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Nancy Murphy
Register of Deeds, Greene County

SECTION 10.6 OF THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA.

SECTION 10.11 OF THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

STATE OF NORTH CAROLINA
COUNTY OF GREENE

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
CUTTER CREEK PLANTATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION (as may be amended or supplemented as set forth herein, "Declaration") is made this 27th day of March, 2007 by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof (the "Property" or "Subdivision"); and

B. Declarant is developing the Property known as "Cutter Creek Plantation" by subdividing it into "Lots" that are to be used for residential purposes as well as common real estate and improvements that are to be owned by a homeowners association to which the Owner of a Lot must belong and pay lien-supported maintenance assessments; and

C. At the time of the conveyance of a Lot to an Owner, the Declarant intends to make available the common amenities on the Property, if any, as they are built, and, at the time of completed development, the entire Property, excluding the Lots and dedicated streets, if any, shall be conveyed without cost or charge to the Association.

THEREFORE, the Declarant hereby declares that all of the Lots and Common Areas (defined below) located within the Subdivision are held and shall be held, conveyed,

hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

ARTICLE I

DEFINITIONS

Section 1.1 "Annual Organizational Board Meeting" means the annual organizational board meeting of the Board, which shall take place immediately after each Annual Meeting of the Members.

Section 1.2 "Annual Meeting" means the annual meeting of the Members held in Greene County, North Carolina, within the last quarter of each calendar year, upon proper notice, at a date, time and at a place from time to time designated by the Board. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation on such date as the initial Board shall determine.

Section 1.3 "Articles" or "Articles of Incorporation" shall mean those articles, filed with the Secretary of State of North Carolina, incorporating Cutter Creek Homeowners Association, as a nonprofit corporation under the provisions of North Carolina State law, as the same may be amended from time to time.

Section 1.4 "Assessments" means Regular Assessments, Special Assessments, Working Capital Assessments, Individual Assessments and Fine Assessments.

Section 1.5 "Association" shall mean and refer to CUTTER CREEK HOMEOWNERS ASSOCIATION, to be formed as a non-profit corporation, its successors and assigns.

Section 1.6 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.7 "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section 1.8 "Class A Members" shall mean as defined in Section 4.5.1 below.

Section 1.9 "Class B Members" shall mean as defined in Section 4.5.2 below.

Section 1.10 "Constituent Documents" shall mean the Declaration, the Bylaws, the Articles of Incorporation, and the Rules and Regulations, if any, and any other basic documents used to create and govern the Subdivision.

Section 1.11 "Common Areas" shall mean all the real estate (including retention ponds, storm drainage improvements, entrance signage, streets (including any dedicated streets prior to their acceptance for public maintenance) and all landscaping and other improvements thereon) owned by the Association for the common use and enjoyment of the Owners. Common Areas shall include, but not be limited to, the Recreational Facilities and parcels designated on the Subdivision plat as "Park" (unless such parks are later dedicated to the public by a subsequent dedication plat or conveyance), "Open Area," "Alley (Private)," "Common Area", "Proposed Lake", "Natural Division", or reserved as an access drive or private street.

Section 1.12 "Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Subdivision, including, without limitation thereof, operation of the Subdivision, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefor; all liability for loss or damage arising out of or in connection with the Common Areas and their use; all premiums for hazard, liability and other insurance with respect to the Subdivision; all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. "Common Expenses" shall also include the cost of operation, maintenance, improvement, and replacement of any Recreational Facilities, including establishing reserves therefore. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, capital improvements within the Common Areas of the Subdivision, including, but not limited to private road and parking lot resurfacing. "Common Expenses" shall also include all reserve funds or other funds established by the Association. "Common Expenses" shall be construed broadly.

Section 1.13 "Declarant" shall mean and refer to Mill Run Development Group, LLC, a North Carolina limited liability company, its successors and assigns as a Declarant.

Section 1.14 "Default" shall mean any violation or breach of, or any failure to comply with, the Restrictions, this Declaration or any other Constituent Documents.

Section 1.15 "Development Period" means the period commencing on the date on which this Declaration is recorded in the Greene County Register of Deeds and terminating on the later to occur of (i) when Declarant no longer owns a Lot in the Subdivision, including any additional property annexed into the Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint Directors; or (iii) the occurrence of the date ten (10) years from the date of recording the Declaration, renewable for an additional ten (10) year period with the consent of a majority of Lot Owners other than the Declarant.

Section 1.16 "Fine Assessment" means the charge established by Section 5.5.2 of this Declaration.

Section 1.17 "Golf Course" means all property owned by Cutter Creek Golf Club, including, but not limited to the golf course, golf course clubhouse, driving range and all other facilities related to the golf course.

Section 1.18 “Individual Assessment” means the charge established by Section 5.4 of this Declaration.

Section 1.19 “Lot” shall mean and refer to any parcel of land designated on the Plat upon which a house has been or is to be constructed.

Section 1.20 “Member” shall mean and refer to all those Owners who are Members of the Association as provided in Article IV below.

Section 1.21 “Owner” shall mean and refer to the record owner, including Declarant, whether one or more persons or entities, of a fee simple title to any Lot located within the Subdivision.

Section 1.22 “Plat” shall mean and refer to the record plat or plats of the Subdivision, whether one phase or multiple phases, recorded by Declarant, as the same may be amended or supplemented by Declarant from time to time.

Section 1.23 “Planned Community Act” shall mean and refer to the North Carolina Planned Community Act, currently codified as Chapter 47F of the North Carolina General Statutes, as the same may be amended from time to time.

Section 1.24 “Property” or “Subdivision” shall mean and refer to that certain real estate described in Exhibit A and all other real estate that may be annexed into this Declaration and the Association by the Declarant.

Section 1.25 “Recreational Facilities” shall mean and refer to the common community and recreational facilities located on the Property, including, but not limited to, the swimming pool, clubhouse (including exercise room) and the related grounds, landscaping and improvements located, or to be located thereon. Recreational Facilities specifically does not include the Golf Course.

Section 1.26 “Regular Assessment” means the charge established by Article V of this Declaration.

Section 1.27 “Resident” shall mean and refer to any person, not an Owner, the Owner’s home, including, but not limited to, temporary guests and Tenants.

Section 1.28 “Restrictions” shall mean all covenants, conditions, restrictions, easements, charges, liens and other obligations provided for in this Declaration, including, without limitation, all notices, rules and regulations issued in accordance with this Declaration.

Section 1.29 “Rules and Regulations” shall mean and include the rules and regulations made from time to time by the Board of Directors as provided in Section 4.3 below.

Section 1.30 “Special Assessment” means the charge established by Section 5.2 of this Declaration.

Section 1.31 "Tenant" means any person occupying any Lot pursuant to a written or oral lease agreement with the Owner thereof or with any other person or entity claiming under the Owner.

Section 1.32 "Working Capital Assessment" means the charge established by Section 5.3 of this Declaration.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The Property and each portion thereof shall be held, transferred, sold, conveyed, leased, mortgage and occupied subject to the terms, provisions, covenants and conditions of this Declaration.

ARTICLE III

PROPERTY RIGHTS IN COMMON AREAS

Section 3.1 Owner's Easements of Enjoyment. Except as herein otherwise provided, each Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to his Lot. Each Tenant shall have a non-transferable right to use and enjoy the Common Areas, if any, which right shall terminate when such person ceases to have the status of a Tenant. Such rights and privileges shall be subject, however, to the following:

3.1.1 The right of the Board to suspend the right of any Owner or the privilege of any Resident to use such of the Common Areas that are recreational in nature as determined by the Board for any infraction of the Rules and Regulations relating to the Common Areas for a period not to exceed sixty (60) days for each such infraction, or for any non-payment or delinquency of the Assessments against such Owner's Lot for a period not to exceed the period of such non-payment or delinquency;

3.1.2 The right of the Board to adopt and enforce and from time to time amend reasonable limitations upon use and Rules and Regulations pertaining to the use of the Common Areas, including regulations limiting guests of Owners and Tenants who may use the Common Areas at any one time;

3.1.3 All applicable provisions of valid easements and/or agreements of the Association relating to the Common Areas;

3.1.4 The right of the Association to grant permits, licenses and public or private easements over Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property;

3.1.5 The right of Declarant or the Association to dedicate or convey portions of the Common Areas to applicable governmental authorities for park purposes; or

3.1.6 The right of members of Cutter Creek Golf Club to use the Recreational Facilities regardless of whether said members of Cutter Creek Golf Club are Owners as defined herein. This right shall not be amended or abridged by the Developer or the Association at any time for any reason.

Section 3.2 Extension of Use. Any Owner may extend his right of enjoyment to the Common Areas to the immediate and/or extended members of his family, his Tenants, guests or contract purchasers of the Owner's Lot.

Section 3.3 Title to Common Areas. The Declarant shall convey by deed all Common Areas to the Association in fee simple absolute upon the completion of the Common Areas in each Phase of the Subdivision. Any such conveyance shall be subject to taxes for the year of conveyance, and to restrictions, conditions, limitations and easements of record.

Section 3.4 Use of Common Areas by Declarant. In addition to the specific rights and easements reserved herein, Declarant and its affiliates and associates shall have the same rights of use and enjoyment of the Common Areas as the Class A Members during the Development Period, and shall have the same right to use Common Areas for promotional, sales and similar purposes until all of the Lots have been sold.

ARTICLE IV

HOMEOWNERS ASSOCIATION

Section 4.1 Homeowners Association. There has been created a North Carolina non-profit corporation, known as Cutter Creek Homeowners Association, which shall be responsible for the maintenance, management and control of the Common Areas and the levy of assessments or charges upon each Lot as more specifically set forth in this Declaration.

Section 4.2 Board of Directors and Officers. The Board of Directors, and such officers as may be elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs of the Association. The Board of Directors may also appoint committees and managers or other employees and agents who shall, subject to the general direction of the Board of Directors, be responsible for the day-to-day operation of the Association.

Section 4.3 Rules and Regulations. By a majority vote of the Board of Directors, the Association may, from time to time adopt, amend and repeal Rules and Regulations with respect to all aspects of the Association's rights, activities and duties under this Declaration. The Rules and Regulations may, without limitation, govern use of the Subdivision, including prohibiting, restricting or imposing charges for the use of any portion of the Subdivision by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, or Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be maintained in the office of the Association and shall be available to each Owner upon request.

Section 4.4 Membership of Association. Every Owner of a Lot shall be a Member of the Association. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration, when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association without necessity of further documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment.

Section 4.5 Classes of Membership. The Association shall have two (2) classes of Membership:

4.5.1 Class A Members. Every person, group of persons, or entity which is a record Owner of a fee interest in any Lot within the Property, shall automatically be a Class A Member of the Association except the Declarant during the Development Period; provided, however, that any such person, group of persons or entity who holds such interest solely as security for the performance of an obligation shall not be a Member. A Class A Membership shall be appurtenant to and may not be separated from ownership of any Lot. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. In the event that more than one person, group of persons or entity is the record Owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot portion shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

4.5.2 Class B Members. The Class B Member during the Development Period shall be the Declarant. The Class B Membership shall cease and be converted to Class A membership upon the expiration of the Development Period.

4.5.3 Voting. Each Member shall have one vote with respect to each Lot owned by such Member, but a Class A Member shall not be entitled to exercise any vote until the expiration of the Development Period.

