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NORTH CAROLINA

CRAVEN COUNTY

THIRD AMENDED RESTRICTIVE COVENANTS AND DECLARATIONS - GABLES RUN

Introduction

These "Third Amended Restrictive Covenants and Declarations - Gables Run" amend, replace and restate all prior restrictions, covenants and declarations for the real property known as the Gables Run Subdivision, including: (1) "Restrictive Covenants and Declarations – Gables Run," recorded in Book 2004, beginning at Page 262, Craven County Registry; (2) "First Amended Restrictive Covenants and Declarations – Gables Run," recorded in Book 2011, beginning at Page 958, Craven County Registry; (3) "Amendment to First Amended Restrictive Covenants and Declarations – Gables Run," recorded in Book 2021, beginning at Page 175, Craven County Registry; and (4) "Second Amended Restrictive Covenants and Declarations – Gables Run" recorded in Book 2055, beginning at Page 759, Craven County Registry. Pursuant to Article IX, Section 7 of the (currently effective) Second Amended Restrictive Covenants and Declarations – Gables Run, the undersigned lot owners have full authority to execute and record this amended and restated instrument, and to amend, restate and revoke all prior covenants, restrictions and declarations. By executing and recording this Third Amended Restrictive Covenants and Declarations - Gables Run, the undersigned supermajority of lot owners revoke, rescind and terminate all prior declarations, covenants and restrictions governing the Property (defined below) and subject the Property only to the covenants, restrictions and declarations contained in this instrument.

Gables Road, LLC, a North Carolina limited liability company ("Developer"), owns, among other tracts, real property known as the Gables Run Subdivision. The Gables Run Subdivision property to which these restrictions, covenants and declarations apply consists of approximately 202 acres, more specifically described as Lots 1-35 (inclusive), Lot 37 (Common Areas) and all public roads as identified and shown on the plats of same recorded in Plat Cabinet G, Slides 159A-H (inclusive), Craven County Registry (collectively, "the Property"). In addition, for the limited purposes set forth in Article V, Section 5 of the First Amended Restrictive Covenants and Declarations – Gables Run (as amended herein), entitled "Restrictive Easement,"

these covenants and declarations apply to Lot 36, as shown on the plats recorded in Plat Cabinet G, Slides 159A-H (inclusive). As owner and developer of the Property, and of Lot 36, Developer declares the Property (and Lot 36, for the limited purposes set forth in Article V, Section 5) subject to the restrictions, covenants and declarations set forth in this instrument, which permanently shall run with the land and bind all purchasers and holders of title to any portion of the Property (and Lot 36, for the limited purposes set forth in Article V, Section 5).

General Purposes

These restrictions, covenants and declarations are designed to ensure the unique qualities and attractiveness of the Gables Run Subdivision, prevent impairment thereof, prevent nuisances, preserve, protect and enhance the value of all lots, amenities and other areas of the Property, regulate and supervise all improvements to be built within the Property, and provide for the maintenance and upkeep of all Common Areas. To this end, Developer is subjecting the Property, together with any such additions as hereafter may be made thereto, to the covenants, conditions, restrictions, easements, charges and liens set forth herein, for the benefit of the Property and all owners thereof.

Developer desires to create an organization which will be given the powers and responsibilities of owning, maintaining and administering all Common Areas in the Gables Run Subdivision, administering and enforcing these covenants and restrictions, regulating and supervising all proposed development or improvements located on the Property, and collecting and disbursing the assessments and charges hereinafter created to efficiently preserve, protect and enhance the values and amenities in the Gables Run Subdivision, all to ensure the owners' and residents' enjoyment of the specific rights, privileges and easements in the Common Areas, and to provide for maintenance and upkeep.

To this end, Developer will, in the future, cause to be incorporated under North Carolina law the "Gables Run Property Owners' Association" as a non-profit corporation for the purpose of exercising and performing these functions.

ARTICLE I
DEFINITIONS

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

Section 2. "Association" shall mean and refer initially to Developer and later, upon its incorporation and transfer of title to the Common Areas, to the Gables Run Property Owners' Association, its successors and assigns.

Section 3. "Common Area" shall mean and refer to all real property (including improvements) labeled as "Common Area" on the recorded Plats for the Gables Run Subdivision, including, but not limited to: access areas, foot paths, bridle paths, common fields, common forests, recreation equipment and areas, and picnic areas.

Section 4. "Developer" shall mean and refer to Gables Road, LLC, a North Carolina limited liability company, its successors and assigns.

Section 5. "Development" shall mean and refer to the Gables Run Subdivision, a residential development to be developed on the Property.

Section 6. "Lot" shall mean and refer to any plot or parcel of land within the Property that is labeled as such, with delineated boundary lines as described in deeds of conveyance or appearing on any recorded Maps of the Property, with the exception of designated Common Areas. The separate equestrian area designated as "Lot 36" shall not be considered a lot for purposes of this definition.

Section 7. "Maps" or "Plats" shall mean and refer to all maps or plats of the Property as recorded (now or hereafter) in the Craven County Public Registry.

Section 8. "Member" shall mean and refer to any Member of the Association.

Section 9. "Owner" shall mean and refer to the record holder, whether one or more persons or entities, according to the public records of the Craven County Public Registry, of title to any Lot within the Gables Run Subdivision, but shall not include any person or entity having an interest merely as security for the performance of an obligation.

Section 10. "Property" shall mean and refer to the approximately 202 acres of the Gables Run Subdivision, consisting of Lots 1-35, Lot 37 (Common Area) and all public roads as shown on the plats of same recorded in Plat Cabinet G, Slides 159A-H (inclusive), Craven County Public Registry, plus any other real property that later may be made subject to these Covenants and Declarations and brought within the jurisdiction of the Association.

ARTICLE II
WETLANDS, STORMWATER AND OTHER ENVIRONMENTAL REQUIREMENTS

Section 1. Wetlands. Most Lots and the "community forest" Common Area contain "wetland" areas as defined under State and Federal law. These wetlands are a valuable resource and amenity to the Gables Run Subdivision, and it is Developer's intent to protect these areas from future dredging, filling, or other residential/commercial development. With the exception of minimal wetland fill required for road crossings, as shown on the Maps and appropriate State and Federal permits, all of the unique drainage fingers, creek bottom and forested wetlands identified on the recorded Plats for the Gables Run Subdivision will be managed, preserved and protected in perpetuity. Light recreational uses, such as walking, hiking, riding and camping will be allowed in designated areas, as specified herein and on the recorded Plats. Any efforts by any Lot Owner to place any fill materials or other substances in, or otherwise alter any of the delineated wetland areas as shown on the recorded Plat(s), including any such areas located within Lot boundaries, shall be prohibited, unless expressly allowed by the terms of these Restrictions and Declarations, and by all then-applicable local, State and Federal laws. The intent of this restriction is to prevent wetland fill or destruction; no Lot or property Owner should expect or assume that any future application for fill, or any other activity resulting in wetlands fill or destruction will be allowed or approved. Should any Lot Owner make application with any governmental agency for any alteration to any wetland area in Gables Run, he/she must disclose thereon that the relevant property is located in the Gables Run Subdivision, and is subject to, and legally bound by, these Restrictions and Declarations. This covenant is intended to protect valuable amenities of the Gables Run Subdivision, and ensure compliance with applicable wetland rules adopted by the State of North Carolina, the United States of America or any applicable unit of local government. The benefits hereunder may be enforced by the State of North Carolina, the United States of America, the Developer, the Association, and/or any applicable unit of local government. These Restrictions, Declarations and Covenants run with the land and shall be binding on all parties and all persons claiming under them.

Section 2. Stormwater Requirements and Limits. Pursuant to North Carolina law and the terms of the Stormwater Permits issued to Developer by the State of North Carolina and the City of New Bern, each lot within the Gables Run Subdivision shall be limited in terms of the total square footage of allowable structure footprint and impervious materials cover as set forth below. For purposes of this limitation, the definition of "impervious materials cover" includes any areas covered on the land surface with gravel, brick, stone, slate, concrete, or similar materials, but does not include areas of wood decking, the actual water surface area of swimming pools/other ponds, or any other substance determined to be excludable under then-current, applicable laws/regulations. Allowable lot impervious surface areas are as follows:

Lots 5, 12, 15, 20:	26,700 square feet
Lots 2, 4, 7, 9, 22:	22,600 square feet
All Other Lots:	18,200 square feet.

