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FOR REGISTRATION REGISTER OF DEEDS
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Moore County, NC
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✓ Prepared By/Return To:
Joel S. Jenkins, Jr., Attorney
P.O. Drawer 53515
Fayetteville, NC 28305

NORTH CAROLINA
MOORE COUNTY

DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS, SINCLAIR, PHASE 2

THIS DECLARATION OF RESTRICTIVE COVENANTS is made this 27th day of September, 2010, by H & H INVESTMENTS, INC., a North Carolina corporation, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Moore County, North Carolina known as SINCLAIR, PHASE 2, a plat of which has been duly recorded in Plat Cabinet 15, Slide 145 (the "Plat") of the Moore County, North Carolina Registry; and

WHEREAS, Declarant desires that SINCLAIR, SECTION ONE, be uniform in its development and the restrictions applicable thereto; and

NOW THEREFORE, Declarant declares that the real property described above shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of, and which shall run with, the real property described above and be binding on all parties having any right, title or interest in the described properties or any part thereof; their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

(a) "Association" shall mean and refer to Sinclair Owners Association, a North Carolina non-profit corporation, its successors and assigns.

(b) "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Association. The Common Properties to be owned by the Association at the time of the conveyance of the first Lot by Declarant to an Owner shall be the area designated as "Open Space" or "Buffer" on the Plat as defined above, together with any easements or rights-of-way in favor of the Association, and subject to the easements and other rights described herein or as shown on the Plat. The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Members, persons occupying dwelling places or accommodations of members 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 Properties shall lose their character as Common Properties upon the expiration of such Lease.

(c) "Common Expenses" shall mean and include:

- (1) All sums lawfully assessed by the Association against its members;
- (2) Expenses of administration, maintenance, repair, or replacement of the Common Properties;
- (3) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (4) 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;
- (5) Ad valorem taxes and public assessment charges lawfully levied against Common Properties; and
- (6) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

(d) "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Property, as such map or maps may be from time to time amended or modified.

(e) "Member" when used in the context of discussing the Sinclair Owners Association shall mean and refer to the Declarant and its designated officers, employees or agents and all those Owners who are Members of the Association as provided in this Declaration.

(f) "Owner" shall mean and refer to the Owner as shown by the records in the Register of Deeds of Moore 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, 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.

(g) "Period of Declarant Control" means the period commencing on the date hereof and continuing until the later of (i) five (5) years after the date of the first conveyance of a Lot to an owner other than a declarant; (ii) when a declarant no longer owns a Lot in Sinclair or any property added to said subdivision.

(h) "Property" shall mean and refer to Sinclair, Section One, as shown on the Plat. "Property" shall also include future sections of Sinclair as the same may be developed from time to time except that such future sections of Sinclair shall become subject to these covenants only from and after the recording of the plat or plats for said future section(s) and the recording of a Supplemental Declaration which incorporates by reference this Declaration and which expressly makes the new section(s) subject to these covenants, or portions of same. The Supplemental Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of Declarant, but such modification shall have no effect on the Property shown on the Plat

ARTICLE II SPECIAL DECLARANT RIGHTS

Declarant reserves the following special Declarant rights for the entire Property, including any future sections of Sinclair, 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 shown on the Plat;
- (d) To use easements through the Common Properties for the purpose of making improvements within the Property or any property added thereto; or
- (e) To alter the size of any Lot, combine or merge two or more Lots, to subdivide Lots or other Property into Common Property.

ARTICLE III
UTILITIES AND UTILITY AND DRAINAGE EASEMENTS

Section 1. Declarant reserves the right to subject the Property to a contract with public utility providers for the installation of overhead and/or underground electric cable or other utilities and/or for 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 improved Lot. Declarant and its successors in title may devote any Lot or portion thereof, not already sold, for any construction and uses which it, in its sole discretion, deems necessary in order to provide the subdivision with utilities.

Section 2. Easements for installation and maintenance of utilities and drainage facilities and signs are reserved as shown on the 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. All areas indicated as streets and easements on the Plat are hereby dedicated to public use for such uses forever except side yard easements which are for the use and benefit of those persons and Lots described herein.