Section 4.6 Maintenance Obligations of the Association. The Association, at its expense, shall maintain, operate and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Areas and all improvements located thereon for the common benefit of the Subdivision. This shall include, without limitation, the maintenance, repair, replacement and painting of the following landscaping and improvements (to the extent that such improvements or landscaping are located upon or constitute Common Areas): (a) all private roadways, driveways, pavement, sidewalks, walkways and uncovered parking spaces; (b) all lawns, trees, grass and landscape areas, shrubs and fences, except as otherwise set forth hereinbelow; (c) the Recreational Facilities; (d) all conduits, ducts, utility pipes, plumbing, wiring and other facilities which are part of or located in, or for the furnishing of utility services to, the Common Areas and which are not for the exclusive use of a single Lot.

The Association shall make the determination as to when maintenance, repair, replacement and care shall be done, and its determination shall be binding. Declarant shall have

the right to employ a manager to oversee and implement the Association's maintenance obligations, and any such management fees incurred thereby shall be paid by the Association. The Association shall also perform the other duties prescribed by this instrument or the Association's Rules and Regulations.

Section 4.7 Maintenance Obligation of the Lot Owners. The responsibilities of each Lot Owner shall include:

4.7.1 To clean, maintain, keep in good order, repair and replace at his or her expense all portions of his or her Lot, including, but not limited to any improvements located thereon. Any repair, replacement and maintenance work to be done by an Owner must comply with any Rules and Regulations of the Association including architectural control and visual harmony. An Owner may comply with this obligation to maintain their Lot by contracting with the Association at a rate mutually agreed upon by the parties to perform the maintenance required by this Section. The Association is in no way required to offer such a service and the Owner is not required to use the service supplied by the Association so long as the Owner meets their obligations under this Section.

4.7.2 To perform his responsibilities in such manner so as not unreasonably to disturb other persons residing within the Subdivision.

4.7.3 Not to paint or otherwise alter, decorate or change the appearance of any exterior portion of the improvements on his Lot, without the written consent of the Association.

4.7.4 Not to impair the use of any easement without first obtaining the written consents of the Association and of the Owner or Owners for whose benefit such easements exists.

4.7.5 Each Owner of a Lot shall be deemed to agree by acceptance of delivery of a deed to a Lot, to repair and/or replace at his or her expense all portions of the Common Areas which may be damaged or destroyed by reason of his or her own intentional or negligent act or omission, or by the intentional or negligent act or omission of any guest, invitee, tenant, licensee or family member, including, but not limited to any repairs necessary which result from damage incurred by pets or vehicles owned by the Lot Owner, or owned by any guest, invitee, tenant, licensee or family member of such Lot Owner. To the extent that any Common Area is damaged is an insurable loss and the proceeds from the Association's insurance policy are utilized to pay for the loss, the Owner shall be responsible for payment of the deductible as an Individual Assessment in accordance with Section 5.4 and Section 7.7 below.

Section 4.8 Construction Defects. The obligations of the Association and of Owners to repair, maintain and replace the portions of the Subdivision for which they are respectively responsible shall not be limited, discharged or unreasonably postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in materials or workmanship in the construction of the project. The undertaking of repair, maintenance or replacement by the Association or Owners shall not constitute a waiver of

any rights against any warrantor but such rights shall be specifically reserved. Likewise, this Section 4.8 is not intended to work for the benefit of the person or entity responsible for the construction defect. Also, performance by Association may be delayed if Association does not have the means or the funds to repair the defect or if by repairing the defect, Association would be compromising the right to sue to have the defect corrected and/or to collect damages caused by the defect.

Section 4.9 Effect of Insurance or Construction Guarantees. Notwithstanding the fact that the Association and/or any Lot Owner may be entitled to the benefit of any guarantee of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of construction guarantee or insurance coverage shall not excuse any unreasonable delay by the Association or any Lot Owner in performing his obligation hereunder. Likewise, this Section 4.9 is not intended to work for the benefit of the person or entity responsible for the construction defect. Also, performance by Association may be delayed if Association does not have the means or the funds to repair the defect or if, by repairing the defect, the Association would be compromising the right to sue to have the defect corrected and/or to collect damages caused by the defect.

Section 4.10 Association. The administration of the Subdivision shall be vested in the Association. The Owner of any Lot, upon acquiring title, shall automatically become a Member of the Association and shall remain a Member until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association shall automatically cease. The Association shall have full power and responsibility to administer, operate, sustain, maintain, and govern the Subdivision including but not limited to, the powers and responsibilities to make prudent investments of funds held by it; to make reasonable Rules and Regulations; to borrow money; to make Assessments; to bring lawsuits and defend lawsuits; to enter into contracts; to enforce all of the provisions of this Declaration, the Bylaws and any other documents or instruments relating to the establishment, existence, operation, alternation of the Subdivision. The powers of the Association shall be construed liberally and shall include, without limitation, all of the powers set forth in *Section 47F-3-102* of the Planned Community Act.

Section 4.11 Board of Directors. Unless otherwise specifically stated in this Declaration, the Association shall act exclusively through its Board of Directors (the "Board"). The Association in accordance with the Bylaws shall choose the Board. The Board shall be authorized to delegate the administration of its duties and powers by written contract to a managing agent or administrator employed for that purpose by the Board.

Section 4.12 Limitations on Association's Duties.

4.12.1 The Association did not construct the improvements in the subdivision. The Association does not warrant in any way or for any purpose, the improvements in the Subdivision. Construction defects are not the responsibility of the Association.

4.12.2 The Association shall have a reasonable time in which to make any repair or do any other work, which it is required to do under the Constituent Documents. The

Association must first have actual knowledge of a problem. Any determination of the reasonableness of the Association's response, must allow for the facts that the Association is volunteer and that the funds available to the Association are limited.

4.12.3 In case of ambiguity or omission, the Board may interpret the Declaration and the other Constituent Documents, and the Board's interpretation shall be final if made without malice or fraud. Notwithstanding the foregoing, the Declarant may overrule any interpretation affecting it, for so long as Declarant owns any portion of the Property; and such interpretation cannot be enforced against the Declarant, its successors or assigns.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 5.1 Regular Assessments. Regular Assessments for the payment of the Common Expenses shall be made in the manner provided herein, and in the manner provided in the Bylaws. The Regular Assessment is established for the benefit and use of the Association and shall be used in covering all of the Common Expenses.

Section 5.2 Special Assessment. In addition to levying Regular Assessments, and to the extent that the reserve fund is insufficient, the Board of Directors may levy Special Assessments to construct, structurally alter, or replace improvements which are a part of the Common Areas, provided that funds shall not be assessed for any capital improvement in excess of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) for any one item or in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) in the aggregate in any one calendar year ("Capital Expenditure Limit") without the prior written consent of two-thirds (2/3) of the votes of each Class of Members who are voting either in person or by proxy at a meeting duly called for such purpose or unless expressly stated in the annual budget. The Board of Directors shall have the authority to adjust the Capital Expenditure Limit annually to account for inflation, which adjustment shall be effective each January (hereinafter referred to as the "Adjustment Date") commencing January 1 of the next year following the year during which the sale of the first Lot by Declarant. As of each Adjustment Date, the Capital Expenditure Limit shall be increased from the Capital Expenditure Limit on the date of this Declaration ("Effective Date") by a percentage equal to the percentage increase, if any, in the Consumer Price Index, All Urban Consumers ("CPI-U"), (1982-1984=100), All Items, as compiled and published by the Bureau of Labor Statistics, U.S. Department of Labor ("CPI") from the Effective Date to the Adjustment Date. If after the date of this Declaration the CPI is converted to a different standard reference base or otherwise revised or ceases to be available, the determination of any new amount shall be made with the use of such conversion factor, formula or table for converting the CPI as may be published by any other nationally recognized publisher or similar statistical information reflected by the Board. Until the expiration of the Development Period or the date on which Declarant no longer owns a Lot, whichever is earlier, Declarant shall be one of the consenting Members, or the capital improvement shall not be made. The Board of Directors shall calculate each Lot's proportionate share of the Special Assessment for the capital improvements, and shall give the Owner(s) written notice of the proportionate share and of the date(s) that the Special Assessment

is due and payable. Notwithstanding the foregoing, Declarant shall have no obligations to pay any Special Assessment with respect to any Lot owned by it.

Section 5.3 Working Capital Assessment. Upon the initial transfer of record of the Lot from the Declarant (or successor declarant or designated declarant) to the Owner (other than a successor declarant or designated declarant), the purchaser is required to pay a sum equal to two (2) full months of the Regular Assessment due on his or her Lot as his or her initial contribution to the working capital of the Association. This sum is not an advance payment of the monthly Regular Assessment; rather the sum is allocated to a working capital fund to meet unforeseen expenditures and operating expenses or to purchase any additional equipment or services. While the Declarant is in control of the Association, it cannot use any of the working capital funds to defray its expenses, reserve contributions, or construction costs. When control of the Association is transferred to the Owners, the working capital fund shall be transferred to the Association for deposit to a segregated fund. After control of the Association is transferred to the Owners the Declarant shall be responsible to collect the initial contribution to the working capital account and forward such funds to the Association. Additionally, at the closing, each purchaser of a Lot is required to pay a pro-rata share of the Regular Assessment due in the month of closing.

Section 5.4 Individual Assessment. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which the Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, his family, his pet(s), his guests, invitees, licensees or Resident, the cost of such maintenance, repairs or replacements shall be paid by such Owner. The Board shall have the maintenance, repair or replacement done and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within thirty (30) days thereafter, unless an earlier date is otherwise set forth herein.

Section 5.5 Date of Commencement of Assessments; Due Dates; Determination of Regular Assessments; Fine Assessments.

5.5.1 The monthly Regular Assessment provided for herein shall commence as to each Owner of a Lot, except Declarant, on the first day following the initial conveyance of the Lot to the Owner and shall be adjusted according to the number of days remaining in the month. The Declarant, its successors and assigns, shall not be required to pay the Regular Assessment for any Lot which it owns until such time as Declarant transfers the Lot to a third party. The Board of Directors shall fix the amount of the monthly Regular Assessment to be paid by each Class A Member against each Lot at the beginning of each calendar year. Written notice of the monthly Regular Assessment shall be sent to every Class A Member subject thereto. The Board of Directors shall establish the due dates.

5.5.2 The Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable Fine Assessment, as a fine or penalty for violation of this Declaration, all in accordance with the Planned Community Act. A lien may be filed for this Fine Assessment and this Fine Assessment may be enforced by foreclosure and otherwise treated as a Regular Assessment.

5.5.3 If the Association is paying the water and/or sewer bill(s) for the Subdivision or any Owner within the Subdivision, the Association may assess each Owner benefited for its share of the water and/or sewer bill(s). Each Owner shall bear an equal share of the bill, but the Association can assess an extra amount against a Owner to recover the cost of any extraordinary amount of water used by that Owner. "Extraordinary" shall be as determined by the discretion by the Board of Directors. The Assessment for water and sewer shall be part of the Regular Assessment and shall be considered a Common Expense.

5.5.4 Both Regular and Special Assessments for a Owner shall be determined by the Association based upon the proportion that each Lot bears to the aggregate number of Lots located on the Property, except those owned by Declarant which are not assessed in accordance with Section 5.5.1 above. The Association's governing body may, at its discretion, waive the Regular Assessment for any year or part of a year for any Lot not occupied as a residence.

Section 5.6 Billing. The Association shall inform each Owner of the amount of the total Regular Assessment due from the Owner of that particular Lot. This Regular Assessment may be paid in monthly installments or as otherwise required by the Association. Each Owner must pay his required Regular Assessment in advance on the first calendar day of each month, unless the Association otherwise directs. Payment is to be made to such person at such an address as Association determines. Special Assessments are due thirty (30) days after the bill for the Special Assessment has been mailed or otherwise sent out by Association, unless the Association otherwise directs. The Owners of the initial Lots in the Subdivision, except Declarant, shall be obligated to begin paying the Regular Assessment as of the first day of the initial conveyance of the Lot from Declarant to the Owner. If the Subdivision is expanded and additional Lots are brought into the Subdivision during a given Assessment year, those additional Lots shall begin paying the Regular Assessment on the first day of the initial conveyance of the Lot from Declarant to the Owner.