The above lot limitations on impervious surface area total 693,000 square feet for the entire Development. Should an individual Lot owner desire to exceed the above-stated lot limits for a particular Lot, written application may be made to the Architectural Review Board, the City of New Bern and the North Carolina Division of Water Quality showing how much additional square footage is desired, and showing that one or more other identified Lot owner(s) is (are) willing to permanently relinquish the necessary allocated square footage on his/her/their Lot(s) such that the total allocated impervious surface area for the entire Development does not exceed 693,000 square feet. Roadside drainage swales as marked on the approved stormwater plans for the Gables Run Subdivision may not be filled in, piped or altered except as reasonably necessary to provide driveway crossings. Any built-upon areas in excess of the above-stated total square footage limits would require amendment to the present stormwater permit.

Developer, and after conveyance to the Association, the Association, shall construct and maintain at their sole expense all stormwater facilities as described in the Stormwater Permit(s) and related plans. Appropriate officials of the City of New Bern and the North Carolina Division of Water Quality shall have rights of ingress and egress, at reasonable times and in a reasonable manner, over the Property to ensure that all stormwater facilities are properly maintained and operated.

These restrictions are intended to ensure compliance with state stormwater management permits issued by the North Carolina Division of Water Quality, and with all applicable stormwater requirements of the City of New Bern. These restrictions and covenants as contained in this

Section [Article II, Section 2] may not be amended, changed or deleted without the consent of the State of North Carolina and/or the City of New Bern, as appropriate.

ARTICLE III
USE RESTRICTIONS AND REQUIREMENTS

Section 1. Residential Use. Lots shall be used only for single-family residential and related common recreational purposes, as defined herein. Only one family may occupy any Lot at any time. No Lot, and no structures or objects constructed or located on any Lot, shall be used for any business or commercial pursuit, or for any activity normally conducted as a business; nor may any Owner conduct, or permit others to conduct, any business, commercial, manufacturing, or mercantile activity of any sort upon any Lot or in any Common Area. Notwithstanding the above, "Home Occupations" as defined by the Code of Ordinances of the City of New Bern are permitted as long as such activities do not constitute a nuisance as otherwise defined herein. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one, detached single family dwelling. Detached garages, carports, or Ancillary Structures (pools, pool houses, sheds, workshops, freestanding decking, greenhouses, gazebos, guest houses, private barns, fences, utility/outbuildings) may be permitted as conditioned by these Declarations and Covenants. No residence, carport, garage, Ancillary Structure or any other structure may be constructed or located on any Lot unless detailed plans related thereto first are presented to, reviewed and approved in writing by the Architectural Review Board. Residential construction also is subject to the following requirements:

(a) Minimum residence size. All residential dwellings shall have a heated, enclosed living area of at least 2,500 square feet, excluding basements, porches, screened (unheated) porches, garages or stoops. Upon written application, the Architectural Review Board may, in its sole discretion, waive this minimum square footage requirement by up to 10% (250 square feet).

No residential dwelling, garage, carport, or Ancillary Structure may contain more than three above-ground stories, unless special exemption is obtained from the Architectural Review Board.

(b) Garages/Carports. All residential dwellings must have one or more attached or detached garages/carports, with a capacity to hold at least two (2) vehicles.

Garages/carports may be attached or detached. All garages/carports visible from any portion of any street, road, Common Area or other Lot must be constructed in substantial architectural conformity with the associated residential dwelling based on pre-approved plans; the minimum two (2) vehicle garage/carport facility(ies) must be constructed and completed at or before occupancy of the associated residential dwelling for any Lot.

(c) Ancillary Structures. Ancillary Structures include pools, pool houses, sheds, workshops, freestanding decking, satellite antennae, other antennae, greenhouses, gazebos, guest homes, horse barns, horse stables, other horse-related structures, utility buildings, outbuildings, fencing, and any other non-residential structures or objects constructed or located on any Lot. Any Ancillary Structure that is visible from any part of any street, road, Common Area or other Lot must be architecturally consistent with the dwelling and maintained by the Lot Owner to preserve original appearances and structural integrity. The location, materials, style, color, design and construction of all dwellings, garages, carports, horse barns/stables/facilities and any other "visible" Ancillary Structures is subject to reasonable review and approval/disapproval by the Architectural Review Board.

No trailer, "mobile home", "manufactured home", "factory-built home", or other structure constructed off-site shall be located on any Lot, except as allowed under Section 5, entitled Temporary Structures. Notwithstanding the above, Ancillary Structures (other than horse barns, stables or other horse-related facilities) not visible from any portion of any road, street, Common Area or any other Lot shall not be subject to this prohibition, or to review/approval by the Architectural Review Board.

(d) Pre-Approval of Siting, Design, Materials, Color, Screening and Location. All dwellings, garages, carports, private horse barns and associated facilities, and Ancillary Structures must be located in compliance with all setback requirements as shown on the recorded Plats, and with all applicable local or state requirements, including, but not limited to, any horse facility setback requirements contained in the Code of Ordinances of the City of New Bern. [As of the date of these Declarations and Covenants, the City of New Bern requires that horse facilities be located at least 200 feet from any residence.] To assure that dwellings and all other structures will be located in compliance with applicable setback requirements, topography, and in accord with appropriate community aesthetics, the Architectural Review Board reserves the right to determine the

construction, design, materials, color, necessary screening and location of all dwellings, garages, carports and other "visible" Ancillary Structures proposed to be located upon any Lot - provided, however, that such determinations shall not be made until an opportunity has been afforded to the Lot Owner to recommend and support a specific site, design, color, materials, screening and/or location. Non-visible Ancillary Structures still must comply with all applicable setbacks; all horse barns, stables and other horse-related facilities – regardless of whether "visible" or not – must be reviewed and approved by the Architectural Review Board. The Architectural Review Board's right to control the precise site, design, materials, color, necessary screening and location of structures includes the right to modify or waive up to one-third (33.33%) of any setback requirement contained herein or shown on the recorded Plats, without obtaining the permission of any other Lot Owner or other title holder, except as to setbacks required by any governmental agency.

(e) Licensed General Contractor Requirement. All residential construction activity on any Lot must be performed by, or under the supervision of, an appropriately and currently licensed general contractor.

Section 2. Nuisances. No noxious or offensive activity shall be carried out, allowed, or permitted on any Lot or in any part of the Property, nor shall anything be done which may be, or may become, an annoyance or nuisance to the neighborhood. There shall not be maintained any exterior lights or lighting, or device or thing of any sort whose normal operation or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. There shall be no discharging of firearms, guns or pistols, of any kind, caliber, type or method of propulsion. No hunting or trapping of any kind shall be carried on or conducted in the Development. No gasoline powered ATVs ("All-Terrain Vehicles") may be operated anywhere in the Development. Operation of other power equipment (lawn mowers, lawn tractors, leaf blowers, chain saws, etc.) shall not take place between the hours of 11:00 p.m. and 6:00 a.m., local time. The above restrictions and prohibitions shall not be interpreted to prohibit the appropriate location, construction, operation and maintenance of private horse barns on designated Lots, if otherwise in accordance with these Declarations, Covenants and Restrictions. The above restrictions and prohibitions shall not be interpreted to prevent government authorized hunting and trapping for public health, safety and welfare purposes.

Each Lot and all structures thereon shall be kept in good order and repair, free of debris; lawns shall be seeded and mowed, shrubbery trimmed, and painted exterior surfaces painted, all in a manner and with such frequency as is consistent with good property management. During construction or repair, the Owner is responsible to see that the contractor at all times maintains the lot in a reasonably tidy condition. Construction trash and debris must be placed in appropriate on-site containers during all periods of construction (whether new construction or subsequent construction activity of any kind). Porta-Johns must be located at least 75 feet from all streets and roads, and 50 feet from all adjacent Lot lines.