Section 3. As shown on the recorded plat for the subdivision, some lots in the subdivision utilize off site sewer disposal drain field areas that are not a part of a specific lot, designated "Off Site Sewer Disposal Lots" on the recorded plat. No buildings, paved paths or vehicular roads shall be allowed on these areas. No reshaping of the landscape in these areas is allowed. Existing drainage patterns shall be maintained. O trees or shrubs shall be planted in these areas. Any disturbance to these areas beyond mowing shall be subject to approval by the Moore County Health Department. The surface areas of these Off Site Sewer Disposal Lots shall be maintained by the Association, mowed at least annually.

ARTICLE IV
USE RESTRICTIONS - LOTS

Section 1. 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 the right to use any Lot and any improvements thereon owned by Declarant as a model home with sales office. Group homes are prohibited.

Section 2. All Lots shall be residential lots, and no structure shall be erected, altered, placed or permitted to remain on any of said Lots except one detached single family dwelling of not more than two and one-half stories in height, a private garage for not more than three cars and other out-buildings in the rear of the dwelling house which may be incidental to normal residential use in subdivisions of similar category. Any such outbuild'ngs shall be constructed in the same manner and with the same materials as the single family dwelling located on the Lot. Manufactured metal buildings may not be placed on Lots that are visible from McPherson Pond. Otherwise, a manufactured building may be placed on a Lot for storage, but may not exceed 15' by 15' in size.

Section 3. No dwelling shall be erected or allowed to remain on any of the Lots which shall contain a ground floor heated-area living space of less than one thousand five hundred (1,500) square feet for a one-story single family dwelling and not less than seven hundred (700) square feet for a two-story single family residential dwelling. Heated-area living space shall mean the ordinary living space in a house which is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, carports, and porches shall not be counted. No residence or other building, and no fence, wall, utility yard, driveway, 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 building 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 building Lot and approximate square footage, construction schedule, on-site sewage and water facilities, and such other information as the Declarant shall require, including, if so required, plans for the grading and landscaping of the building 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 and until a copy of all such plans and specifications, as finally approved by the Declarant have been lodged permanently with the Declarant. The Declarant 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 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 building 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 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, or the

foundation of the building has been completed and approved by the local building inspection department, the approval of the Declarant shall be presumed and the provisions of this paragraph shall be deemed to have been complied with. However, no residence or other building, structure or improvements which violates any of the covenants and restrictions herein contained or which is not in harmony with the surrounding neighborhood and the existing structures therein shall be erected or allowed to remain on any part of a Lot All driveways shall be constructed of concrete.

Section 4. All structures on any of said Lots shall comply with (i) a front setback of fifty (50) feet, a side yard setback of five (5) feet, a side street setback of thirty (30) feet, and a rear yard setback of thirty-five (35) feet; (ii) the Moore County, NC, ordinances with regard to all set-back requirements, and (iii) setback requirements as are set forth on the Plat. For the purposes of these covenants, eaves, steps, overhangs and chimneys shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of any improvement on a Lot to encroach upon another Lot. When consistent with the zoning ordinance, the building line setback as provided for in the paragraph may be varied by (i) the Declarant so long as the Declarant owns any Lot in the subdivision herein described, or (ii) as much as ten (10) percent with the express written consent of the Declarant, which said consent document need not be on record in the Office of the Register of Deeds of Moore County, North Carolina.

Section 5. No chain link fences shall be permitted on any Lot. No fence shall be erected closer to any street line than the rear corner, closest to the street, of the single family residential dwelling located on the Lot. No fence shall exceed six (6) feet in height. Only ornamental fences (e.g., split rail fences, or fences through which there is at least 75% visibility) not to exceed three (3) feet in height may be erected between the house and the street lines. For those Lots which are corner lots, no such fencing may be placed or erected on an improved corner Lot any closer to the street than the back rear corner of the principal dwelling structure closest to the street and, on vacant Lots, closer to any street than the setback line, and in no event closer than thirty (30) feet to any street.

