including any drainage swales located therein. All Lots upon which a dwelling has been constructed ("Improved Lots") must have grass lawns. No gravel or similar type lawns are permitted. For Improved Lots, "neat" shall require, at a minimum, that the front yard of each Lot, and in the case of corner lots, the side of each Lot along the side abutting roadways, be sodded, be regularly cut and fertilized, and that mulched or pinestrawed areas be regularly re-mulched or re-pinestrawed and kept weeded so that its appearance is in harmony with the neighborhood. No Owner shall allow the grass on an Improved Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground. For unimproved Lots, "neat" shall require that the Lot is maintained in a sightly condition, free of debris, rubbish, weeds and high grass and in a prudent and reasonable manner harmonious with that of the other Lots within the subdivision. Owners shall remove all trash from their Lots regularly. Drainage swales will not be altered, piped or filled in without approval from the North Carolina Department of Environment and Natural Resources, Division of Energy, Mineral and Land Resources, or its successor agency.

Section 10. Animals. The maintenance, keeping, boarding and/or raising of animals, livestock, poultry (except as permitted in Section 13 of this Article), or reptiles of any kind, regardless of number, shall be and is prohibited within any Lot, except the keeping of orderly domestic pets (dogs or cats) shall be permitted; provided, however;

(1) No More than four (4) dogs may be kept by an Owner, and any dogs that are kept shall be housed inside the Owner's home; (2) no pets shall be kept, bred, or maintained for any commercial purposes; (3) household pets must be kept and contained on an Owner's property within a fence enclosure compliant with Section 4 of this Article; (4) no animals shall be kept, chained, or tied to a stake of any kind; (5) no person shall keep, permit and/or cause the keeping of any animal otherwise allowed which habitually or frequently makes such sounds, cries, or other utterances as may disturb the quiet, comfort, or repose of any person with the Properties; (6) any pet that is not on the Owner's premises shall be on a leash and accompanied by a responsible person; (7) no "runs" shall be erected or permitted on the Properties; and (8) no pot-belly pigs may be kept on any Lot.

Section 11. Vehicles, Boats, Trailers. No automobile, truck, or vehicle of any kind shall be parked on any public street abutting the Properties after receiving notification from the Declarants to remove the automobile, truck, or vehicle. No automobile or other mechanical repairs shall be conducted within a Lot other than in a garage or concealed from public view. No automobile, truck, or vehicle of any kind shall be

parked on the Lots, other than on the driveway or in the rear yard behind approved fencing. No mechanically defective automobile, motor vehicle, mechanical machine, or machinery, shall be placed or allowed to remain on a Lot at any time except in a closed garage. No truck or vehicle used with eighteen wheels (such as a "tractor" or "semi") shall be permitted to be parked on the Properties except in the course of delivery, pick up, or discharge of a specific commercial duty. No vehicle in inoperable condition, no unlicensed vehicle, no recreational vehicle, no camper, no golf cart, no boat, no trailer, and no jet ski or other watercraft may be parked on any street or on any Lot, unless kept inside a garage or behind an approved fence in the rear of the lot on a concrete pad suitable for such purpose. No parked vehicle shall be covered by a "car cover" or other similar covering unless kept inside a garage and concealed from public view. No truck or vehicle, no camper, no golf cart, no boat, Jet Ski or other watercraft, and no trailer may be kept within the Common Area. For the purpose of the preceding sentences, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less. In order to preserve the aesthetics of the development, whether or not a boat, trailer, or vehicle of any type is adequately concealed from public view shall be determined by the Declarant in its sole discretion. The Declarant shall have the right to tow or remove any boat, trailer, recreation vehicle, camper, jet ski, watercraft, golf cart or vehicle of any type which is parked within the Common Area or kept on any Lot in violation of this section, at the Owner's expense, and the Owner of each Lot, by acceptance of their deed, does grant to the Declarant such an easement, on, across, and upon their Lot as may be necessary to enforce the provisions set out in this section.