Section 3. Animals, Birds and Fowl. No animals, birds or fowl shall be kept or maintained on any part of the Property except for household pets, which may include dogs, cats, fish and other aquatic life, birds and other animals that reasonably can be maintained as household pets. Dogs, cats, and other household pets may be kept in reasonable numbers for the pleasure of the Lot Owner and other occupants of the main residence dwelling, but shall not be kept for any commercial use. All animals and pets must be kept such that they do not become a threat or nuisance, including but not limited to by reason of barking, growling or other noises, waste deposition/accumulation, disease, digging, smell/odors, dangerous demeanor, or other offensive or dangerous acts and characteristics. Excessive dog barking is a nuisance per se under the terms of these Declarations and Covenants.

Section 4. Horses. In keeping with the intention of Developer to create a residential community with access to equestrian facilities and amenities, but subject to observance of good veterinarian and environmental practices and compliance with all applicable local, state and federal requirements (specifically including, but not limited to, the City of New Bern's requirement that horse barns, stables and other structures be located at least 200 feet from any residence), one or more horses, and one private barn or stable, and ancillary equestrian facilities may be constructed and operated on Lots 2, 3, 4, 5, 7, 8, 9, 12, 14, 15, 16, 20, 21, 22, 24, 25, 26, 28, 29, 30, 32, 33, 34, and 35. No horses or horse-related barns, stables, or other structures or facilities may be constructed or located on any other Lot. With regard to the above-listed Lots, approved barns, stables or other related horse facilities may be constructed prior to construction of the associated residential dwelling if the Lot Owner provides a written commitment to Developer or Association to commence construction of the associated residential dwelling within 36 months of the date on which horse stable or barn construction is first commenced. All horse barns, stables and other horse-related facilities – regardless of whether "visible" or not – are subject to review and approval/disapproval by the Architectural Review Board, and to

compliance with all applicable laws, regulations and local ordinances, including (but not limited to) those more specifically identified hereinbelow. The fact that Developer has identified the Lots listed above as potentially permittable for horses, private barns, stables, and related equestrian facilities shall not be construed as a guarantee that any specifically desired barn, stable or associated horse facility can be located or constructed as desired by any lot owner, but shall only be construed as a representation by Developer that, under current laws, it is possible to site and construct a barn, stable or similar facility to accommodate at least one horse. Developer cannot predict whether existing laws may change, or whether existing setback requirements may impact a lot owner's ability to located barns, stables or other horse-related facilities on a particular lot once residences have been constructed on adjacent lots. The Architectural Review Board will use reasonable efforts to balance home and barn/stable siting concerns of adjacent lot owners, but necessarily will give priority to site plans presented for approval by lot owners on a first-come, first-served basis.

The number of horses kept on any of the above-identified "horse-barnable" Lots shall be limited to one (1) horse per upland, available, and otherwise undeveloped acres, plus one (1) horse for each additional one (1) upland, available, and otherwise undeveloped acre contained within one or more (contiguous) Lot(s) owned by the same Owner, up to a maximum of four (4) horses per single Lot, and six (6) horses on any combined, contiguous Lots. Notwithstanding the above, the current owners of Lot 9 shall be allowed to keep up to four (4) horses on Lot 9; this exception to the general rule regarding number of horses per lot shall run with the present owners of Lot 9 only, and shall not apply to any subsequent owner of Lot 9.

Lot Owners shall be responsible for managing, disposing of and controlling all potential odors, insects, diseases, animal wastes, and animal waste runoff related to the keeping of any horses on any Lot(s) owned thereby; Lot Owners with horses are solely responsible for providing all proper animal waste management and adequate veterinary care, feed, water and pasture area for their horses.

Should any Lot Owner with horses or horse facilities fail to comply with any of these standards, as strictly construed in favor of the Development as a whole, and in favor of protecting public health, animal health and welfare, complaints may be made by any person to the Developer or Association, and the Developer or Association shall have the right to enter any Lot and bring any relevant facilities thereon up to suitable standards at the Lot Owner's sole expense. Should any Lot Owner have more than three horse-related complaints lodged against him at

different times during any 356-day period, the Developer or Association reserves the right, in its sole discretion, to determine whether said Owner shall lose his right to keep horses or operational horse-related facilities upon his property, and for how long.

Horse barns, stables, paddocks, pastures or other facilities located on residential Lots shall not be used or maintained for any commercial purpose. Horse pastures shall be appropriately vegetated and fenced; fenced boundaries shall comply with all applicable setbacks per the recorded Plats. All horse barns, fences, stables, paddocks, rings, pastures or other related facilities must be located in compliance with applicable City of New Bern ordinances, which require that no portion of any such facility be located within 200 feet of any residence. When in use outside of privately owned, fenced areas, all horses must remain under the control of the rider, have all animal wastes contained or immediately picked up, and stay on or within bridle paths or other designated areas of use; no horse shall be allowed to roam free or otherwise use any Common Area, or any portions of the common paths, public streets, public roads or street/road shoulders beyond those expressly marked as appropriate for horse travel/use. Use of designated bridle paths, walkways, road shoulders, public roads or streets, etc. also is governed by the provisions of Articles V and VIII.

Section 5. Temporary Structures. No structure of a temporary character shall be placed upon any Lot except port-a-johns, construction trash/debris containers, shelters or trailers used by a contractor during the construction, repair or remodeling of the main dwelling or any Ancillary Structure; provided further that allowed temporary structures may not be used as residences or permitted to remain on the Lot after completion of construction, or in any event may not remain on a Lot for more than twelve (12) months from the commencement of construction. Developer may maintain one or more such structures for a temporary real estate office until all Lots are sold.

Section 6. Antennas and Utility Service Lines. No television or radio receiver, satellite antenna, transmitter or other antennae may be located on any Lot if visible from any portion of any Common Area, street, road, or other Lot, unless written approval is obtained in advance from the Architectural Review Board, or unless necessary to comply with applicable Federal law. All utility service lines of all kinds, including but not limited to electric, telephone, cable, water and sewage, must be installed underground, except with the prior written approval of the Architectural Review Board.

Section 7. Fuel Tanks/Garbage Containers. All fuel tanks and similar storage receptacles must be installed within an approved garage, carport, Ancillary Structure, or completely underground. All outdoor receptacles for ashes, trash, rubbish or garbage shall be installed underground, or screened/placed so as not to be visible from any portion of any street, road, other Lot or Common Area. All above-ground containers must be closed. All containers and receptacles that are subject to municipal collection or pickup must be convenient for such collection or pick up, and in accordance with all applicable laws, ordinances, regulations or standards. Any containers for storage of any substance which could be hazardous to the public or environment, such as, but not limited to oil, gas, propane, or other petroleum or similar environmentally hazardous materials, shall be designed, labeled and sited in such a manner so as to not create any potential hazard to the environment, other Lot Owners or the public, and so as to not become a nuisance, public or private.

Section 8. Signs. No sign or device shall be displayed indicating the profession, business or trade of any person or advertising in any way. No commercial signs shall be erected or maintained on any Lot or on any structure on any Lot except in connection with the sale of Lots, and such signs shall not exceed two (2) feet by three (3) feet in size, or except as may be permitted in writing by the Architectural Review Board, or except as may be required by legal proceedings. The entrance sign naming the Subdivision, road signs, lot mailboxes with house names and numbers, and temporary signage installed by the Developer announcing the Lots for sale shall be exempted from this restriction, but only if installed by the Developer or after approval from the Developer or Architectural Review Board. With the consent of a Lot Owner, reasonable temporary signage, not to exceed two (2) feet by three (3) feet in size, may be erected by any builder or contractor on a Lot for so long as construction remains in progress; such signs must be removed promptly after construction/repair work is completed.

Section 9. Vehicles/Boats. Trucks, trailers, boats, kayaks, canoes and "RV" or motor homes owned by Lot Owners and used for personal, recreational purposes may be parked and stored anywhere on a Lot Owner's Lot where said items are not visible from any portion of any street, road, Common Area or other Lot. Commercial vehicles and trucks (other than personal use pickup trucks, SUVs and similar vehicles), are not allowed at any time upon the streets, roads, Common Areas or any Lots, except for the limited, temporary purpose of making a delivery or during active construction. No internal combustion engine-powered 4-wheelers, 3-wheelers, go-carts, dirt bikes, or other recreational vehicles may be operated anywhere on the Property. Exceptions may be approved from time to time by the Architectural Review Board for

use of vehicles in the management or maintenance of Common Areas, in the (separately owned) Gables Run Equestrian Center, or for other, similar purposes.