Section 5.7 Common Surplus. If the Regular Assessment collected in any given year is in excess of the actual Common Expenses for that year, the Board may, at its sole discretion (a) return each Owner's share of the Common Surplus; (b) credit each Owner's share of the Common Surplus to each Owner's payment as for the Regular Assessment for the following year; or (c) apply the Common Surplus to the reserve.

Section 5.8 Assessment Certificate. The Association shall, upon demand, at any reasonable time, furnish to any Owner liable for Assessments a certificate in writing signed by an Officer or other authorized agent of the Association, setting forth the status of said Assessments; i.e., "current", and if not current, "delinquent" and the amount due. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid. A reasonable charge to cover labor and materials may be made in advance by the Association for each certificate.

Section 5.9 Books and Records of the Association. The Association shall keep full and correct books of account. The Association shall make available to all Owners and the holders of all first mortgages on Lots, current copies of the books, records and financial

statements of the Association upon reasonable request during normal business hours. All funds collected by the Association shall be held and expended solely for the purposes designated by this Declaration and shall be deemed to be held for the use, benefit and account of the Association and all of the Owners. All books and records must be kept in accordance with good accounting procedures and must be reviewed at least once a year by an independent accounting firm.

Section 5.10 Non-Payment of Assessment. Any Assessments levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and assigns.

If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest at a reasonable rate of eighteen percent (18%) per year or at such other reasonable rate set by Association in its minutes, not to exceed the maximum amount allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each Assessment. No Owner may waive or otherwise escape liability for the Assessments by non-use or waiver of use of the Common Areas or by abandonment of his Lot.

Section 5.11 Priority of Association Lien. The lien provided for in this Article V shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed of record before a claim of this lien hereunder has been docketed in the office of the clerk of superior court in Greene County, and may be foreclosed in the same manner as a mortgage on real property under power of sale in an action brought by the Association in accordance with the Planned Community Act. The Association is entitled to recover its reasonable attorneys' fees and court costs and collection costs, as part of the lien. In any such foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale.

Section 5.12 Disputes as to Common Expenses; Adjustments. Any Owner who believes that the portion of Common Expenses chargeable to his Lot, for which an assessment lien has been filed by the Association, has been improperly charged against his or her Lot, may bring action in an appropriate court of law.

Section 5.13 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. Any purchaser of a Lot at a foreclosure sale shall automatically become a Member of the Association and shall be subject to all the provisions of this Declaration, the Bylaws and the Rules and Regulations.

Section 5.14 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot acquires title to the Lot as a result of foreclosure of the first mortgage or first deed of trust or by deed in lieu of foreclosure, such acquirer of title, his, her or its successors and assigns, shall not be solely liable for the share of the Common Expenses or other Assessments by the

Association chargeable to such Lot which became due prior to the acquisition of title to the Lot by such acquirer, other than Assessments for which a claim of lien has been docketed with the Greene County Clerk of Superior Court prior to the recordation of the lien being foreclosed. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Lots, including that of such acquirer, his, her or its successors or assigns. This provision shall not relieve the party acquiring title or any subsequent Owner of the subject Lot from paying future Assessments.

Section 5.15 Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Lot, any grantee or his or her first mortgagee shall inform the Board of Directors in writing of such contemplated conveyance and such grantee or first mortgagee shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of all unpaid Assessments (including current Assessments) against the grantor due the Association. Neither the grantee nor the mortgagee shall be personally obligated for any delinquent Assessments, but such delinquent Assessments, along with interest, late charges, costs and reasonable attorneys fees shall be a lien against the Lot in accordance with Section 5.10 and Section 5.11 herein.

Section 5.16 Late Charge. The Association may impose a charge against any Owner who fails to pay any amount assessed by the Association against his Lot within ten (10) days after such Assessments are due and payable and who fails to exercise his rights under this Declaration or under the laws of the State of North Carolina to successfully contest such Assessment. The amount of the late charge shall be the greater of (a) twenty and 00/100 Dollars (\$20.00), or (b) twenty percent (20%) of the delinquent amount, or such other amount as may be determined by the Association from time to time. Additionally, if an Owner shall be in Default in payment of an installment upon an assessment or of a single monthly assessment, the Association has the right to accelerate all monthly Assessments remaining due in the current fiscal year. The total of such Assessments, together with the delinquent Assessments shall then be due and payable by the Owner no later than ten (10) days after the delivery of written notice of such acceleration to the Owner or twenty (20) days after mailing of such notice to him by certified mail, whichever occurs first. If such acceleration amount is not paid by the due date, the above-described late charge may be imposed on the part of such accelerated amount not paid by the due date.

Section 5.17 Miscellaneous.

5.17.1 The Association may change the interest rate due on delinquent Assessments (including any late charges), except that the rate cannot be changed more often than once every six (6) months. As of its effective date, the new interest rate will apply to all Assessments then delinquent.

5.17.2 The Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise notice sent by Association to the Lot is sufficient for any notice requirement under this Declaration.

5.17.3 The lien under this Article V arises automatically, and no notice of lien need be recorded to make the lien effective.

5.17.4 The Assessment lien includes all collection costs, including demand letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, collection fees, and any other expenses incurred by the Association in enforcing or collecting the Assessment.

5.17.5 Any Assessment otherwise payable in installments shall become immediately due and payable in full without notice upon Default in the payment of any installment. The acceleration shall be at the discretion of the Board.

5.17.6 No Owner may exempt himself or herself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his or her Lot.

5.17.7 This Section 5.17 applies to every type of Assessment.

Section 5.18 Lot Availability Fee. Each Owner, by purchasing a Lot, agrees to pay to the County of Greene a Lot Availability Fee for sewer service to said Lot in an amount to determined and billed by the County of Greene. Said Lot Availability Fee shall commence upon the first day of the month following the approval of said lot by the Greene County Planning Board and the recording of the map in the Greene County Registry of a map showing said Lot.

ARTICLE VI

EASEMENTS AND ENCUMBRANCES

Section 6.1 Easement for Encroachments. All utility lines, and all other improvements as originally constructed by or on behalf of Declarant or its assigns shall have an easement to encroach upon any setback, Lot or Common Area as a result of the location of the building, utility lines and other improvements across boundary lines between and along Lots and/or the Common Areas, or as a result of building or improvement movement or alterations or additions from time to time, provided that such alterations or additions have complied with the requirements of this Declaration.

Section 6.2 Lot's Utility Easements. Easements are granted in favor of each Owner to and throughout the Common Areas and, if necessary, the setback areas of any other Lots, as may be necessary for the installation, maintenance, repair and use of underground water, gas, sewer, power and other utilities and services including power and communication, now or hereafter existing, including maintaining, repairing and replacing any pipes, wires, ducts, conduits, equipment, fixtures, utility, power or communication lines or equipment, or other components. The foregoing notwithstanding, no Owner (other than Declarant) may exercise the easement rights reserved in this Section 6.2 without the prior written approval of the Board as described in Section 6.6 below and the Declarant, so long as it owns a Lot in the Subdivision.

Section 6.3 Utility Easements. Easements are reserved and/or granted hereby in favor of the Declarant and/or the Association through each Lot (provided that such easements shall not materially and unreasonably interfere with the use of any dwelling located upon any Lot) and the Common Areas for the purpose of installing, laying, maintaining, repairing and replacing any pipes, wires, ducts, conduits, equipment, fixtures, utility, power or communication

lines or equipment, or other components throughout the Common Areas. Without limiting any other provision in this Article 6, it is understood that Declarant's easement rights reserved herein may be utilized for the benefit of property within or outside of the Subdivision. Each Owner and/or his respective mortgagee by acceptance of a deed conveying such ownership interest and each mortgagee encumbering such ownership interest, as the case may be, hereby irrevocably appoint Declarant, or the Association, as the case may be, as his attorney in fact, coupled with an interest, and authorize, direct and empower such attorney, at the option of the attorney, to execute, acknowledge and record for and in the name of such Owner and his mortgagee, such easements or other instruments as may be necessary to effect the purpose of this Section 6.3. The easements may be assigned and/or granted by the Declarant and/or the Association to any utility or service company.

Section 6.4 General Easements. An easement is hereby reserved and/or granted in favor of the Declarant and/or the Association in, on, over and through the Common Areas and/or the Lots for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, policing, replacing and otherwise dealing with the Common Areas and/or Lots, including all improvements thereon as required or permitted by the Constituent Documents or applicable law. An easement is hereby reserved in favor of Declarant over the Common Areas for the purpose of advertising or promoting sales of Lots in the Subdivision.

Section 6.5 Access Easement. Appurtenant to each Lot is an easement over any Common Area for necessary pedestrian and vehicular ingress and egress to and from any such Lot over the Common Areas, to and from a public thoroughfare. The easement shall be over such walkways, driveways, streets, roads or other ways as are designated by the Declarant and/or the Association and shall be subject to the terms of the Constituent Documents.

Section 6.6 Use of Easement. Any use of the rights and easements granted and reserved in this Article VI shall be reasonable. If any damage, destruction, or disturbance occurs to a Lot or Common Area as a result of the use of any easement or right, the Lot or Common Area shall be restored by, or at the direction of, the Association promptly in a reasonable manner at the expense of the person or persons making the use of the easement or right that resulted in the damage, destruction or disturbance. Before beginning work, Association may require all or any part of the expected expense to be prepaid by that person or those persons liable for the expense. Additionally, should any Owner other than Declarant elect to exercise its easement rights hereunder, it shall be required to obtain the Board's prior written approval (not to be unreasonably withheld), after providing the Board with detailed plans of its proposed work, as well as evidence of appropriate insurance and other such reasonable information or assurances as the Board may require. No easement may be granted across, through, over, or under any Lot or Common Area, which materially restricts ingress and egress to the Lot or Common Area, unless reasonable alternate ingress and egress is provided or unless the restrictions is only temporary. All easements reserved hereunder shall be perpetual and non-exclusive.

Section 6.7 Reservation of Access Easement by Declarant. Declarant reserves an easement for itself, its grantees, successor and assigns, to enter upon the Subdivision for access, including ingress and egress for both vehicles and pedestrians, to and from any public street, road, land, walkway or right-of-way. The easement shall be over the streets, sidewalks, bridges and other access ways of the Subdivision. Declarant further reserves the right to connect, at

Declarant's expense, to any street, roadway, walkway or other means of access that are located on the Common Areas of the Subdivision. This reservation of access easements and the right of connection should be construed liberally in favor of the Declarant, in order to facilitate the development of all or any portion of the Subdivision or any land adjacent to the Subdivision.

Section 6.8 Reservation of Construction Easement by Declarant. The Declarant reserves the non-exclusive right and easement to temporarily go upon the Subdivision in order to complete the development of the Subdivision and the construction of the improvements to be located therein, and to develop other neighboring land. The easement should be construed broadly in favor of the Declarant, including giving Declarant the right to store temporarily construction materials, equipment or dirt. After the construction is finished, Declarant must, at Declarant's cost, repair any damage done to the Subdivision including to any landscaping. As soon as reasonably possible after Declaration has completed construction on the neighboring land, Declarant must remove all debris, equipment, materials and dirt from the Subdivision.