Section 6. Television satellite or dish antennas having a diameter in excess of twenty-two inches (22") are prohibited. All allowable satellite dishes or antennae are to be placed or installed at the rear of the house or the mar corner of the Lot.

Section 7. No sign or signs other than a "For Sale" or "For Rent" sign shall be displayed on any Lot.

Section 8. No automobile or motor vehicle may be dismantled or stored on said property; and no mechanically defective automobile, motor vehicle, mechanical machine, or machinery, shall be placed or allowed to remain on said property for over thirty-five [35] days. Notwithstanding the above, these restrictions shall not apply if such vehicle is kept in an enclosed garage and out of sight from the street. Commercial vehicles, camper trailers, trailers, and/or boats shall be stored at the rear of the residence and shall be within the yard set-backs. If more than two of the above non-private vehicles, trailers or boats are stored on any Lot, they shall be screened from view of other Lots.

Section 9. No trailer, tent, shack, garage, barn or similar type outbuilding shall be placed, erected or allowed to remain on any Lot without the written consent of Declarant, its successors or assigns. Nor shall any structure of a temporary character be used as a residence temporarily, permanently or otherwise.

Section 10. Only break-away mailboxes may be constructed in the subdivision; it being the intention of the Declarant to preclude the erection of permanently constructed mailboxes in the North Carolina State right-of-way areas.

Section 11. It is understood and agreed that these restrictions are made for the mutual benefit of the grantors and grantees and any and all subsequent grantees, and all such parties shall be deemed to have a vested interest in these restrictions and the right to enforce same.

Section 12. The Invalidation of any one or more or any part of any one or more of the covenants and conditions set forth herein shall not affect or invalidate the remaining covenants or portions thereof.

Section 13. No animals or poultry of any kind, except common pets, shall be placed or kept on any part of the premises. No breed of dogs that may be perceived by members of the general public as being dangerous or having a propensity for being dangerous, including, but not limited to, pitbulls, rottweilers, and Dobermans, nor any dog whose lineage includes any part of any of said breeds, nor any dog that has at any time bitten a person, nor any dog that has been trained as an attack dog, shall be permitted on the Property. There shall be a maximum of two (2) dogs and two (2) cats allowed per Lot.

Section 14. 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 Lot Owners' reasonable use of their Lots.

Section 15. Open burning is prohibited on any lot or open space within the subdivision. This includes, without limitation, the burning of trash, construction waste, yard waste, tree limbs, trunks or stumps, and any other items of whatever kind or nature.

ARTICLE V
USE RESTRICTIONS - COMMON PROPERTIES

Section 1. The Common Properties shall be preserved and used only for natural scenic, passive recreational, agricultural, pasture and/or meadow, forestry, wetlands, or horticultural uses. Unless expressly agreed upon in advance and approved by the Moore County Board of Commissioners (the "Commissioners") after consideration of the favorable recommendation from the Moore County Planning Board (the "Planning Board"), the Common Properties may not be developed or further subdivided, the natural topography of the Common Properties may not be altered, and there shall be no cutting or removal of trees, or the disturbance of other natural features except as follows:

- A. As incidental to boundary marking, fencing, signal, installation of utilities, construction and maintenance of nature trails and public access allowed hereunder; or
- B. Selective cutting and prescribed burning or clearing of vegetation and the application of usual and customary pesticides for fire containment and protection, disease control, restoration of hydrology, wetlands enhancement and/or control of non-native plants.

Section 2. It is understood and agreed that these restrictions are made for the mutual benefit of the grantors and grantees and any and all subsequent grantees, and all such parties shall be deemed to have a vested interest in these restrictions and the right to enforce same. Additionally, it is the intention of the Declarant that Moore County is a third-party beneficiary and shall have standing to both enforce the restrictions in this Article V and to recover the costs of remedy any violation from any party(s) breaching said restrictions.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Every Owner shall be a Member of the Association. The Declarant acting through its designated officers, employees and agents shall be a Member of the Association. In the case of multiple ownership of any Lot, each Owner shall be a Member, subject to such limitations and fees established by the Declarant.