Section 10. Parking. No on-street parking is allowed anywhere on the Property, except temporary, on-street parking may occur for no more than four hours at a time in connection with Lot Owner or community social events. Each Lot Owner must provide off-street parking in garage(s) or carport(s) for at least two vehicles prior to occupancy. All boats, motorcycles, trailers, travel trailers, campers, RVs, motor homes or other such vehicles located on any Lot must not be visible from any portion of any road, street, Common Area or any other Lot. Any vehicles required to be registered with the North Carolina Department of Motor Vehicles, which are not so registered, may be kept on a Lot only if stored in an enclosed garage. Non-operable junk vehicles, or other similar items shall not be permitted to be kept, stored or located on any Lot or any other portion of the Property, and shall be deemed, by definition, a per se nuisance.

Section 11. Maintenance. It shall be the responsibility of each Owner to prevent the creation or continued existence of any unclean, unsightly or unkempt conditions anywhere on the Owner's Lot, buildings, structures or grounds. With respect to any vacant Lot that is not fully forested (specifically including, but not limited to Lots 1-11), said Lot shall be mowed at least twice per growing season (i.e. between March and October of each year), or more often if, in the opinion of the Association, necessary to prevent unsightly or public nuisance conditions.

Section 12. Driveways. All driveways must be paved for the full length of the front lot setback distance as shown on the recorded plats of the Gables Run Subdivision as contained in Plat Cabinet G, Slides 159A-H (inclusive), Craven County Public Registry, be designed to reasonably accommodate emergency vehicles, and constructed of appropriate materials as approved by the Architectural Review Board. Driveway connection locations must be approved in advance by the Architectural Review Board.

Section 13. Removal of Trees/Vegetation. Prior to any Lot construction, clearing or development, no trees may be removed without the written consent of the Architectural Review Board. After a Lot Owner has applied for and received written approval from the Architectural Review Board, land clearing and tree removal may take place in accordance with approved plans. Thereafter, no tree or other vegetation with a trunk diameter of greater than four (4) inches in diameter [at four (4) feet above ground level] may be cut, removed or damaged without prior approval from the Architectural Review Board. No trees or other vegetation of any size or type

located within any delineated wetland area as shown on the recorded Plats may be cut, damaged, removed or disturbed without prior, written approval of the Architectural Review Board. Tree/vegetation removal needed for maintenance of utilities, drainage easements, Common Areas, bridle paths, walking paths, etc. as determined by the Developer or Association are exempt from this restriction. Emergency tree removal necessary to protect life or property from damage is exempt from these [Section 13] restrictions.

Section 14. Lot Subdivision. No Lot shall be subdivided. No Lot boundary lines shall be modified without the written consent and approval of the Developer or the Association. Any such resulting modified Lot shall thereafter constitute one Lot. The restrictions and covenants herein shall apply to the modified Lots resulting from any change. Developer reserves the right to re-plat any unsold Lots shown on the recorded Plats, so long as the total number of residential lots in the property as presently defined does not exceed 35 lots.

Section 15. Reconstruction. Any structure on any Lot destroyed in whole or part by fire, wind, flood or other Act of God, or otherwise, must be rebuilt, or all debris from such structure removed and the Lot returned to its condition prior to construction of such structure, with reasonable promptness; all reconstruction must be commenced within six (6) months from the date of destruction; if no reconstruction is to occur, all debris must be removed and the Lot restored to its prior condition within six (6) months of the date of the destruction. Any reconstruction of structures that suffer more than 50% damage (damage percentage to be determined by the Architectural Review Board) must be approved by the Architectural Review Board in the same manner as new construction unless consistent with previously approved plans.

Section 16. Utilities. All plumbing fixtures, dishwashers, toilets and sewage disposal systems shall be connected to the available public sewer system and comply with all applicable governmental requirements. Each Lot shall connect to the available public water supply system. Each Lot Owner may install, at his or her own expense, one shallow aquifer well for personal, non-consumptive purposes. Any such well installation is subject to review and approval/disapproval by the Architectural Review Board. For any Lot containing a private horse barn, the Lot Owner shall provide adequate animal manure management and disposal facilities and practices in accordance with all applicable laws and regulations, and such that there is no runoff of pollutants into any drainage finger, ditch, wetland, creek or other waterbody, and such that no nuisance conditions are created.

Section 17. Drainage. It shall be the obligation of each Lot Owner to provide, install, and maintain adequately sized culverts and drainage pipe under all driveways in order that the natural flow of surface water will not be blocked along any roadway drainage ditch, swale, drainage finger, or other drainage feature. Culverts and drainage pipes must be of sufficient size to accommodate all expected flows of surface water in existing ditches, including flows associated with the average 10-year rainfall event for the area. In no instance shall culverts or drainage pipes located in any roadside ditches or swales be less than fourteen (14) inches in diameter. Any other culverts or drainage mechanisms installed by a Lot Owner also must be maintained in good working order such that proper surface drainage is maintained. The natural flow and drainage of Boleyn Creek, ditches, swales, wetlands and drainage fingers as shown on the recorded Plats shall not be interfered with, diverted or otherwise damaged.

Section 18. Fences, Gates, Walls, Bulkheads and Decks. No fence, gate, wall, bulkhead, deck or similar structure visible from any portion of any street, road, Common Area or other Lot shall be erected until after the plans and specifications showing the nature, shape, height, color, materials, construction, and location of said fence, gate, wall, bulkhead or deck shall have been approved in writing by the Architectural Review Board.

Section 19. Mail/Paper Boxes. It is Developer's intent to provide each initial Lot purchaser with a uniform mail/paper box. No mail/paper box other than the uniform style approved and provided by Developer shall be erected by any Owner on any Lot.

Section 20. Forested Wetlands, Creek and Creek Bottom Use. The use of the Boleyn Creek and connecting creek bottom and other delineated forested wetland areas depicted on the recorded Plats is restricted to Lot Owners, their guests and the guests, customers and tenants of the adjacent, separately owned Equestrian Center. Uses in all such areas is restricted to light impact uses, such as walking, jogging, running, hiking and horse walking/riding within marked trail areas. Delineated wetland areas contained within any Lot shall not be considered common areas, save and except for the 20-foot-wide easement for walking/equestrian trail purposes, and designated wetland finger easements as shown on the recorded Plat(s) and described elsewhere in these Declarations and Covenants. No physical modification may be made to the creek bed, creek bottom, adjoining wetland areas, or forested wetland areas; no structures of any kind (other than appropriate trail signs and markers) shall be allowed in any portion of the delineated wetlands and creek bottom areas as shown on the recorded Plats.

Section 21. Divided Ownership. No Lot, or dwelling thereon, shall be leased, purchased, sold, conveyed, owned, used or operated so as to constitute or create a time-share estate. Lot Owners may rent out their main dwelling to a single person or family; rental of private horse barns or stables to persons other than occupants of the associated main dwelling is prohibited.

Section 22. Rules and Regulations. The Association may promulgate additional rules and regulations governing the use of any Common Areas. All such rules and regulations shall be mailed to all then-existing Lot Owners via first class mail, postage prepaid, and immediately shall become effective after such mailing.

Section 23. Compliance. In the event that any Lot Owner fails to comply with any of the restrictions or requirements set forth herein, or any applicable law or regulation, or any rule or regulation subsequently promulgated by the Association, the Developer, Association, or their authorized agents shall have the right (but not the obligation) to enter any Lot and undertake any necessary action to cure such Lot Owner's default. All expenses and costs incurred by the Developer, Association or their authorized agents in curing such default shall be charged to the defaulting Lot Owner and shall be payable immediately upon written demand. The Association and its authorized agents shall not be liable for any damage which may result from such entry unless such damage results from willful misconduct of the Association or its authorized agents.