Section 6.9 Roadway Easement. Declarant reserves for its benefit and does hereby grant to all Owners the non-exclusive right of ingress and egress on, over and across all public and private roadways (the "Roadways") located on or to be located on a portion of the Subdivision which private roadways extend between one or more publicly dedicated streets. Roadways, other than those (if any) that have been accepted by applicable governmental authorities for maintenance, constitute Common Areas and shall be maintained, insured, and repaired by the Association in accordance with this Declaration and the Roadway Declaration. The Declarant hereby reserves the right (but not the obligation), in its sole discretion, to annex additional Roadways into the Subdivision. Notwithstanding the foregoing to the contrary, no part of the Roadway shall be dedicated or transferred to a unit of local government without acceptance of the unit of local government involved.

Section 6.10 Declarant's Easements: General. The easements and grants reserved for and granted to the Declarant also benefit and bind any heirs, successors and assigns of Declarant and their respective guests, invitees or lessees, including, without limitation, assignees of Declarant who do not own property within Cutter Creek Subdivision.

Section 6.11 Easements to Run with Land. All easements and rights described in this Article VI are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee, and other person or entity now or hereafter having an interest in the Subdivision, or any part or portion of it.

Section 6.12 Reference to Easements and Deeds. Reference in the respective deeds of conveyance or any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees in said instruments as fully and completely as those such easements and rights were recited fully and set forth in their entirety in such instruments.

ARTICLE VII

GOLF COURSE

Each Owner acknowledges that owning property adjacent or in close proximity to a golf course involves certain risks which may have an affect on the utilization of enjoyment of such Lot. Owner acknowledges that such risks may include (as examples and not as a limitation on the generality of such risks) golf balls being hit into a Lot, with the potential of causing bodily injury or physical damage to property, and further including golfers coming onto a Lot to look for errant golf balls. Owner hereby expressly assumes such risk and agrees that neither Declarant nor any entity owning or managing the golf course shall be liable to any owner of any Lot or anyone claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the proximity of any Lot to the golf course, including, without limitation, any claim arising in whole or in part from the negligence of Declarant or any entity owning or managing the golf course. Each Owner hereby agrees to indemnify and hold harmless Declarant or any entity owning or managing the golf course against any and all claims by said Owner and his guests, invitees or licensees with respect to the above. Nothing in this paragraph shall restrict or limit any power of Declarant or any entity owning or managing the Cutter Creek Golf Club to change the design of the golf course, and such changes, if any, shall not nullify, restrict or impair the covenants and duties of the Owner of any Lot contained herein.

Every Lot and Common Area is burdened with an easement permitting golf balls unintentionally to come upon the Lot or Common Area and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of a Lot or Common Area to retrieve errant golf balls; provided, however, if any Lot is fenced or walled as approved in accordance with this Declaration by the Association, the golfer shall seek the Owners permission before entry. Declarant shall use its best efforts to have the entity owning, managing or operating the Cutter Creek Golf Club to conspicuously denote all property on any Lot or Common Area as out of bounds. Every Owner of every Lot or Dwelling Unit, by acceptance of delivery of a deed, assumes all risks associated with errant golf balls, and each such owner agrees and covenants not to make any claim or institute any action whatsoever against Declarant, the golf course designer, or golf course owner or operator, or any other party relating to the design and utilization of the Cutter Creek Golf Club relating to any errant golf ball, any damages caused thereby, or for negligent design of the golf course or siting of the Lot.

The Owner of each Lot or Dwelling Unit acknowledges that memberships entitling use of the Cutter Creek Golf Club will be offered by the Board of Directors of Cutter Creek Golf Club, not by Declarant. Such offers shall be made in accordance with such terms and conditions as the Board of Directors of the Cutter Creek Golf Club establishes from time to time in its sole discretion. The Owner of each Lot acknowledges that, by purchasing or paying for any Lot, or by acquiring membership in the Association, said Owner does not acquire any vested right or easement, prescriptive or otherwise, to use any portion of the Cutter Creek Golf Club or the Golf Course, nor does such Owner acquire any ownership or membership interest in the Cutter Creek Golf Club. Furthermore, the Association has no vested right or easement, prescriptive or otherwise, or any ownership interest in Cutter Creek Golf Club or course.

While Owners shall have the right of quiet enjoyment to their portion of the Property, there shall be no activity on any Lot or other portion of the Property which is contiguous to the Golf Course or within a distance of one hundred feet (100') from any boundary of the Golf Course that unreasonably disturbs play, or the enjoyment of the Golf Course, by members and guests thereof, including, without limitation, undue noise, unsightly trash and debris, or any other noxious or offensive activity. Typical noises and activities associated with normal construction activities on Lots or other portions of the Property shall, however, be permitted. In addition to the other provisions in this Declaration, no fencing shall be constructed or maintained on any Lot or other portion of the Property which is (i) contiguous to the Golf Course and (ii) within twenty five (25) feet from any boundary of the Golf Course, without the prior written consent of the Golf Course Owner and the Architectural Control Committee.

With respect to portions of the Property which are contiguous to the Golf Course:

- (a) Reasonable efforts shall be made to screen locations of construction material storage areas, chemical toilets, dumpsters and other unsightly items from the line of sight of the Golf Course;
- (b) All construction areas shall be kept in good order: all debris shall be placed in trash receptacles or dumpsters (which shall be emptied as necessary during construction in order to prevent spillage of debris on the ground) or handled as otherwise directed by the Architectural Control Committee; and
- (c) Except for drainage required by governmental authorities, no permanent open trenches will be located adjacent to the Golf Course. Any trenches required by governmental authorities shall be designed so as to minimize any adverse aesthetic impact on the Golf Course and the Property.

The view of the Golf Course from Lots may be impaired by scoreboards, tents and other temporary or permanent obstructions or structures installed or erected within the boundaries of the Golf Course and the Common Areas in connection with uses of the Golf Course. No Owner shall be entitled to assert any claim or to bring any action relative to any such impairment of view of the Golf Course.

ARTICLE VIII

INSURANCE

Section 8.1 General Insurance. The Association shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and if required by law, workmen's compensation insurance with respect to the Subdivision and the Association's administration thereof in accordance with the following provisions:

8.1.1 The Association shall purchase a master policy for the benefit of the Association, the Owners and their mortgagees as their interest may appear, subject to the provisions of this Declaration and the Bylaws. The "master policy" may be made up of

several different policies purchased from different agencies and issued by different companies.

8.1.2 All Common Areas now or at any time hereafter constituting a part of the Subdivision shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount not less than one hundred (100%) percent of the replacement value thereof, with a deductible agreed to by the Board of Directors, exclusive of the cost of the land, foundations, footings, excavation, and architect's fees, without deduction for depreciation. The policy shall have cost of demolition, water damage (excluding floods, backing up of sewers and drains, the running off of surface water, and the overflow of a body of water), and agreed amount endorsements and a deductible on any single loss or group of losses within one year in such amounts as shall be found reasonable by the Board of Directors, after carefully considering and comparing the increased premium costs resulting from a low deductible with the lower premium costs but higher per loss risk resulting from a high deductible, together with all other pertinent factors. The policy providing such coverage shall provide that no mortgagee shall have any right to apply the proceeds thereof to the reduction of any mortgage debt. Such policy shall provide coverage for built-in fixtures and equipment in an amount not less than one hundred percent (100%) of the replacement cost thereof (subject to the deductible provisions described above) and shall also provide that the insurer shall have no right to contribution from any insurance which may be purchased by any Owner as hereinafter permitted. Such policy shall also contain either a waiver by the insurer of any increased hazard clause, a severability of interest endorsement, or a provision stating that the coverage will not be affected by the act, omission or neglect of any person unless such act, omission or neglect is within the knowledge and control of the Association prior to the occurrence of the loss. Such policy shall not provide coverage for any items of personal property owned by any Owner.

8.1.3 Such master policy of insurance shall contain provisions requiring the issuance of certificates of coverage and the issuance of written notice to the Association and to any mortgagee or mortgagees of any Owner not less than thirty (30) days prior to any expiration, substantial modification or cancellation of such coverage.

8.1.4 Such insurance by the Association shall not prevent an Owner of a Lot to obtain insurance on its own property, but no Owner may at any time purchase individual policies of insurance covering any item which the Association is required to insure. If any Owner does purchase such a policy, he or she shall be liable to the Association for any damages, expenses or losses which it suffers or incurs as a result thereof, and the Association shall have the same lien rights provided by Article V hereof for Common Expense payments with respect to any such damages, expenses or losses not paid to it by such Owner.

8.1.5 The Board of Directors shall review the insurance coverage required under this Section 8.1 at least annually, and if any of such insurance coverage becomes impossible or impractical to obtain, the Association shall obtain coverage that most closely approximates the required coverage with the deductible provisions as determined

by the Board of Directors. In any event, all such insurance must comply, at a minimum, with the applicable requirements set forth in the North Carolina Planned Community Act.

8.1.6 If the required insurance coverage under this Section 8.1 ceases to exist for any reason whatsoever, any mortgagee of any portion of the Subdivision may remedy that lack of insurance by purchasing policies to supply that insurance coverage. The funds so advanced shall be deemed to have been loaned to the Association; shall bear interest at a per annum rate two percent (2%) higher than the basic interest rate in any note secured by the mortgagee's mortgage against a portion of the Subdivision; and shall be due and payable to the mortgagee by the Association immediately. The repayment of this obligation shall be secured by a Special Assessment against all Owners under Article V of this Declaration and shall not require a vote of the Members of the Association, anything to the contrary in this Declaration notwithstanding.

8.1.7 The Association shall also maintain liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas. The Association shall try to have its liability insurance contain cross-liability endorsements or appropriate provisions to cover liability of the Owners, individually and as a group (arising out of their ownership interest in the Common Areas), to another Owner.

Section 8.2 Fidelity Insurance. The Association must have fidelity coverage against dishonest acts on the part of Officers and employees, Members of the Association, members of the Board, trustees, employees or volunteers responsible for the handling of funds collected and held for the benefit of the Owners. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than the insured's total Regular Assessment, plus all accumulated reserves and all other funds held by the Association either in its own name or for the benefit of the Owners.

Section 8.3 Directors' and Officers' Errors and Omissions Insurance. The Association shall purchase insurance to protect itself and to indemnify any Director or Officer, past or present against expenses actually and reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Association; or to obtain such fuller protection and indemnification for Directors and Officers as the law of North Carolina permits. The policy or policies shall be in an amount to be reasonably determined by the Association.

Section 8.4 Premiums. All premiums upon insurance purchased by the Association shall be Common Expenses. Notwithstanding the foregoing, the Owners may be responsible for certain deductibles to the insurance policies purchased by the Association as outlined in Section 8.1 and Section 8.7 herein.

Section 8.5 Proceeds. Proceeds of all insurance policies owned by the Association shall be received by the Association for the use of the Owners and their mortgagees as their interest may appear; provided, however, the proceeds of any insurance received by the Association because of property damage shall be applied to repair and reconstruction of the damaged property, except as may otherwise be permitted by this Declaration.

Section 8.6 Power of Attorney. Each Owner shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the master policy or any other insurance policy obtained by the Association. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the Owners and their respective mortgagees as their interest may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Owners and the Subdivision as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters.

Section 8.7 Responsibility of Owner. The Association shall not be responsible for procurement or maintenance of any insurance covering any Lot, or the contents of any Lot nor the liability of any Owner for injuries not caused by or connected with the Association's operation, maintenance or use of the Common Areas or other property located in the Subdivision. Each Owner shall, at his or her own expense, obtain public liability insurance for personal injuries or damage arising out of the use and occupancy of or occurring within his Lot. In addition, each Owner shall maintain fire and extended coverage insurance on any improvements located on his lot, and the contents of any improvements located on his Lot. The Association may request the Owner to provide a copy of the policy(s) to the Association evidencing this insurance coverage at any time.