Section 2. The Association shall have one type of regular voting membership. Each Member shall be entitled to one (1) vote for each Lot which he owns. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. If a residence is constructed on more than one Lot, the Owner shall have one vote for the residence, but shall have no additional vote for each other Lot comprising a part of the total consolidated home or building site so long as such Lot remains a part of the consolidated site.

Section 3. The Association shall be governed by a Board of Directors consisting of three (3) members, with the number in subsequent years to be determined as provided for in the By-Laws of the Association. The Declarant shall have the right to appoint and remove all three (3) persons on the Board and to appoint and remove all officers of the Association during the Period of Declarant Control.

Section 4. Each Member 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.

ARTICLE VII
PROPERTY RIGHTS IN THE COMMON PROPERTIES

Subject to the provisions of these Covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Member and every tenant and guest of such Member shall have a right of easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot. This appurtenant easement cannot be separated from or conveyed separately from fee simple title to the Lot. The privilege granted to guests and tenants of Members to use and enjoy the Common Properties is subject to the following:

- (a) the right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving and/or maintaining the Common Properties 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 foreclosures;
- (c) the right of the Association, as provided in its By-laws to suspend the rights and easements of enjoyment of any Member, or any Tenant or Guest of any Member, for any period during which the payment of any assessment against property owned by such Member remains delinquent, and for any period 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 Member's obligation to pay the assessment;

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties and *any* facilities included therein; 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 Properties; and

(e) the special Declarant rights reserved herein.

ARTICLE VIII COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of *any* 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 and capital improvements; and (3) to the appropriate governmental taxing authority, a pro rata share of assessments for public improvement to the Common Properties if the Association shall default in payment thereof. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of 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.

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 to repair or remedy.

Each 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 within ten (10) days of 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. The assessments levied by the Association shall be used exclusively for the paying of Common Expenses and for the use and enjoyment of the Common Properties, together with reasonable and prudent reserves, 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 Properties, the providing for limited access to the property, the procurement and maintenance of insurance in accordance with the Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

Section 3. The initial annual assessment for Common Expenses shall be an amount not to exceed \$180.00 annually based on the calendar year; such annual assessment for each Lot shall commence on the first day of January following the first sale of the Lot with a completed residence thereon ("First Sale"). In addition, each Lot shall be assessed a one time or initial start-up fee of \$75.00 at the time of the closing of the First Sale. Thereafter, the Board of Directors shall fix the annual assessment.

Section 4. Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the rate of eighteen (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Lot. The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes 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 Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes

ARTICLE IX
GENERAL PROVISIONS

Section 1. So long as Declarant is an owner of a Lot shown on the plat, Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of these Restrictive Covenants. Failure by the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. These Restrictive Covenants shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any Lot subject to these Restrictive Covenants, their respective legal representatives, heirs, successors and assigns. These Restrictive Covenants may be amended by a written recorded instrument signed by Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association have been allocated; provided, however, that as long as the Declarant is the owner of any lot in the subdivision, Declarant may amend these covenants without the additional authority of any other lot owners in the subdivision.

Section 3. In the event of any conflict between the provisions of these Covenants and any applicable provisions of the Moore County Ordinance, the provisions of the Moore County Ordinance shall control.

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

H & H Investments, Inc.
By: [Signature]
D. Ralph Huff III, President

North Carolina
Cumberland County

I, the undersigned notary public for the above stated county and state, hereby certify that D. Ralph Huff III personally appeared before me this date and, being first duly sworn, acknowledged that he is President of H & H Investments, Inc., a North Carolina corporation, and that by authority duly given, and as the act of the corporation, he executed the foregoing instrument for the purposes therein stated as the act of the corporation.

Witness my hand and notarial stamp or seal this 20th day of September, 2010.

[Signature]
Notary Public
Printed Name: Joel S. Jenkins, Jr.

My Commission Expires:
3-5-2011