ARTICLE IV
ARCHITECTURAL CONTROL

Section 1. Architectural Review Board. The Developer, or any subsequent committee or board established by the Developer or Association, shall function as the Architectural Review Board as defined herein until the Gables Run Property Owners' Association is formed and title to the Common Areas transferred to said Association; thereafter, the Association, or any board or committee established by the Association for such purpose, shall function as the Architectural Review Board. Within 60 days of the date on which the Association is formed and title to the Common Areas transferred thereto, the Association's Board of Directors shall appoint at least three Members to carry out the functions of the Architectural Review Board.

Section 2. Required Architectural Approval. No improvement or structure of any kind, including, without limitation, any building, garage, carport, fence, gate, wall, bulkhead, deck, pool, pool house, barn, riding ring, horse pasture, shed, culvert, drainage mechanism, workshop,

decking, greenhouse, gazebo, guest facility, screened enclosure, sewer, drain, disposal system, landscaping, recreational structure, external lighting, other outbuilding, driveway, basketball court, putting green, or other improvement shall be constructed, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration be made, unless and until the plans, specifications and location of the same, shall have been submitted to (using the Architectural Review Application Form or equivalent) and approved in writing by the Architectural Review Board. The Architectural Review Board will review all applications fairly and reasonably, balancing the interests of the Subdivision as a whole with the interests of each Lot Owner. Factors to be considered include, but are not limited to: (a) protection of each Lot Owner's property values; (b) protection of all Common Area amenities; (c) impacts on topography; (d) impacts on drainage; (e) impacts on all delineated wetland, drainage finger and creek bottom areas; (f) compliance with all applicable laws and regulations; (g) visibility relative to all other Lot Owners, all public streets and all Common Areas; (h) quality of proposed materials; (i) quality of proposed construction; (j) compliance with all applicable setbacks and other local, state and federal laws/regulations (including but not limited to setbacks as shown on the recorded Plats and the 200 foot horse barn/stable setback requirement from residential dwellings); and (k) any other factors deemed relevant by the Architectural Review Board. No Architectural Review Board approval is required for any proposed Ancillary Structure (other than a horse barn, stable or other horse-related facility) that is not visible from any portion of any street, road, Common Area or other Lot(s), and that is not a nuisance or otherwise prohibited.

Section 3. Approval of Plans, Specification and Construction. Prior to commencement of construction, all proposed plans and specifications (including, but not limited to colors, finishes, facades, roofing materials, roof pitch, plot plans, tree cutting plan, landscaping plans, driveway location, etc.) and related construction schedule shall be submitted in duplicate to, and thereafter approved or disapproved in writing by the Architectural Review Board. After written submittal of complete plans and specifications, the Architectural Review Board shall have thirty (30) days from receipt to approve or disapprove the plans. If submitted plans and specifications are not disapproved (or deemed incomplete) in a letter writing postmarked to Owner within thirty (30) days of the date of submittal, they automatically shall be deemed to have been approved on the 31st day. Garages, carports, horse barns, stables, other horse-related facilities, and any other Ancillary Structures visible from any portion of any street, road, Common Area or other Lot must be constructed of the same, similar or reasonably compatible materials, styles and colors as specified for the associated residential dwelling for that Lot. No alterations may be made to plans after approval by the Architectural Review Board except with the written consent thereof.

No material alterations in the exterior appearance of any building or structure shall be made without the written consent of the Architectural Review Board. One copy of all plans and related data shall be retained by the Architectural Review Board. The exterior of all structures must be completed within one year after construction is commenced, except where completion is delayed by strikes, fires, national emergencies or other Acts of God or natural calamities beyond the control of the Lot Owner, and that fact is documented to the satisfaction of the Architectural Review Board.

Section 4. Architectural Standards. In addition to standards and considerations set forth above, the Architectural Review Board may establish reasonable, informal standards for the design, location, size, style, structure, color, mode of architecture, mode of landscaping, and other relevant criteria deemed important to the Architectural Review Board in connection with the review/approval process. Disapproval of plans, siting locations or any other specifications may be based upon any grounds, including purely aesthetic considerations, which the Board, in its reasonable discretion, deems appropriate.

Section 5. Non-liability For Approval of Plans. The Architectural Review Board's approval of plans shall not constitute a representation, warranty or guaranty - express or implied - that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications, neither the Developer or Architectural Review Board, any Member of the Board, the Association, nor any Member thereof, nor any agent of any of the above assumes any liability or responsibility therefore, or for any defect in the structure constructed from such plans or specifications. By disapproving or determining incomplete any submitted plans and specifications, neither the Developer, Architectural Review Board, Members thereof, the Association, any Member thereof, nor any agents of any of the above shall assume any liability or responsibility to any persons, known or unknown, for any alleged or asserted damage or injury related thereto, including but not limited to any alleged cost for preparing or submitting such plans and specifications, for the revision or re-submittal thereof, or otherwise related to the use or ownership or enjoyment of any Lot.

ARTICLE V
EASEMENTS

Section 1. Easements Reserved by Developer. Developer reserves unto itself, and its successors and assigns, a perpetual easement over, upon, across, and under each road right-of-way for the purpose of the erection, maintenance, installation, and use of street signs and signs, and installation, maintenance, and use of electrical and telephone wire, cables, conduits, sewers, electric, and telephone equipment, gas, sewer, water, or other public conveniences or utilities, and any other facilities located, or to be located thereon. Further, the Developer reserves unto itself, and its successors and assigns, a perpetual easement over, upon, across, and under each road right-of-way, each greenway, trail, bridle path, and every other Common Area, and an additional area not to exceed fifteen (15) feet in width on each side of each road right-of-way, greenway, trail, bridle path, and other Common Area as necessary for the maintenance of same including, but not limited to, cutting and maintain drainways for surface water wherever and whenever such action may appear to the Developer as needed to ensure proper drainage of surface water while maintaining the overall appearance of the Development, cutting any trees, bushes, or shrubbery, making any grading of the soil, or taking any other similar action reasonably necessary to ensure that such roadways, greenways, trails, bridle paths, and all other Common Areas are maintained in a fashion suitable for their intended uses. This reservation shall not be considered an obligation of the Developer to provide and maintain any such roadway, greenway, bridle path, or Common Area, or any utility or service or facility located upon such roadway, bridle path, or Common Area. Developer expressly reserves unto itself, and its successors and assigns, the continuing and perpetual right to use, and to allow or license the use of street shoulders, trails, greenways, bridle paths and wetland forest portions of the Common Areas for any purposes it deems reasonably consistent with the residential, recreational or equestrian themes of the Gables Run Subdivision, including for use by the owner(s), guests, customers or tenants of any equestrian facility, or by owners of other properties. Developer further reserves unto itself and its successors and assigns, and specifically to the proposed, adjacent Equestrian Center, the unlimited right to use and license the use of the bridle paths, trails, greenways, street shoulders and any equestrian easements as shown on the recorded Plats, including, but not limited to, the exclusive right to charge a fee for the use of these areas, or otherwise, and to require a liability release to be executed as a condition to the use of these areas, or to otherwise restrict the use of these areas, except that Owners and resident family members of Owners will not be charged a fee for the use of any of these areas (except for the standard dues and charges as defined in the Covenants for Common Area Maintenance Dues).

Section 2. Easements for Ingress and Egress. Easements are reserved and granted across all streets depicted on any deeds of conveyance or recorded Plats or Maps for ingress and egress

of the Developer, its licensees, public safety personnel and any authorized agents, employees, or assigns of any of the foregoing for the purpose of constructing, maintaining, inspecting and repairing the streets, greenways, trails, bridle paths, utilities, drainage areas or other common facilities. In addition, the Developer, and such other entities shall have a continuing easement to enter the Lots and Properties in order to maintain, inspect and repair all utilities and drainage areas located on the Lots and Properties. This easement includes the right to disturb Ancillary Structures located on each Lot and Properties in order to inspect, maintain and repair any utility facility located within or beneath such Ancillary Structures.