Each Owner agrees that if any Owner(s) damages a building or other improvements now or at any time hereafter constituting a part of the Common Areas of the Subdivision which is covered under the Association's insurance policy, the Owner or Owners causing such damage shall be responsible for paying the lesser of: (a) the insurance deductible due under the Association's insurance policy; or (b) the cost to repair and/or replace any damage to a building or other improvements, which amount shall be due within ten (10) days after the delivery of written notice of such deductible due or replacement/repair costs by the responsible Lot Owner(s) or twenty (20) days after mailing of such notice by certified mail, whichever occurs first. In the event an Owner refuses or fails to pay the insurance deductible or replacement/repair costs in the time period provided in the preceding sentence, the amount thereof may be advanced by the Association and the amount so advanced by the Association shall be assessed to such Owner as an Individual Assessment, which shall be due and payable following seven (7) days written notice.

Section 8.8 Release. All policies purchased under this Article VIII by either the Association or the individual Owners shall provide for the release by the issuer, thereof, of any and all rights of subrogation or assignment and all causes and rights of recovery against any Owners, member of their family, their employees, their tenants, servants, agents and guests, the Association, any employee of the Association, the Board, or any occupant of any improvement

located in the Subdivision, for recovery against any one of them for any loss occurring to the insured property resulting from any of the perils insured against under the insurance policy.

Section 8.9 Approximate Coverage. If any of the required insurance coverage under this Article VIII becomes or is impossible to obtain or can be obtained only at an unreasonable cost, the Association shall obtain coverage which most closely approximates the required coverage, if such substitute insurance is available.

Section 8.10 Additional Policy Requirements. All such insurance coverage obtained by the Association shall be written in the name of the Association, for the use and benefit of the Association, the Owners and their mortgagees, as further identified below. Such insurance shall be governed by the provisions hereinafter set forth:

8.10.1 Exclusive authority to adjust losses under policies in force on the Subdivision obtained by the Association shall be vested in the Association provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

8.10.2 In no event shall the insurance coverage obtained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

8.10.3 All casualty insurance policies shall have an agreed amount endorsement with an annual review by one or more qualified persons.

8.10.4 The Association shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

8.10.4.1 a waiver of subrogation as discussed in Section 8.8;

8.10.4.2 that no policy may be canceled, invalidated, or suspended on account of the acts of any one or more individual Owners;

8.10.4.3 that no policy may be canceled, invalidated or suspended on account of the conduct of any Director, officer or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or mortgagee; and

8.10.4.4 that any "other insurance" clause in any policy exclude individual Owner's policies from consideration.

ARTICLE IX

HARMONY, ENVIRONMENTAL CONTROLS

Section 9.1 General. Notwithstanding anything contained in this Declaration to the contrary, no Improvements (as defined in Section 9.4), including, without limitation, site preparation on any Lot or Tract, change in grade or slope of any Lot or Tract, or erection of buildings or exterior additions or alterations to any building situated upon the Property, erection of or changes or additions in fences, hedges, walls and other structures, any landscaping, or any cutting of trees on any Lot or Tract, shall be commenced, erected or maintained on any portion of the Property, subject to the provisions of Section 9.7 hereof, until: (a) the Architectural Control Committee, appointed as hereinafter provided, has approved the plans and specifications therefor and the location of such Improvements and has given its written approval for commencement of construction, all in accordance with the terms and requirements in the Architectural and Landscape Guidelines: (b) the fees set forth in or contemplated in this Article IX have been paid: and (c) the contracts identified in this Article IX have been executed. In addition to any standards established pursuant to this Declaration, Declarant may establish, by Additional Declarations, architectural and landscaping control standards, guidelines and restrictions in regard to various Phases or sections of the Property. The provisions of this Article IX shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any Lot or Tract or upon any of the Common Areas or Maintenance Areas.

The Master Board may delegate to the Architectural Control Committee any powers or authority reserved or granted to the Master Board under this Article IX.

Section 9.2 Composition of Architectural Control Committee. So long as Declarant owns any Lot, Tract or other portion of the Property, the members of the Architectural Control Committee shall be appointed by Declarant. At such time as Declarant no longer owns any Lot, Tract or other portion of the Property or at such earlier date as Declarant releases its right to appoint the members of the Architectural Control Committee, the members of the Architectural Control Committee shall thereafter be appointed by the Master Board. The members of the Architectural Control Committee shall be appointed annually and will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the body then having the authority to appoint such members (Declarant or the Master Board, as the case may be). The members of the Architectural Control Committee need not be Owners of property in the Project. In the event of the death or resignation of any member of the Architectural Control Committee, the party or body then having the authority to appoint members to the Architectural Control Committee shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the party or body then having the authority to appoint such members. Notwithstanding anything contained herein to the contrary, the Architectural Control Committee shall have the right, power and authority to employ and/or use the services of any related or third party architects, engineers or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the Architectural Control Committee as described in this Article IX, and shall have the right to charge a reasonable fee from any appropriate Person for such services, as set forth in Section 9.8 hereof.

Section 9.3 Architectural and Landscape Guidelines. The Architectural Control Committee shall, from time to time, publish and promulgate architectural and design guidelines (the "Architectural and Design Guidelines"). The Architectural and Design Guidelines shall be

explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Control Committee in reviewing plans and specifications for Improvements (excluding only landscape Improvements, which are addressed in Section 9.3(b) hereof). The Architectural and Design Guidelines shall also set out, among other things, the procedures for submission, review and approval of plans and specifications (for the construction of non-landscape Improvements) to the Architectural Control Committee and the fees to be imposed by the Architectural Control Committee, as more specifically described in Section 9.8 hereof; and the Architectural and Design Guidelines shall address the Featured Builders, as more specifically described in Section 9.9 hereof. In any event, the Architectural and Design Guidelines shall not be binding upon the Architectural Control Committee, may be revised and amended at any time by the Architectural Control Committee, in its sole discretion, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials (for the construction of non-landscape Improvements) submitted to the Architectural Control Committee for approval.

The Architectural Control Committee shall, from time to time, publish and promulgate landscape guidelines (the "Landscape Guidelines"). The Landscape Guidelines shall be explanatory and illustrative of the general intent of the landscape development of the Property and are intended as a guide to assist the Architectural Control Committee in reviewing plans and specifications for landscape Improvements. The Landscape Guidelines shall also set out, among other things, the procedures for submission, review and approval of landscape plans and specifications to the Architectural Control Committee and the fees to be imposed by Architectural Control Committee, as more specifically described in Section 9.8 hereof. In addition, the Landscape Guidelines shall establish approved standards, methods and procedures for landscaping, landscape management and landscape maintenance in the Property, including the removal of trees. Such authorized standards, methods and procedures shall be utilized by Owners and their contractors and subcontractors, and the approval by the Architectural Control Committee of any landscaping plan or other landscaping improvement in connection with landscaping on a Lot or other portion of the Property shall be based upon the conformity of such plan or improvement with the Landscape Guidelines. In any event, the Landscape Guidelines shall not be binding upon the Architectural Control Committee, may be revised and amended at any time by the Architectural Control Committee, in its sole discretion, and shall not constitute, in every event, the basis for approval or disapproval of landscaping plans, specifications and other materials submitted to the Architectural Control Committee for approval.

The Architectural Control Committee is also hereby authorized to publish and promulgate from time to time, and revise and amend at any time in its sole discretion, construction rules to be followed by all Owners and builders performing work or constructing or installing Improvements (including landscape Improvements) on the Property.

The Architectural and Design Guidelines described in Section 9.3(a) hereof, the Landscape Guidelines described in Section 9.3(b) hereof and the construction rules described in Section 9.3(c) hereof shall herein collectively be referred to as the "Architectural and Landscape Guidelines". The Architectural Control Committee may issue and amend the Architectural and Landscape Guidelines from time to time and may publish and promulgate different Architectural and Landscape Guidelines for different Phases, sections or portions of the Property.

Section 9.4 Definition of "Improvements". The term "Improvement" or "Improvements" shall mean and include any and all man-made changes or additions to a Lot or Tract, including, but not limited to, the location, materials, size and design of all buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, antennae, satellite dishes, etc.); storage sheds or areas; roofed structures; parking areas; fences; "invisible" pet fencing; pet "runs", lines and similar tethers or enclosures; walls; irrigation equipment, apparatus and systems; landscaping

(including cutting of trees); hedges; mass plantings; poles; driveways; ponds; lakes; changes in grade or slope; site preparation; swimming pools; hot tubs; Jacuzzis; tennis courts; tree houses; basketball goals; skateboard ramps; and other sports or play apparatus; signs; exterior illumination; and changes in any exterior color or shape. The definition of improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Control Committee, provided such replacement or repair does not change exterior colors, materials, designs or appearances from that which were previously approved by the Architectural Control Committee.

Section 9.5 Enforcement. (a) It is Declarant's intent that the architectural control provisions of this Declaration and any Additional Declarations are to permit control of the architectural design and landscaping and to establish quality standards for construction and construction activity in the Project and to help preserve values of properties in the Project. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Project and to Declarant, and to the values of their respective properties in the Project, a monetary measure of which harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/ or to prevent any violation of the provisions contained in this Article IX by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions. Declarant hereby specifically reserves and grants unto the Architectural Control Committee, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determination by the Architectural Control Committee or the Board whether there exists any construction of any Improvement which violates the terms of any approval by the Architectural Control Committee, the terms of the Architectural and Landscape Guidelines, the terms of this Declaration or any Additional Declaration, or the terms of any amendments hereto or thereto.

(b) As to nonconforming or unapproved Improvements, the Master Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved Improvements) if such Improvements were commenced or constructed in violation of this Article. In addition, the Master Association may, but has no obligation to, undertake such restoration, demolition and removal to be performed and to levy the amount of the cost thereof as a Special Individual Assessment against the Lot, Tract or portion of the Property upon which such Improvements were commenced or constructed. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of the Architectural and Landscape Guidelines, the Association shall be entitled to recover, to the extent allowed by North Carolina law, court costs, attorneys' fees and expenses incurred by the Association and/or the Architectural Control Committee in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the Lot, Tract or other portion of the Property upon which such Improvement was commenced or constructed.

Section 9.6 Failure of the Architectural Control Committee to Act. If the Architectural Control Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to improvements which will conform) with the requirements hereof and of the Architectural and Landscape Guidelines or to reject them as being inadequate or unacceptable within thirty (30) business days after receipt thereof, and provided such submittal was a full and complete submittal, in accordance with the Architectural and Landscape Guidelines, of all items that were to have been submitted to the Architectural Control Committee, and provided the Architectural Control Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within ten (10) days after additional

written request to act on such items is delivered to the Architectural Control Committee following the passage of such first above-described thirty (30) business day period, it shall be conclusively presumed that the Architectural Control Committee has approved such conforming plans and specifications and other submittals, EXCEPT that the Architectural Control Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration or any Additional Declaration, and EXCEPT FURTHER, that the Architectural Control Committee shall not be deemed to have waived any of the requirements set forth in Section 9.8, Section 9.9 or Section 9.10 hereof. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject or approve the balance. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials.

Section 9.7 Variances. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install Improvements which are at variance with restrictions, requirements or provisions of this Declaration or any Additional Declaration from which a variance is permitted, pursuant to the terms hereof or thereof. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Control Committee has not expressly and in writing approved such request within thirty (30) business days of the submission of such request. No member of the Architectural Control Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder or under any Additional Declaration against any other Owner.