Section 12. ATV, Dirt Bikes, Mini Bikes and other "off road" vehicles. ATVs, Dirt Bikes, Mini Bikes, and off road style vehicles may not be operated within any portion of the Property, on a Lot, or in the Common Area. Such vehicles may be stored and/or parked on the Property in accordance with Section 11 above. Declarant and/or the Association shall have the right to tow or remove any ATV, Dirt Bike, Mini Bike, or off-road vehicle being used or having been used at any time in violation of this section at the Owner's expense and the Owner of each Lot, by acceptance of their deed, does grant to the Declarant such an easement, on, across, and upon their Lot as may be necessary to enforce the provisions set out in this section.

Section 13. Chickens. The maintenance, keeping, boarding and/or raising of chickens is permitted; provided, however;

- (1) No more than ten (10) chickens may be kept by an Owner; (2) the term "chickens" is limited to hens and specifically excludes roosters; (3) chickens must be contained on an Owner's property within coops or fences that are no more than six (6') feet in height; (4) the use of wire or "chicken wire" is permitted on the lot for the purpose of containing chickens on the Owner's property; (5) any structure or fence housing chickens must be kept to the rear of the property and be compliant with local ordinances in place at the time they are erected.

Section 14. Mail Kiosk. Mail Kiosks, placed in accordance with NCDOT and any applicable federal, state, and local regulations, shall be maintained by the Association for the benefit and use of the Owners and the United States Postal Service.

Section 15. Signs. No sign of any character shall be displayed or placed upon any Lot except "For Sale" or "For Rent" signs. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Declarant. Notwithstanding the foregoing, Declarants, and with the consent of and upon such conditions as Declarants, in their sole discretion, might impose, a builder or builders shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Properties.

- (1) Political Signs. No political signs shall be displayed outside of the time period of 60 days prior to the date of an election day and 14 days after the Election Day. Political signs include

candidate for office signs and any "movement or group" sign that is interpreted by the Association as being political.

Section 16. Antennae and Roof Structures. No radio or other electrical towers, aerials, antennae, or other devices of any type for the reception or transmission of radio broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon. Satellite dishes not to exceed 35 inches in diameter are permitted in the rear of the dwelling house or the rear corner of the Lot. The Declarant shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. An antenna permissible pursuant to rules adopted by the Association may be installed only if it is approved by the Association pursuant to Article V hereof.

Section 17. Swimming Pools. In-ground pools and above ground pools are permitted in the rear yard of any dwelling and must be surrounded by at least a five (5) foot fence, constructed in accordance with Section 4 of this Article.

Section 18. Visual Obstructions at Intersections of Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five (25) feet from the junction of the street curb lines (or extension thereof) shall be placed, planted or permitted to remain on any corner Lots.

Section 19. Water Retention Areas. A drainage easement is hereby dedicated to the Declarant for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations; provided, however, that nothing in this Section shall release an Owner from his or her maintenance responsibilities under Section 9 above.

Section 20. Noise. Each Lot Owner covenants and agrees that he will control the noise level emanating from any activities on the lot at a reasonable level. The Lot Owner shall not allow the noise level to become a nuisance or to otherwise interfere with adjoining Owners' reasonable use of their lots.

Section 21. Diligent Construction. Unless otherwise agreed by Declarants, all construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion. No partially completed building or other improvement shall be allowed to exist on any Lot, except during such reasonable period as is necessary for the completion of same.

Section 22. Casualty; Obligation to Re-construct or Raze. If any structure is significantly damaged or destroyed by fire or other casualty, then the Owner thereof shall promptly repair or rebuild said structure or shall promptly raze the damaged improvements and clear all debris from the Lot. If this Section is not complied with, then the Declarants (until the expiration of the Period of Declarants Control) shall have the right to raze the damaged improvements and clear all debris from the Lot.