Section 3. Prohibition on Obstructions. Within any easement, no structure, fence, planting or other material shall be placed or permitted to remain which may interfere with the uses for which such easement is intended, and specifically, concerning drainage easements, which may change the direction of flow, or which may obstruct or retard the flow of water through the drainage channels, or which may obstruct reasonable access thereto for repair and maintenance. Developer or the Association may grant exceptions to this prohibition, but only if it is determined that the proposed obstruction does not materially affect any other Lot Owner, and the requesting Lot Owner agrees in writing that if future damage or destruction of said structure, fence, planting or other materials is needed to access or repair any utility, easement, drainage feature, Common Area or other common amenity, said Lot Owner assumes all of the risk thereof and solely shall be responsible for subsequent repair of said structure, fence, planting or other materials.

Section 4. Bridle Paths/Trails/Greenways/Equine Activity Liability. Bridle Paths, Trails and Greenways as shown on the recorded Plats shall be reserved exclusively for horse and pedestrian use as labeled and appropriate. Allowable pedestrian activities include walking, jogging, running, and the use of non-motorized bicycles, scooters, etc. Allowable equestrian activities are limited to reasonable, recreational horse use. No hedge, fence, mass planting or other obstruction shall be placed in or near any Greenway, Trail or Bridle Path so as to interfere with the uses for which such easements are intended.

Use of all Bridle Paths, Trails, Greenways and all Common Areas shall be governed and protected by the North Carolina Landowner Liability Act (Chapter 38A of the North Carolina General Statutes), as amended from time to time, and by the North Carolina Equine Activity Act (Chapter 99E of the North Carolina General Statutes), as amended from time to time, and any successor provision(s) thereto. For the purposes of any activity involving any equine, as defined

in Chapter 99E, the Developer, Architectural Review Board, Association, Members and agents thereof shall be presumed to be entitled to the liability protections contained in N.C.G.S. 99E-2. In accordance with N.C.G.S. 99E-3(b), all Lot Owners, invitees, tenants and guests hereby are warned as follows:

"WARNING

UNDER NORTH CAROLINA LAW, AN EQUINE ACTIVITY SPONSOR OR EQUINE PROFESSIONAL IS NOT LIABLE FOR AN INJURY TO OR THE DEATH OF A PARTICIPANT IN EQUINE ACTIVITIES RESULTING EXCLUSIVELY FROM THE INHERENT RISKS OF EQUINE ACTIVITIES."

All Lot Owners are responsible for posting and providing the above warning to any and all persons, including but not limited to their own immediate family, guests, tenants or other invitees with regard to any equine activity involving any portion of their Lot(s) or any other portion of the Property.

Section 5. Restrictive Easement. For the benefit of the Gables Run Subdivision, all Lot Owners therein, the Association and Developer's predecessor in title (Weyerhaeuser Real Estate Company), no portion of Lot 36 [Plat Cabinet G, Slides 159A-H (inclusive), Craven County Registry] may be subdivided into residential lots, or used for any residential, industrial or commercial purposes. Notwithstanding the above, Lot 36 may be used for commercial equestrian purposes, and ancillary facilities providing residential housing for an on-site caretaker may be constructed as an integral part of any horse or equestrian barn facilities constructed on Lot 36, and thereafter occupied by said caretaker in connection with providing such horse and equestrian services.

ARTICLE VI
COVENANTS FOR MAINTENANCE DUES

Section 1. Responsibility for Maintenance Services. Prior to the creation of the Gables Run Property Owners Association, Developer shall be responsible for collecting the dues and assessments set forth in this Article. Upon creation of the Association, and transfer of Common Area title thereto, the Association thereafter shall collect the dues and assessments set forth in this Article, and Developer shall have no further responsibility or obligation related thereto.

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

(a) to maintain and repair all non-dedicated common roads constructed within the Development to at least the standard that such roads were in at the time of their initial completion [Note: it is Developer's intent to dedicate all streets as shown on the recorded Plats to the City of New Bern], and to maintain the entrance and road signs, common mail boxes, and all amenity lighting and landscaping adjacent to such roads in a manner consistent with the overall appearance of the Development;

(b) to maintain creeks, drainage fingers, grassed swales, ditches, other drainage structures and all drainage easements;

(c) as needed, to upgrade, repair and maintain the Common Areas, foot paths, greenways, irrigation systems, trails, recreational areas, fields, exercise areas, and bridle paths;

(d) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association.

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

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

Section 3. Assessment Rate.

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

(b) Two (2) contiguous Lots owned by the same Owner may, at the option of such Owner, be combined and considered to be only one Lot for purpose of the assessment of dues, provided:

(i) no more than one dwelling is located on the two (2) Lots,

(ii) such combined Lot is considered to be only one (1) Lot for voting purposes, and

(iii) if such combined Lot is again separated into two (2) lots, the dues which were not charged, but which would otherwise have been charged over the preceding five (5) year period had the Lots been considered to be two (2) lots, shall be promptly paid, and the obligation to pay such dues shall be the joint and several obligation of the Owners of each of such Lots, and shall further be a joint and several lien against each of such Lots until paid in full.

(c) Both annual dues and special assessments must be fixed at a uniform rate for all Lots and dwellings and shall initially be $400.00 per year for each developed Lot and $200.00 per year for each undeveloped Lot, commencing as of January 1, 2003, and becoming due and payable upon the initial sale and closing of each Lot. Thereafter, except as provided in subsection (d) hereof, the annual dues may not be increased annually by more than fifteen percent (15%) of the amount of the prior year's annual dues.

(d) Any increase or decrease in annual dues by more than 15% must have the written consent of at least Sixty Percent (60%) of the votes from all then-current Lot Owners. **Effective January 1, 2006, the base rate for annual dues for all lots shall be $460.00.**

(e) Developer shall be exempt from the payment of any annual dues or special assessments with regard to the Lots owned by Developer.

Section 4. Special Assessments for Capital Improvements and Emergencies. Once the roadways are dedicated and accepted by the City of New Bern, and the Developer has constructed the entrance amenity, pedestrian and riding trails, stormwater drainage systems, utilities, lighting, landscaping, picnic pavilion, common area field, and children's recreational area serving the Gables Run Development, in addition to the annual dues authorized above, the Association may levy, in any year a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, improvement

or replacement of a capital improvement upon the Common Area, including but not limited to the common roadways, signs, lighting, foot paths, drainage features, picnic area, fields, children's recreational area, bridle paths, and any other common amenities serving the Gables Run Development, or for the purpose of meeting any unanticipated expenses related to the Common Areas. Such special assessments may be levied only after obtaining the written consent of the Owners of at least two-thirds (66.67%) of the votes of all Lot Owners. Notwithstanding the above, Developer shall not use the special assessment process to fund any of the initial construction costs for the entrance amenity, pedestrian and riding trails, stormwater drainage systems, public roads, utilities, lighting, landscaping, picnic pavilion, common area field, or children's recreational area, or for any costs associated with the planned, adjacent Equestrian Center.

Section 5. Assessments of Lots and Dwellings. All annual dues and special assessments on the Lots shall be billed to and collected from each Lot Owner by remitting same to the Developer or, after creation of the Association, to the Association. Dues for the year 2003 shall be collected (pro-rata) at the initial Lot sale closing as specified in Section 3(c) above. Thereafter, dues shall be prorated and collected at closing upon the subsequent sale of any Lot, and any past due assessments also shall be collected at any subsequent lot closings.

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

Section 7. Date of Commencement of Annual Dues; Due Dates. The annual dues provided for herein shall commence for each Lot as of January 1, 2003. Written notice of the annual dues shall be sent to every Owner in January of each year. The due date for payment of annual dues shall be established in such written notice, and shall be no later than January 31st of the then-current calendar year.

Section 8. Effect of Nonpayment of Dues or Assessments; Remedies of the Association. Any assessment or dues not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate allowable under North Carolina Law at the time of default, or eighteen percent (18%) per annum if the maximum legal rate is greater under then-applicable law. In addition to such interest charge, the delinquent Lot Owner shall also pay such late charge(s) as may have been theretofore established by the Association to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner, or foreclose the lien against the Lot, or both. All interest, late payment charges, costs and reasonable attorney's fees of such actions or foreclosures shall be added to the amount of such charge or assessment. No Lot Owner may waive or otherwise escape liability for the charge and assessment provided for herein by attempting to claim lack of use, or by not using the Common Areas or by purporting to abandon his/her Lot(s).