Section 9.8 Fees Required by the Architectural Control Committee. The Architectural Control Committee, in its sole discretion, may require that each Person submitting plans and specifications for Improvements to the Architectural Control Committee pay one or more fees to the Architectural Control Committee or to Declarant, or to any designee of the Architectural Control Committee or Declarant, as a condition to commencement of construction of such Improvements. Such fee(s), including the amount(s), payee and purpose(s) thereof, shall be established by, and may be increased from time to time by, the Architectural Control Committee and shall be set forth in the Architectural and Landscape Guidelines.

Section 9.9 Featured Builders. The Architectural Control Committee may require, in its sole discretion, that each Person submitting plans and specifications to the Architectural Control Committee for the construction of Improvements also submit to the Architectural Control Committee a copy of a fully signed contract (for the construction of such Improvements) between the Owner of the relevant Lot and a builder who is featured by the Board or the Architectural Control Committee, in their sole discretion (herein, a "Featured Builder"; collectively, the "Featured Builders"), as a condition to the commencement of construction of any such Improvements.

The Architectural Control Committee shall provide a list of Featured Builders in accordance with the provisions of the Architectural and Landscape Guidelines. To qualify as a Featured Builder, a builder must satisfy certain criteria and requirements established by the Architectural Control Committee and Declarant. However, the criteria and requirements established by the Architectural Control Committee and Declarant for a builder to qualify as a

Featured Builder are solely for the Architectural Control Committee's and Declarant's protection and benefit and are not intended to, and shall not be construed to, benefit any Owner or any other party whatsoever. The Architectural Control Committee and Declarant make no representation, express or implied, to any Owner or any other party whatsoever with regard to the Featured Builders, including, without limitation, the existence, nature and extent (including coverage amounts and deductibles) of insurance policies that may be maintained by the Featured Builders from time to time, the solvency or financial status of the Featured Builders from time to time, the nature and amount of any bonds that may be maintained by the Featured Builders from time to time, the performance (or the ability to perform) by the Featured Builders of their contractual obligations (including any contractual obligations of any of the Featured Builders in favor of any Owner or any other party whatsoever), the compliance by the Featured Builders with building codes and other requirements, rules, laws and ordinances of federal, state and local governmental and quasi-governmental bodies and agencies relating to the construction of homes and other activities engaged in by the Featured Builders from time to time, and the compliance by the Featured Builders with any licensing requirements imposed by federal, state and local governmental and quasi-governmental bodies and agencies from time to time. Furthermore, neither the Architectural Control Committee nor Declarant, nor the officers, directors, members, employees, agents or affiliates of either of them, shall have any responsibility whatsoever for any sum that any Owner or any other party may deposit with a Featured Builder, including, without limitation, any earnest money or other deposit that any Owner may deliver to a Featured Builder. The selection of a Featured Builder by an Owner shall be conclusive evidence that such Owner is independently satisfied with regard to any and all concerns such Owner may have about the Featured Builder's qualifications. Owners shall not rely on the advice or representations of the Architectural Control Committee, Declarant or the officers, directors, members, employees, agents or affiliates of either of them in that regard.

Section 9.10 No Construction Without Payment of Fees and Use of a Featured Builder. Notwithstanding anything contained in this Article IX to the contrary, plans and specifications for Improvements to be constructed on a Lot, Tract or other portion of the Property shall not be deemed to have been properly submitted unless and until any and all fees required by the Architectural Control Committee to be paid in connection with such Improvements, as provided in Section 9.8 above, shall have been paid to the Architectural Control Committee or Declarant as required. In addition, such plans and specifications shall not be deemed to have been properly submitted unless a copy of a fully signed contract between the Owner of the relevant Lot and a Featured Builder for construction of such Improvements (if required by the Architectural Control Committee), as provided in Section 9.9 above, shall have been submitted to the Architectural Control Committee.

Section 9.11 Notices and Submittals. Notices and submittals to the Architectural Control Committee shall be in accordance with the notice provisions set forth from time to time in the Architectural and Landscape Guidelines.

Section 9.12 Separate Committee for Changes to Existing Improvements. The Board shall have the right, power and authority, in its sole discretion, to appoint a committee separate and apart from the Architectural Control Committee to review plans and specifications for any and all renovations, changes and additions to existing Improvements located on a Lot, Tract or other portion of the Property (herein, the "Architectural Changes Committee"). Should the Board appoint such an Architectural Changes Committee, then the Architectural Control Committee shall relinquish to the Architectural Changes Committee its authority to review plans and specifications for any such changes to existing Improvements, and the Architectural Changes Committee shall be solely responsible for review and approval of the same. The composition of the Architectural Changes Committee shall be determined by the Board in its sole discretion and the procedure for submission, review and approval of plans and specifications to and by the Architectural Changes Committee shall be set forth in the Architectural and Landscape

Guidelines. Notwithstanding the foregoing, nothing herein shall be deemed to obligate the Board to appoint an Architectural Changes Committee, and until an Architectural Changes Committee is appointed, the Architectural Control Committee shall be responsible for reviewing and approving or disapproving all plans and specifications for renovations, changes and additions to existing Improvements in accordance with the provisions of this Article IX and the Architectural and Landscape Guidelines.

Section 9.13 Limitation of Liability. No member of the Architectural Control Committee or the Architectural Changes Committee shall be liable for claims, causes of action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article IX. Neither the Architectural Control Committee, nor the Architectural Changes Committee (if applicable), nor the members thereof, nor the Master Association, nor any other Association, nor Declarant, nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of, or the failure to approve or disapprove of, any plans and specifications. The approval of plans and specifications by the Architectural Control Committee or the Architectural Changes Committee (if applicable) shall not be deemed or construed as a representation or warranty of the Architectural Control Committee or the Architectural Changes Committee (as the case may be), Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi-governmental laws, ordinances, rules and regulations; or (ii) as to the structural soundness, quality, durability, suitability, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications; and any responsibility or liability therefor is hereby disclaimed. Every person who submits plans and specifications and every Owner, agrees that he will not bring any action or suit against Declarant, the Association, any Association, the Architectural Control Committee, the Architectural Changes Committee (if applicable), the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, demises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

Section 9.14 Miscellaneous. Members of the Architectural Control Committee and, if applicable, the Architectural Changes Committee, in the sole discretion of the party or body appointing such members i.e. either Declarant or the Master Board, as the case may be) may be compensated for their services. The Master Association shall reimburse members of the Architectural Control Committee and the Architectural Changes Committee (if applicable) for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the Architectural Control Committee and the Architectural Changes Committee (if applicable), including those incurred in connection with the exercise of their enforcement or other powers as provided herein, shall be borne by the Master Association; provided, however, nothing herein shall be deemed to negate the Master Association's right to an award of court costs, attorneys' fees and expenses in accordance with Section 9.5 hereof.

ARTICLE X

USE RESTRICTIONS

Section 10.1 Use and Occupancy. The Association shall make Rules and Regulations to govern the use and occupancy of the Subdivision. In addition, the following covenants, conditions, and restrictions, as to use and occupancy shall run with the land and shall be binding upon each Owner, his heirs, tenants, licensees and assigns.

Section 10.2 Purpose of Subdivision. Except as otherwise provided in this Declaration, no part of the Subdivision shall be used for other than housing and the common recreational purposes for which the property was designed, and each Lot shall be used only for residential purposes, unless the Board of Directors authorizes some other use. Except for the construction, sales and management activities (including, without limitation, the right of Declarant to maintain one or more model houses, or sales offices) of the Declarant, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, may be conducted, maintained, or permitted on any part of the Subdivision property. To the extent permitted by law, an Owner may use a portion of his or her Lot for an office or studio (other than a music and/or dance studio) provided that the activities conducted therein shall not interfere with the quiet enjoyment or comfort of any other owner or occupant; and provided further that such activities do not increase the normal flow of traffic or individuals in and out of the Subdivision or in and out of said Owner's Lot.

Section 10.3 Obstruction of Common Areas. There shall be no storage or parking of any items, including baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs in any part of the Common Areas, except as permitted by the Rules and Regulations. Patios porches (except screened in and/or enclosed porches) and decks, may be used only for their intended purposes.

Section 10.4 Parking. Except for vehicles being used by persons providing services to the Declarant, the Association, the Owners or otherwise used or authorized to be used at the Subdivision by the Declarant, no part of the Subdivision may be used for the parking of any trailer coach, house trailer, mobile home, automobile trailer, motorcycle, camp car, recreational vehicle, camper, truck which exceeds 3/4 ton, boat, boat trailer, or any vehicle with letters or other markings over four inches tall or wide, or any other similar vehicle (collectively, "Special Vehicles"), unless such Special Vehicles are parked in the garage of the Owner who owns such Special Vehicle and the garage door of such Owner is completely closed at all times when a Special Vehicle is parked therein. Operative vehicles, other than Special Vehicles, used by a resident of a Lot as a primary source of transportation may be parked in the driveway of such Owner or in any garage space owned by the Owner. However, the residents of any one Lot may not collectively park more than four (4) operative vehicles other than Special Vehicles in the Subdivision. Inoperative vehicles may not be parked within the Subdivision unless these inoperative vehicles are parked in the garage and the garage door is completely closed. No auto maintenance and/or repairs may be performed on the Subdivision except if performed inside the garage of a Owner. Vehicles, whether owned by an Owner or not, parked in violation of any part of this Declaration or in violation of any Rules or Regulations, shall be towed away and stored at the Owner's risk and expense. By parking in the Project, the Owner of the vehicle or other

vehicle user hereby waives any claim against the Association resulting directly or indirectly out of the towing, unless the towing can be shown beyond a reasonable doubt to have been done maliciously by the Association. Note that the Association is not obliged to try to determine the owner of a vehicle and first give notice, before towing the vehicle. If an Owner is not sure about the right to park at any particular area or space, the Owner should request, in writing, a written opinion from the Board. If the Board gives the approval sought by the Owner or if the Board does not answer the written request by the Board, the Owner may park in the space until further written notice to the contrary from the Board. Note that the Association's right to tow a vehicle includes the right to immobilize it.

Section 10.5 Compliance With Insurance Policies and Waste. Nothing shall be done or kept in any Dwelling Unit, in the Common Areas or on a Lot which will increase the rate of insurance of the buildings, or contents thereof, applicable for residential use, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his or her Dwelling Unit, in the Common Areas or on a Lot which will result in the cancellation of insurance on the buildings, or contents thereof, or which would be in violation of any law. No waste will be committed in the Common Areas. All laws shall be obeyed.

Section 10.6 Exterior Surfaces of Buildings. Owners shall not cause or permit anything to be hung or displayed on the inside or outside of windows (except as provided herein) or hung on the outside of the doors (including but not limited to decorative door arrangements) or placed on the exterior walls of a building, and no sign (other than those described in Section 10.11 hereof and directional signs or signs concerning the use of the Common Areas), awning, canopy, flag, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part of the building, or the Common Areas without the prior written consent of the Association. Unless otherwise approved in writing by the Association, Owners shall not cause or permit any curtains, shades or other window coverings to be hung inside or outside any windows, doorways, and/or patio doors which will show any color on the outside other than white or beige tones. *THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA*

Section 10.7 Animals and Pets. No animals of any kind shall be raised, bred, or kept on any Lot or in the Common Areas, except that two dogs, two cats or one of each, or two other household pets may be kept on a Lot, subject to the Rules and Regulations, provided that it is not kept, bred or maintained for any commercial purpose, and that it is kept subject to the Rules and Regulations of the Association. Dogs, cats or other household pets must be kept within the confines of the Owner's Lot except when being held on hand leash by the pet owner of the animal. No Owner shall install a fence and/or electric fence on any portion of the Common Area without the prior written consent of the Board. No pet may be "staked", housed, tied up or otherwise left in any Common Area. An Owner shall be responsible for cleaning up after his household pet. Notwithstanding the above, the Association shall have the right to promulgate Rules and Regulations pertaining to the size, number and type of such household pets and the right to levy fines and enforcement charges against persons who do not clean up after their pets. Additionally, the right of an occupant to maintain an animal on a Lot shall be subject to termination if the Board in its full and complete discretion, determines that

maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Subdivision or occupants. No dog house or other structure used or intended for the housing or keeping of animals may be constructed, placed or maintained on any part of the Common Areas.