Section 23. Short Term Leasing. No Leases or other rental agreement shorter than 1 month shall be allowed. Each owner covenants and agrees that they will not use the property as a short term rental property.

Section 24. Leasing. Any Lease between the Owner and a Tenant must be for the entire property. No Leasing of individual rooms or portions of a Lot are allowed. Any Lease entered into by an Owner shall be provided to the Association, including a list of all occupants of the leased Property if there are to be occupants that are not on the Lease.

ARTICLE VI
STORMWATER RESPONSIBILITIES, COVENANTS, AND VEGETATED BUFFER ZONES

Section 1. Covenants. Attached Exhibit A, if any, are the Stormwater Covenants and Permit.

Section 2. 30' Vegetated Buffers.

(a) The purpose of the 30' Vegetated Buffers is to protect and maintain a boundary between the McMillan Manor subdivision, any future disturbance, encroachment, or development along Eagle Springs Drive and along any traversing watercourses and drainage ways.

(b) The 30' Vegetated Buffers as shown on the Plat are deemed Common Area under the Declaration and the management of the 30' Vegetated Buffers is the responsibility of the Association. No development, construction, improvement, or alteration of any kind shall be allowed within a 30' Vegetated Buffer. No subdivision, alteration, ownership transfer to an entity not created for the purpose of managing the 30' Vegetated Buffer, or change in the boundaries or size of a 30' Vegetated Buffer is allowed. The 30' Vegetated Buffer is to be managed in accordance with the governmental rules and regulations in place for such designated zones, including but not limited to any local, state, or federal rules concerning Vegetated Buffers.

(c) **If any conflict occurs between this Section 2, Article VI and any other section of this Declaration, this Section 2, Article VI shall control.**

ARTICLE VII
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner, upon acquiring title to a Lot subject to assessment by the Association, shall be a member of the Association and shall remain a member until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association shall cease. Each Member shall pay the Assessments provided for in Article VIII when due and shall comply with the Association's decisions. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

- (a) Class A Members. Every person, group of persons, or entity which is a record Owner of a fee interest in any Lot shall automatically be a Class A Member of the Association, except the Declarant during the Period of Declarant Control; provided, however, that any such person group of persons, or entity who or which hold such interest solely as security for the performance of an obligation shall not be a Member. Each Class A Member shall have one (1) vote with respect to each Lot owned by such Member, except as set forth in Section 3 below. In the event that more than one person, group of persons, or entity is the record Owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

- (b) Class B. Members. The Class B Member during the Period of Declarant Control shall be the Declarant. Declarant shall be entitled to nine (9) votes for each Lot is owns during the Period of Declarant Control. The Class B Membership shall cease and be converted to Class A membership upon the expiration of the Period of Declarant Control.

Section 3. Declarant's Voting Rights. Until the expiration of the Period of Declarant Control, Declarant shall be vested with the sole voting right of the Association on all matters, including, without limitation, election and removal of directors and officers of the Association.

Section 4. Composition of Board. The Association shall be governed by a Board of Directors as provided for in the By-Laws of the Association. The Declarant shall have the right to appoint and remove all persons on the Board and to appoint and remove all officers of the Association during the Period of Declarant Control.

Section 5. Cumulative Voting Prohibited. Each Owner shall be entitled to as many votes as equals the number of votes he is ordinarily entitled to multiplied by the number of Directors to be elected, but may not cast all of such votes for any one (1) Director and must distribute them among the number to be voted for, and all votes must be cast in whole numbers and not fractions thereof. It is the intent of this Section to prohibit cumulative voting.

Section 6. Voting Rights Suspension. The right of any Class A Member to vote may be suspended by the Board of Directors of the Association for any period during which any assessment against that Class A Member remains unpaid or for any violation of the published rules and regulations of the Master Association.