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

ARTICLE VII
ASSOCIATION

Section 1. Membership. Once formed, every Lot Owner automatically shall be a member of the Association. Membership of a Lot Owner shall be appurtenant to and may not be separated from ownership of each Lot. Upon termination of ownership (due to transfer of title to the Lot), an Owner's Membership shall automatically terminate and transfer to the new owner(s) of the Lot. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall collectively be considered one Owner and one Member.

Section 2. Voting. All Lot Owners, including Developer, shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall collectively be considered one Owner and one Member, and voting rights appurtenant to said Lot may be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot owned by more than one person.

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

Section 4. Formation of the Association. The Developer shall create and form the Association no later than eighteen (18) months from the date of the recording of these Covenants, Restrictions and Declarations.

Section 5. Conveyance of Common Areas to the Association. Within twelve (12) months of the formation of the Association, the Developer shall convey title to all Common Areas to the Association by quitclaim deed.

ARTICLE VIII
PROPERTY RIGHTS

Section 1. Use of Common Areas. Notwithstanding any recorded Map or Plat, or any other action by Developer or the Association, all Common Areas (excluding publicly dedicated roads) shall remain private property and shall not be construed as dedicated to the use or

enjoyment of the general public. Developer reserves to itself the right to grade, re-grade, and improve the streets, avenues, roads and any open spaces as the same may be designated on any Plat or Map, including the creation or extension of slopes, banks, swales, ditches or excavation in connection therewith and in the construction of and installation of drainage structures therein.

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

(a) The right of Developer, or the Association once the Common Areas are deeded to the Association, to promulgate and enforce reasonable regulations governing use of the Common Areas;

(b) The right of Developer, or the Association once the Common Areas are deeded to the Association, to suspend the right to use the Common Areas by any Owner for any period during which any assessment against his Lot remains unpaid, and also to suspend the right to use the Common Areas for a period not to exceed sixty (60) days for infractions of the Association's published rules and regulations;

(c) The right of the Developer, or the Association once the Common Areas are deeded to the Association, to grant utility, drainage or other easements on, under or across the Common Areas;

(d) The right of resident family members of each Lot Owner to also use the Common Areas and the right of invited guests accompanied by the Owner to use such Common Areas, but use of the bridle paths shall be limited to resident family members of the Lot Owner and thus does not include use by invited guests of a Lot Owner (such invited guest use may be obtained through the associated, separately owned Equestrian Center). The right of the Owner and resident family members to use the bridle paths is specifically conditioned upon the Owner and each resident family member (and parents or guardians of minors) executing a liability release as referenced in Article V hereof, and expressly agreeing that each person has been warned in accordance with North Carolina Equine Activity Act [see Article V, Section 4 above]. Any Lot Owner guests or invitees wishing to

use the bridle paths must execute the same liability release and also pay the fee assessed by the Equestrian Center, or its successor;

(e) The right of Developer to grant other easements, and use and to grant to others the right to use the bridle paths and other Common Areas for any purpose Developer deems appropriate, including, but not limited to, commercial use or use by owners of other properties, including, but not limited to, the associated Equestrian Center; and

(f) Any tenant(s) of a Lot Owner landlord are entitled to use and enjoy the Common Areas during the period of the tenancy, and the right to use and enjoy such shall inure solely to the tenant during that period, and not to the landlord Lot Owner.

Section 3. Owners' Easements for Ingress and Egress. Every Lot is hereby conveyed a perpetual, nonexclusive right to use any common roadway which forms a part of the Development for the purpose of providing access to and from each Lot, and for underground utility easements. It is understood and agreed, however, that the easement for ingress and egress and for underground utility easements provided herein shall not be used for access to, or to service, any property outside the Gables Run Subdivision. No Owner shall construct or allow to be constructed any roadway for vehicular traffic, or allow any easement for access or utilities, from his Lot or from any Common Area to any property outside the Development without the prior, written consent of Developer.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Enforcement. Developer, the Association, the Architectural Review Board, or any non-breaching Owner, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel compliance with any of the terms and conditions herein, or to prevent the violation or breach thereof by any Owner or other person. The prevailing party or parties shall be entitled to recover the costs and expenses of such action, including reasonable attorneys fees, from the losing party or parties, in the discretion of the court. The Developer and the Association shall have the right, but not the obligation, whenever there shall have been built on any Lot any structure which is in violation of these restrictions, or without the prior approval of the Architectural Review Board, to enter upon such Lot and correct or remove such violating

structure, at the sole expense of the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any such right, reservation, restriction or condition shall not be deemed a waiver of the right to do so thereafter as to the same or another breach, and shall not bar or affect such later enforcement. Prior to their dedication, Developer shall reasonably maintain the public streets and roads as shown on the recorded plats.

Section 2. Notices. Notices shall be in writing and shall be addressed as follows: (i) If to an Owner, to the address of his lot; (ii) if to Developer, to Gables Road, LLC, c/o Michael Scott Davis, Ward and Davis, LLP, 409 Pollock Street, New Bern, North Carolina 28560; (ii) if to the Association, to the address of the Association as disclosed in the documents creating the Association.

Developer may designate a different address for notices by giving written notice of such change of address to all Owners and the Association. The Association may designate a different address for notices by giving written notice of such change of address to all Owners and Developer. Any Owner may designate a different address for notices by giving written notice of such change of address to Developer and the Association.

Section 3. Headings. The headings used in these Restrictive Covenants and Declarations are for convenience and reference only and the words contained therein shall not be held to expand, modify, or aid in the interpretation, construction, or meaning of these Restrictive Covenants.

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

Section 5. Supplemental Declaration. Developer reserves the right to subject any property now or hereafter owned by Developer to the provisions of these Restrictive Covenants and Declarations. Such addition(s) shall be made by Developer, its successors or assigns, by filing of record a Supplementary Declaration of Covenants and Restrictions, which shall identify the property to be included, and which shall incorporate this instrument by reference.

However, no other land within the vicinity of the Development shall be subject to these Restrictive Covenants and Declarations unless the provisions of this Section are complied with, it

being intended that these Restrictive Covenants and Declarations not be construed or considered as a scheme for development of any land other than the Property as defined herein, and any additional properties for which a Supplementary Declaration of Covenants and Restrictions may hereafter be filed of record as provided in this Section.

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

Section 6. Duration. All Owners, by accepting the deed to any Lot, accept the same subject to these Restrictive Covenants and Declarations, and all covenants, restrictions and servitude's contained therein, and agree for himself, his heirs, legal representatives, administrators, and assigns, to be bound by each of said covenants, restrictions, and servitudes jointly, separately, and severally, without limitation for the terms set forth herein:

Article II of these Restrictive Covenants and Declarations shall continue into perpetuity, unless earlier amended with the specific and written approval of the U.S. Army Corps of Engineers, Wilmington District, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing.

The balance of these Restrictive Covenants and Declarations shall be in effect until January 1, 2033, and shall be automatically extended for successive periods of ten (10) years each unless the Owners of not less than two-thirds (2/3) of the Lots agree in a writing signed and recorded in the Craven County, North Carolina, Public Registry, at any time prior to the expiration of the said term or any succeeding ten-year period, to terminate or modify the same.

Section 7. Amendment. Article II of these Restrictive Covenants and Declarations may not be amended at any time, in any way, without the specific and written approval of the U.S. Army Corps of Engineers, Wilmington District, and then only in a manner acceptable to the Corps of Engineers as confirmed in writing and by an instrument signed by the Owners of not less than fifty-one (51%) of the votes for all Lot Owners then subject to these Restrictive Covenants and Declarations.

The balance of these Restrictive Covenants and Declarations may be amended by an instrument signed by the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners then subject to these Restrictive Covenants and Declarations.

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, all on the day and year first above written.

(SEAL)
Lot No. 16
I. Clark Wright, Jr.