Section 10.8 Nuisances. No noxious or offensive activity shall be carried on in the Common Areas or on the Lot of an Owner, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.

Section 10.9 Impairment of Structural Integrity of Building. Nothing shall be done on any Lot, or in, on or to the Common Areas which will impair the structural integrity of any building or which, absent the prior written approval of the Board, would structurally change any building.

Section 10.10 Laundry or Rubbish and Open Fires in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Areas, or on any Lot in a manner visible from any Common Area, neighboring Lot, Dwelling Unit or street. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials. All trash, garbage or other rubbish shall be deposited only in covered sanitary containers as provided in Section 10.14 below. No open fires shall be permitted on any part of the Subdivision other than fires in charcoal grills or other similar cooking devices located upon Lots or grills or similar devices (if any), owned by the Association and constituting a portion of the Recreational Facilities, provided the use of such devices does not violate any local governmental rules or regulations.

Section 10.11 Prohibited Activities. Except as otherwise provided in this Declaration, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, shall be conducted, maintained or permitted on any part of the Subdivision. A Lot Owner is permitted to place and maintain a standard "For Sale" or "For Rent" sign only in the window of his house; provided, however it is of a typical size within the industry or within an area expressly permitted by the Board of Directors. No other sign that is visible from the outside of the house may be placed on any part of the Subdivision except as expressly permitted by the Board of Directors. Declarant and/or the Board shall have the right to immediately remove and dispose of those items in violation of this Declaration. An Owner must obtain the prior written consent of the Board of Directors in the event an Owner desires to maintain a "For Sale" or "For Rent" sign which is not of a typical size within the industry, or desires to maintain other displays or advertising, unless otherwise provided for under the Rules and Regulations. The right is reserved by the Declarant to use any such unsold or unoccupied Dwelling Units or other structures in the Subdivision as models and/or offices in connection with the construction, sale or rental of Lots. *THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS*

So long as the Declarant owns a Lot no action may be taken nor may any Rule or Regulation be adopted or amended that would (a) directly or indirectly alter the exterior appearance of any part of the Subdivision; (b) reduce or discontinue any maintenance standard or practice in effect as of the date when the Declarant no longer controls the Board; (c) adversely affect the Declarant's sale or leasing of any Lots; or (d) otherwise adversely affect the Declarant,

any of its rights, or any Lot owned by it without, in each case, first obtaining the Declarant's written consent.

Section 10.12 Alteration of Common Areas. Nothing shall be altered or constructed in or removed from the Common Areas except as otherwise provided in this Declaration and except upon the written consent of the Association. In addition, an Owner must obtain the prior written consent of the Board prior to installing and landscaping or planting any flowers, herbs or vegetables, on any portion of the Subdivision (including any Lot).

Section 10.13 Rental of Lots. In order to protect the equity of the Owners and to carry out the purpose for which the Association was formed by preserving the character of the Property as a homogeneous predominantly owner-occupied residential community and to avoid the character of a renter-occupied apartment complex, no more than fifty percent (50%) of the Lots in the Subdivision may be leased by the respective Owners at any one time. Each Owner in the Subdivision must obtain the approval of the Board prior to leasing his Lot, which approval shall not be unreasonably withheld if less than fifty percent (50%) of the Lots in the Subdivision are then currently being leased, and provided the following conditions are met: (a) not less than the entire Lot is being leased, (b) the term is not less than six (6) months; and (c) it is not being rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days, or (ii) any rental if the occupants of the Lots are provided customary hotel service such as room service for food and beverage, maid service and furnishing of laundry and linen. All leases of any Lot shall be in writing. All such leases shall provide that they are subject to all of the provisions of the Declaration, the Bylaws and the Rules and Regulations and that any failure by the lessee to comply with any of such provisions shall constitute a default under the lease. A copy of each such lease shall be given to the Declarant and the President of the Association immediately after it is executed.

If any lessor or lessee is in violation of any of the provisions of the foregoing documents, the Association may bring an action in its own name and/or in the name of the lessor to have the lessee evicted and/or to recover damages. If the Court finds that the lessee is or has violated any of the provisions of the Declaration, the Bylaws or the Rules and Regulations, the Court may find the lessee guilty of forcible detainer notwithstanding the facts that the lessor is not a party to the action and/or that the lessee is not otherwise in violation of lessee's lease or other rental agreements with lessor. For purposes of granting the forcible detainer against the lessee, the Court may consider the lessor a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (i.e., the Association). The remedy provided by this Section 10.13 is not exclusive and is in addition to any other remedy or remedies that the Association has. If permitted by present or future law, Association may recover all of its costs, including Court costs and reasonable attorney's fees, and such costs shall be a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and assigns.

Section 10.14 Trash Disposal. Each Owner shall deposit all trash, garbage, or other rubbish by as directed and instructed by the Board. Owners shall keep trash containers at all times in each Owner's garage (if applicable), or in such other location as designated by the Board, except on the days which trash, garbage, or other rubbish is collected by the local waste removal authorities. Any trash containers placed outside by the Owners in the location designated for collection by the local waste removal authorities shall only remain in such

location for a period not to exceed twenty-four (24) hours. The Board shall have the right to dispose of any trash, garbage, or other rubbish of a Owner in violation of this Article X, and may assess the Owner for the cost of such removal, which amount shall be payable on the date the next installment of the regular assessment is due.

Section 10.15 Nondiscrimination. No owner (including the Declarant), or any employee, agent or representative thereof, shall discriminate upon the basis of sex, race, age, color, creed or national origin in the sale, lease or rental of any Lot nor in the use of the Common Areas.

Section 10.16 HVAC Equipment. No air conditioning or heating equipment or apparatus shall be installed on the ground in front of, or attached to any front wall of, any Dwelling Unit on a Lot. Additionally, air conditioning and heating equipment and apparatus on each Lot shall be screened from view from Roadways and the Golf Course as provided in the Architectural and Landscape Guidelines.

Section 10.17 Fences and Walls. In addition to the restrictions contained elsewhere in this Declaration, no fence or wall (including densely planted hedges, rows or similar landscape barriers) (i) shall be erected, placed, maintained or altered on any Lot nearer to any Roadway fronting such Lot than the front building corner of the main Dwelling Unit constructed on such Lot (unless otherwise approved by the Architectural Control Committee) and (ii) shall not exceed six (6) feet in height. All fences and walls shall be maintained in a structurally sound and attractive manner. No fence or wall shall be erected on any Lot until the Architectural Control Committee has given its prior written approval of the color, size, design, materials and location for such fence or wall.

Section 10.18 No Septic Tanks or Wells No septic tank shall be installed, used or maintained on any Lot. Every structure generating any wastewater shall be connected to a sewer system constructed by Developer. No well or individual water supply system shall be installed, used or maintained on any Lot for human domestic water consumption nor shall any well be connected in any manner whatsoever to the water mains, laterals or piping serving the Dwelling Unit which furnish domestic water from sources beyond the boundary lines of the Lot.

Section 10.19 Restricted Activities Regarding Lakes and Ponds. The Property will contain one or more lakes ponds which may or may not be Common Area. With respect to construction of any Improvements on any Lot that abuts a lake or pond, a silt fence or barrier shall be placed and maintained across each such Lot during the construction of any Improvements thereon in such manner as to protect the lake or pond from soil erosion and silt. Such fence or harrier shall be constructed prior to the commencement of any construction of Improvements, including clearing or grading, and shall remain in place until such time as the said Lot has been landscaped or stabilized in a manner that will protect the lake or pond from soil erosion and silt. No pesticides or other toxic, hazardous or harmful chemicals shall be used for any purposes whatsoever within thirty (30) feet of any lake or pond. Any such chemicals used or applied more than thirty (30) feet from any lake or pond shall be used or applied so as to prevent the spread or dissemination of such chemicals into the lake or pond. No piers, jetties, docks, boat houses, storage facilities or other similar structures shall be constructed or located on or in any portion of the lake or pond. No boats or other floating vessels shall be permitted in or on any

portion of the lake or pond. No Person shall be allowed to swim or engage in related swimming activities within any lake or pond.

Section 10.20 New Construction. Construction of new buildings only shall be permitted on Lots and Tracts, it being the intent of this covenant to prohibit the moving of any existing new or used building onto a Lot or Tract. Provided, however, nothing herein shall prohibit Declarant from moving an existing new or used building onto a Lot or Tract to be used for storage or for use as construction or sales offices.

Section 10.21 Utilities Provided by Homeowner's Association. The Cutter Creek Plantation Homeowner's Association will have a bulk service agreement with a communications company for fiber optic cable for voice, video, data and security. Each residential dwelling unit will be charged for its basic level of service. An owner may request enhanced service levels for additional fees. Active accounts for basic communications service are mandatory at the time of occupancy and continue henceforth to each Owner without regard to occupancy or use.

Section 10.22 Mail and Newspaper Boxes; House Numbers. Declarant shall provided to each Owner a standard mailbox/newspaper box for such Owner's use on such Owner's Lot. No other mailbox or newspaper box shall be erected or maintained on any Lot. The location of the mailbox/newspaper box on a Lot must be approved in writing by the Architectural Control Committee. House numbers may be displayed on the Dwelling Unit and/or mailbox only as approved by the Architectural Control Committee.

Section 10.23 Vegetable Gardens. Vegetable gardens shall not be permitted on any Lot unless placed in the rear portion of such Lot in such a manner as not to constitute a nuisance or unsightly condition to any adjoining Owners or to persons using the Golf Course. In no event shall any vegetable garden be located within fifty (50) feet of the Golf Course.

Section 10.24 Lawn Furniture and Statues. No lawn furniture or decorative items, such as statuette or renderings of animate or inanimate objects, shall be maintained in the front or side yards of any Lot unless shielded from view by landscaping, a fence or a wall approved in advanced in writing by the Architectural Control Committee.

Section 10.25 All -Terrain Vehicles and Golf Carts. No all-terrain vehicles which are not designed for common use on the streets in any municipality in North Carolina, nor any motorbikes or mopeds, shall be driven in the Roadways, Golf Course or sidewalks of the Project. No golf carts shall be permitted to be driven in Roadways, sidewalks or the Golf Course, except within areas of the Golf Course and Roadways designated as golf cart paths or otherwise for golf cart use. Golf carts shall be used only in strict compliance with the rules governing same set out by the Homeowners' Association.

Section 10.26 Use of Recreational Facilities by Members of Cutter Creek Golf Club. Members of Cutter Creek Golf Club shall be entitled to use all Recreational Facilities in the same manner as an Owner even if said member of Cutter Creek Golf Club is not an Owner as defined herein. The members of Cutter Creek Golf Club shall not be required to pay any assessment other than those charged by Cutter Creek Golf Club unless such Recreational Facility charges Owners a use fee in addition to their Assessments. In such case, the members of Cutter Creek Golf Club shall pay said use fee in addition to their membership dues paid to Cutter Creek Golf Club.

ARTICLE XI

ENFORCEMENT

Section 11.1 Enforcement.