ARTICLE VIII COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Class A Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges which are Common Expenses; (2) special assessments for extraordinary maintenance, capital improvements, or other extraordinary common charges or expenses; (3) special assessments for purchase, construction or reconstruction of improvements; and (4) to the appropriate governmental taxing authority, a pro rata share of assessments for public improvement to the Common Area if the Association shall default in payment thereof. All assessments, together with interest and late charges set forth in the Article and all costs and reasonable attorney's fees for collection, shall be a charge and continuing lien upon the Lot against which each such assessment is made. Each such assessment or charge, together with interest, fees, costs and reasonable attorney's fees, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them; however, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

The Association shall also have the authority, through the Board of Directors, to establish, fix and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Class A Owner covenants, for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him by the due date as established by the

Board, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said Owner's Lot as provided herein and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the subdivision; and, in particular, but not limited to, for the acquisition, improvement and maintenance of services, amenities and facilities, and for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with this Declaration, the employment of counsel, accountants, managers, engineers, security personnel, and other professionals for the Association when necessary, the payment for maintenance and operation, under the Stormwater Agreement and for street lights; the payment of any assessments due pursuant to the Master Declaration; and such other needs as may arise.

Section 3. Regular Assessments; Initial Contribution to Working Capital; Fine Assessments. Until December 31, 2023, the initial regular assessment shall be \$375.00 annually based on the calendar year; such annual assessment for each Lot shall commence at the time of the first conveyance of an improved Lot (the "First Sale"), prorated on a calendar year basis. In addition, each Lot shall be assessed a one time or initial contribution to working capital fee of \$450.00 at the time of the closing of the First Sale. This one-time fee shall not be considered an advance of the regular or annual assessment.

Beginning January 1, 2024 and during the Period of Declarant Control, the Board of Directors shall adopt an annual budget and fix the annual assessment.

After the Period of Declarant Control expires, the Board of Directors shall adopt a proposed budget at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 10 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present in order to vote on ratification of the budget. The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget. Notwithstanding the forgoing, if the budget provides for annual assessments not greater than 10% larger than the assessment in effect for the immediately preceding year, such budget shall be deemed ratified unless Members having at least 80% of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. Any annual assessment ratified by the Members shall continue thereafter from year to year as the annual assessment until changed by the Board and ratified by Members as set forth herein.

In addition, the Board of Directors, or any adjudicatory panel established by the Board, may levy a reasonable Fine Assessment as a fine or penalty for violation of this Declaration. In addition, the Board may enact additional fees for late payments, fees for providing written assessment certificates setting forth all current and delinquent assessment charges, and fees to transfer ownership of a Lot upon the Association's records.

Section 4. Special Assessments for Capital Improvements. In addition to the regular and fee assessments authorized above, the Board may levy, in any assessment, year, a special assessment for the purpose of defraying, in whole or in part the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Common Area, any extraordinary maintenance or other expense, including fixtures and personal property related thereto and any property for which the Association is

responsible provided that any such assessment shall have the assent of Members as provided in Section 3 above.

Section 5. Replacement Reserve. Out of the Common Expenses assessment, the Board may create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Area which the Association may be obligated to maintain.

Section 6. Individual Assessment. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which the Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, his family, his pet(s), his tenant or his guest, the cost of such maintenance, repairs or replacements shall be paid by such Owner. The Board shall have the maintenance, repair, or replacement done, and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within thirty (30) days thereafter, unless an earlier date is otherwise set forth therein.

Section 7. Date of Commencement of Annual Assessments; Due Dates. Annual assessments shall not commence until the First Sale as set forth in Section 3 above. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall be delinquent, in default and shall incur such late charge as the Board of Directors may from time to time establish, and if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or at such other reasonable rate set by the Association in its minutes, not to exceed the highest rate then permitted by North Carolina law. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, reasonable attorneys' fees and the costs of such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

The lien herein granted unto the Association shall be enforceable pursuant to Chapter 47F of the Planned Community Act of North Carolina ("PCA") from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Lot is located in the manner provided therefore by the PCA, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time after thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. In any foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage on said Lot. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to first mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. Any property dedicated to, and accepted by, a public authority and any property owned by the Association shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Miscellaneous.