(SEAL)
Lot No. 16
Johanna Wright

(SEAL)
Lot No. 15
Michael Scott Davis

(SEAL)
Lot No. 15
Mary Ann Davis

(SEAL)
Lot No. 27
Robyn L. Whaley

(SEAL)
Lot No. 27
M. Craig Whaley

(SEAL)
Lot No. 29
John G. Steel

(SEAL)
Lot No. 29
Tammy Steel

(SEAL)
Lot No. 25
Dare B. Oliver

(SEAL)
Lot No. 25
George M. Oliver

(SEAL)
Lot No. 35
Sharon A. Carter

(SEAL)
Lot No. (N/A)

(SEAL)
Lot No. 30
Penelope F. King

(SEAL)
Lot No. 30
Robert King III

(SEAL)
Lot No. 10
Ronald L. Stevens

(SEAL)
Lot No. 10
Louise W. Stevens

(18 lots)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

_____(SEAL)
Lot No. 26
William C. Naumann ✓

_____(SEAL)
Lot No. 26
Patricia L. Naumann ✓

_____(SEAL)
Lot No. 7
R. Dale Futh ✓

_____(SEAL)
Lot No. 6
Eric Smith ✓

✓ _____(SEAL)
Lot No. 8

_____(SEAL)
Lot No. _____

_____(SEAL)
Lot No. _____

_____(SEAL)
Lot No. _____

_____(SEAL)
Lot No. _____

✓ _____(SEAL)
Lot No. 8
John DiMartino ✓

✓ _____(SEAL)
Lot No. 8
Susan DiMartino ✓

_____(SEAL)
Lot No. 7
Stephen B. Futh ✓

_____(SEAL)
Lot No. _____

✓ _____(SEAL)
Lot No. 8

_____(SEAL)
Lot No. _____

_____(SEAL)
Lot No. _____

_____(SEAL)
Lot No. _____

(4 lots)(12 total)

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that I. Clark Wright and wife, Johanna F. Wright and Michael Scott Davis and wife, Mary Ann Davis, personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

NOTARY PUBLIC

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

My Commission Expires:

10/08/2010

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that M. Craig Whaley and wife, Robyn L. Whaley and John G. Steel and wife, Tammy Steel, personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

NOTARY PUBLIC

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

My Commission Expires:

10/08/2010

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that George M. Oliver and wife, Dare B. Oliver and Sharon A. Carter, personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

NOTARY PUBLIC

My Commission Expires:

10/08/2010

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that Robert King, III and wife, Penelope F. King and Ronald L. Stevens and wife, Louise W. Stevens, personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

NOTARY PUBLIC

My Commission Expires:

10/08/2010

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, JTHICKS, a notary public in and for said county and state, do hereby certify that WILLIAM C. NAUMANN and Patricia L. NAUMANN personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 23 day of May, 2006.

NOTARY PUBLIC

My commission expires:

3/30/2008

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, JTHICKS, a notary public in and for said county and state, certify that William C. Naumann and Patricia L. Naumann personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 23 day of May, 2006.

NOTARY PUBLIC

My commission expires:

3/30/2008

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that John DiMartino and wife, Susan DiMartino and Eric Smith, personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

NOTARY PUBLIC

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

My Commission Expires:

10/08/2010

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, certify that Stephen B. Futh and wife, K. Dale Futh personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 4th day of May, 2006.

NOTARY PUBLIC

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

My Commission Expires:

10/08/2010

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

(SEAL)
Lot Nos. 12 and 14

(SEAL)
Lot Nos. 12 and 14

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Patricia P. Powers, a notary public in and for said county and state, do hereby certify that Stephen G. O'Connell and wife, Ingrid C. O'Connell personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 19th day of May, 2006.

Patricia P. Powers
NOTARY PUBLIC

My commission expires:
My commission expires 9-21-2010.

(2 lots)(14 total)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

Kenneth F Crow (SEAL)
Kenneth F. Crow - Lots 22 and 32

Dana W. Crow (SEAL)
Dana W. Crow - Lots 22 and 32

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Alexis Diane Huffman, a notary public in and for said county and state, do hereby certify that Kenneth F. Crow and wife, Dana W. Crow personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 25 day of May, 2006.

Alexis Diane Huff
NOTARY PUBLIC

My commission expires:

1-28-08

ALEXIS DIANE HUFFMAN
NOTARY
PUBLIC
CRAVEN COUNTY, N.C.

(2 lots ... 16 so far)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

Kathleen Diamadi (SEAL)
Lot No. 17

(SEAL)
Lot No. 17

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, GINA MARGARET KOZUP, a notary public in and for said county and state, do hereby certify that Kathleen Diamadi and (Anthony Diamadi) personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 28 day of May, 2006.

Gina Margaret Kozup
NOTARY PUBLIC

My commission expires:
My Comm. Exp 10-28-2009

(17 so far...)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

Nolan C. Skidmore (SEAL) Brenda A. Skidmore (SEAL)
Lot No. 23 Lot No. 23

STATE OF NORTH CAROLINA
COUNTY OF ~~CRAVEN~~ ONSLOW

I, DAVID E. WELLS, a notary public in and for said county and state, do hereby certify that NOLAN C. SKIDMORE and BRENDA A. SKIDMORE personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 31ST day of May, 2006.

David E. Wells
NOTARY PUBLIC

DAVID E. WELLS NOTARY PUBLIC ONSLOW COUNTY, NC

My commission expires:

7/5/09

(18 so far)

David Wilkins (SEAL)
David Wilkins, Lot No. 21

Bonnie Wilkins (SEAL)
Bonnie Wilkins, Lot No. 21

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

_____ (SEAL)
_____, Lot No. _____

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Doris M. Bradshaw, a notary public in and for said county and state, do hereby certify that David Wilkins and Bonnie Wilkins personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 31 day of May, 2006.

Doris M. Bradshaw
NOTARY PUBLIC

My Commission Expires:
9-5-06

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, _____, a notary public in and for said county and state, certify that _____ and _____ personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this _____ day of May, 2006.

_____
NOTARY PUBLIC

My Commission Expires:

_____

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

_____ (SEAL)
Lot No. 9

Clyde Laurent (SEAL)
Lot No. 9

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Sherry Williams Collins, a notary public in and for said county and state, do hereby certify that Christopher Laurent and CLYDE LAURENT personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 11th day of August, 2006.

Sherry Williams Collins
NOTARY PUBLIC

My commission expires:

December 17, 2007

(20)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

Thomas Edwards (SEAL)
Lot No. 18

Jodi L. Edwards (SEAL)
Lot No. 18

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Rebecca J. Collins, a notary public in and for said county and state, do hereby certify that Thomas Edwards and Jodi L. Edwards personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 15 day of Aug., 2006.

Rebecca J. Collins
NOTARY PUBLIC

REBECCA J. COLLINS NOTARY PUBLIC CRAVEN COUNTY, N.C.

My commission expires:

7-31-2007

(21)

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

Michael L Davis (SEAL)
Lot No. 11

Cheryl A. Davis (SEAL)
Lot No. 11

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garvick, a notary public in and for said county and state, do hereby certify that Michael Davis and Cheryl A. Davis personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

NOTARY PUBLIC

My commission expires:

10/08/2010

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

IN WITNESS WHEREOF, the Owners of not less than two-thirds (66.67%) of the votes of all Lot Owners have caused this document to be properly executed, to be effective as of the date of recordation in the Craven County Public Registry.

S.F. Nuttall (SEAL)
Lot No. 20

Nuttall (SEAL)
Lot No. 20

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Peggy Garnick, a notary public in and for said county and state, do hereby certify that S.F. Nuttall and Tanya Nuttall personally appeared before me this day and acknowledged the due execution of the foregoing Agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this 24th day of August, 2006.

NOTARY PUBLIC

My commission expires:

10/08/2010

PEGGY GARVICK NOTARY PUBLIC CRAVEN COUNTY, NC

(23)

SOS Equities, LLC [Owner of Lots 4 and 5, Gables Run]

By: _____
Authorized Manager

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

This is to certify that on the 19th day of May, 2006, before me personally appeared Stephen G. O'Connell, Authorized Manager of SOS Equities, LLC, and acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed.

WITNESS my hand and notarial seal this 19 day of May, 2006.

Patricia P. Powers
Notary Public

My Commission Expires:

My commission expires 9-21-2010.

(25 = 7/8 of all lots)