- (a) An Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise, notice sent by the Association to the Lot is sufficient for any notice requirement under this Declaration.
- (b) The lien under this Article arises automatically and no notice of lien need be recorded to make the lien effective.
- (c) Any assessment otherwise payable in installments shall become immediately due and payable in full without notice upon default in the payment of any installment. The acceleration shall be at the discretion of the Board.
- (d) The Association shall have the right in its discretion to contract with a professional property management agency for the purposes of managing its affairs on behalf of the subdivision.

ARTICLE IX
RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association shall be responsible for the following services:

- (a) Exclusive management, control, and maintenance of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair, whether or not title to such Common Area has been formally conveyed to the Association; including, without limitation, streets and roadways, landscaping, recreation area, storm water structural controls and BMPs under any Stormwater Agreement, wet detention basins and other facilities located on the Common Area;
- (b) Payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration;
- (c) Taking any and all actions necessary to enforce all covenants and restrictions affecting the Property, and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property, including but not limited to fining Owners for violating same or for not properly maintaining their Lot;
- (d) Constructing improvements on Common Area for use for any of the purposes or as may be required to provide the services as authorized in this Article;
- (e) Provision of administrative services including but not limited to insurance, legal, accounting and financial, and communication services informing Owners of activities, notice of meetings, referendums, etc., incident to the above-listed services, and payment of taxes and other expenses; and
- (f) Any other services necessary to perform its obligations hereunder.

The powers of the Association shall be construed liberally and shall include, without limitation, all of the powers set forth in Section 47F-3-102 of the Planned Community Act.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager") to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board of Directors may deem appropriate. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deems appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from Declarant.

Section 3. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority, to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Declarant may, but shall not be obligated to, make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the method by which such loans will be repaid and subject to a maximum of loan amount approved by the Declarant, at interest rates acceptable to the Declarant. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there is outstanding any amounts due the Declarant as repayment of any loans made by the Declarant to the Association.

ARTICLE X DURATION AND AMENDMENT

Section 1. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five-year period this Declaration shall be automatically renewed and extended for successive ten-year periods unless terminated or amended by a vote of the Owners. During the Period of Declarant Control, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of same in the applicable public registry for Cumberland County, North Carolina. Otherwise, this Declaration may be amended as set forth in N.C.G.S. 47F-2-117 except that neither the Association nor the Owners may amend this Article X to diminish or remove Declarant's powers hereunder.

ARTICLE XI ENFORCEMENT, SEVERABILITY AND INTERPRETATION

Section 1. Means of Enforcement. Enforcement of these Covenants shall be by any proceeding at law or in equity, whether it be to restrain violation or to recover damages or to create any lien created by these Covenants.

Section 2. Severability. Should any covenant or restriction herein contained, or any Article, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the

parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 3. Interpretation. In all cases, the provisions of this Declaration shall be given that interpretation of construction which will best result in the consummation of the general plan of development of the Property. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning or similar ordinance which allows a less restricted use of the Property.

Section 4. Authorized Action. All action which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 5. Trespass. Whenever the Association, and/or the Declarant are permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

Section 6. Conflict. In the event of any conflict between the provisions of this Declaration and any applicable provisions of the Cumberland County Code of Ordinances, the provisions of the Cumberland County Code of Ordinances shall control.

SIGNATURE ON NEXT PAGE

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed the day and year first above written.

Stout Land Development, LLC

By: _____


Name: Benjamin A. Stout
Title: Member/manager

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day and acknowledged to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Name of Principal: Benjamin A. Stout, member/manager

Date: 12/14/2023


Notary Public

Parker C. Lee
Printed or Typed Name of Notary Public

My commission expires: 5/7/2024

(Affix notarial stamp or seal)