11.1.1 The Association or any Owner may enforce these covenants, conditions and restrictions. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate ("Violating Party") any covenant, condition or restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. In addition to all other amounts due on account of said violation or attempted violation, the Violating Party shall be liable to the parties enforcing the covenants and/or restrictions of this Declaration (the "Enforcing Parties") for all reasonable attorney's fees and court costs incurred by the Enforcing Parties. Failure or forbearance by the Association or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any lawsuit filed to enforce this Declaration by injunction or restraint, there shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants, conditions or restrictions cannot be adequately remedied by action at law or by recovery of damages.

11.1.2 In addition to all other remedies of the Association, the Association shall have the right to assess a maximum fine of \$150.00 per day (or such higher amount as may be allowed by law) per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws or Rules and Regulations of the Association after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

11.1.3 In addition to the above rights, the Association may also enter upon a Lot or any land upon which a violation exists to remove any violation, perform maintenance or make repairs thereon which is the responsibility of an Owner who has failed to remove said violation or to perform such maintenance or make such repairs (i) after having given such owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency.

Any action brought by the Association hereunder may be brought in its own name, in the name of its Board or in the name of its managing agent. In any case of flagrant or repeated violation by an Owner, he or she may be required by the Association to give sufficient surety or sureties for his or her future compliance with the covenants, conditions and restrictions contained in this Declaration, the Bylaws and the Rules and Regulations.

Section 11.2 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 11.3 Restrictions Run With Land. The easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, and the Owners subject to this Declaration, their respective legal representatives, heirs, successors, and assigns.

Section 11.4 Amendment. The Association (the Declarant controlling the Association until the expiration of the Development Period) may amend this Declaration at any time, as long as consistent with the design, scheme and purposes of this Declaration, by the affirmative vote or written agreement of the Owners to whom not less than seventy-five percent (75%) of all of the votes in the Association are allocated in accordance with Section 4.4 and Section 4.5 above. Any amendment must be recorded in the Greene County Register of Deeds. Following the end of the Development Period, no such agreement to amend, in whole or in part, shall be effective unless written notice of the proposed amendment is sent to every Member at least thirty (30) days in advance of any action taken, and no such amendment shall be effective with respect to any permanent easements or other permanent rights or interests relating to the Common Areas herein created including, but not limited to the rights of members of Cutter Creek Golf Club to use the Recreational Facilities (unless such amendment is consented to in writing by Declarant and all other beneficiaries of such permanent easements, rights of interests).

Section 11.5 Reservation of Special Declarant Rights. Declarant reserves the right to maintain sales and management offices, model units, construction trailers, storage or staging areas, and advertising signs upon Lots or the Common Areas until the expiration of the Development Period and to exercise all other "Special Declarant Rights" as defined in the Planned Community Act. Without limiting the foregoing, and notwithstanding anything herein to the contrary Declarant shall have the right to annex additional Property, Lots or Common Areas into the Subdivision by filing a supplement to this Declaration in the Greene Public Registry together with an amendment to the Plat (if applicable). Such additional Lots or Common Areas need not be contiguous to the Property. Declarant shall have the right to assign all or a portion of any rights or easements reserved herein by a written assignment thereof, recorded in the Greene Public Registry.

Section 11.6 Management and Service Contracts. Any agreement for the professional management of the Subdivision of the Common Areas may not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee upon reasonable notice.

Section 11.7 Binding Determination. In the event of any dispute or disagreement with or between any Owner(s) relating to, or of any other disputes, disagreements or questions regarding, the interpretation or application of the provisions of this Declaration or the Articles or Bylaws of the Association, the determination thereof (i) by Declarant for so long as Declarant retains control of the Association; and (ii) thereafter by the Board of Directors of the Association shall be final and binding on each and all such Owners; providing that any determination which directly or indirectly affects Declarant shall require Declarant's prior consent to become binding upon Declarant.

Section 11.8 Captions and Titles. All captions, titles or headings in this Declaration are for the purpose of reference and convenience only and are not deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section 11.9 Notices. Except as otherwise provided in this Declaration, any notice to any Owner under this Declaration shall be in writing, shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three days after mailing (postage prepaid) to the last address of such Owner set forth in the books of the Association. The address of an Owner shall be at his Lot (or any of them if more than one) unless otherwise specified in writing to the Association. The Articles and Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

Section 11.10 Governing Law. This Declaration shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of North Carolina, and suit to enforce any provision hereof or to obtain any remedy with respect hereto shall be brought in state court in Greene County, and for this purpose each Owner by becoming such hereby expressly and irrevocably consents to the jurisdiction of said court.

ARTICLE XII

MORTGAGEE'S RIGHTS

Section 12.1 Notice of Rights of Mortgagee of a Lot. As used herein, the term "Mortgagee" shall mean the holder of a first lien mortgage or deed of trust on a Lot or Dwelling Unit who provides notice to the Association with its name and address with a request to receive any notices and other rights provided to "Mortgagees" under this Article XII. A Mortgagee of a Lot or Dwelling Unit shall be entitled to receive written notification of any default, not cured within sixty (60) days after its occurrence, by the Owner of the Lot with respect to any obligation of the Owner under the Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association. Any Mortgagee of a Lot can make the request for notification. The notification shall be sent not later than the 65th day after the occurrence of an uncured Default.

Section 12.2 Rights of First Refusal. Any right of first refusal now or hereafter contained in this Declaration or any amendment or modification hereto or otherwise arising in favor of the Association or certain Owners shall not apply to or preclude or impair in any way the right of the first Mortgagee to (i) foreclose or take title to the Lot pursuant to the remedies provided in its mortgage; (ii) accept a deed or assignment in lieu of foreclosure in the event of a default under the Mortgage; or (iii) sell or lease a Lot acquired by the Mortgagee.

Section 12.3 Rights of Mortgagee. Unless at least seventy five percent (75%) of the Mortgagees (based upon one vote for each first mortgage or deed of trust owned), and a vote of seventy-five percent (75%) of the votes allocated to the Members entitled to vote hereunder, the Association shall not:

12.3.1 by an act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Subdivision or Common Areas or improvements located thereon which are owned directly or indirectly by the Association for the benefit of the Lots or Dwelling Units (the granting of easements for public utilities or for other purposes consistent with the intended use of the Subdivision, or the conveyance of Common Area (not including the Recreational Facilities) to a local governmental authority for public park purposes or the conveyance or dedication of Roadways shall not be deemed a transfer within the meaning of this clause);

12.3.2 change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or Dwelling Unit;

12.3.3 by act or omission change, waive or abandon any scheme of regulation or enforcement thereof pertaining to the architectural design or exterior appearance of the Dwelling Units, the exterior maintenance of the Dwelling Units, the maintenance of common fences or driveways or the upkeep of lawns and plantings in the Subdivision;

12.3.4 fail to maintain fire and extended coverage insurance on insurable Common Areas on current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost); or

12.3.5 use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas.

Section 12.4 Right to Examine Books and Records. Mortgagees, their successors or assigns, shall have the right to examine the books and records of the Association.

Section 12.5 Taxes and Insurance. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Lot or Dwelling Unit and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Lot or Dwelling Unit, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Owner.

Section 12.6 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or any other document or instrument affecting the title to the Property, Common Areas, any Lot, any Dwelling Unit, or the organization or operation of the Association shall give an Owner or any other party priority over any rights of first mortgagees of Lots or Dwelling Units within the Subdivision pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

ARTICLE XIII

NON-DEDICATED STREETS

Section 13.1 Use. All non-dedicated streets constructed within the Subdivision are reserved as easements of public access for the common use of Owners and their families, guests and invitees, by commercial vehicles authorized to make pick-ups and deliveries, by public and

private utilities' personnel, trucks and equipment, by postal authorities and mail carriers, by emergency personnel and vehicles such as police, fire and ambulance, and by such other persons or classes of persons authorized by the Board of Directors of the Association, as a means of ingress or egress, and for such other uses as may be authorized from time to time by said Board. Such non-dedicated streets may also include underground utility lines, mains, sewers or other facilities to transmit and carry sanitary sewerage and storm water drainage. Except as provided by this Declaration, no acts shall be taken or things done by an Owner or the Association which are inconsistent with the reservation and grant of use and enjoyment hereinabove provided.

Section 13.2 Snow Removal, Maintenance, Reconstruction or Resurfacing. The Association, at the cost and expense of the Association, shall provide snow removal from, maintenance to and resurfacing or reconstruction of any non-dedicated streets or any storm water drainage facilities included as a part thereof or installed thereunder as it deems necessary or appropriate from time to time within its sole discretion.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company

BY: [Signature], Manager

STATE OF N.C.
COUNTY OF Pitt

I, Brenda N. Albritton, a Notary Public of said County and State certify that [Signature] being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he is MANAGER of MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, and that by authority duly given, he voluntarily executed the foregoing instrument, as the act of such limited liability company.

Witness my hand and notarial seal, this 29 day of March, 2006.

Brenda N. Albritton
Notary Public

BRENDA N. ALBRITTON
Printed Name of Notary Public



My commission expires: 5-17-09

Book Page
0611 0570

EXHIBIT A

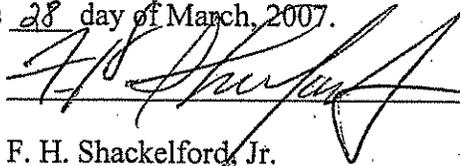
Being all of that property identified as Lots 1-12, Block A, Lots 13-45 Block I, Lots 46 and 47, Block H, Lots 48-96, Block J and Lots 97-108, Block K all as shown on those maps comprising Phase 1 of Cutter Creek Subdivision which maps are recorded in Map Book 28, Pages 112-115, Greene County Registry to which maps reference is hereby made for a more particular and definite description of said property.

RJA #131
093823-00001

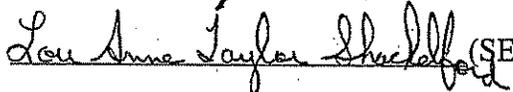
CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR. and wife LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, F. H. Shackelford and wife Lou Anne Taylor Shackelford have caused this Consent to be executed this 28 day of March, 2007.

 (SEAL)

F. H. Shackelford, Jr.

 (SEAL)

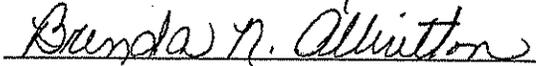
Lou Anne Taylor Shackelford

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR. and LOU ANNE TAYLOR SHACKELFORD being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.

Witness my hand and notarial seal, this 28 day of March, 2007.



_____, Notary Public



My commission expires: 5-17-09

3:26

Filed for registration on the 29th
day of March 2007 at 3:26 o'clock
in Book No. 611 Page 573
Nancy Murphy
Register of Deeds, Greene County

STATE OF NORTH CAROLINA

SUPPLEMENTAL
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR PHASE 1 CUTTER CREEK
PLANTATION

COUNTY OF GREENE

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION ("Supplemental Declaration") is made this 27th day of March, 2007 by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof which real estate is a portion of Cutter Creek Plantation; and

B. Declarant has previously executed Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation and wishes to supplement said Restrictions by including minimum square footage requirements and lot setback lines for Phase 1 of Cutter Creek Plantation and relieving the Owners of the obligation under Article V of said Restrictions to pay regular and special assessments or the availability fee until January 1, 2009.

THEREFORE, the Declarant hereby declares that all of the Lots shown on Exhibit A are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

Minimum House Size and Setbacks for Phase 1

For each Lot in Phase 1 of Cutter Creek Plantation, the following set backs and minimum heated square footage set forth before shall apply:

A. Lots in Section A, Phase 1, Cutter Creek Plantation:

Set backs: 20' Front; 10' Sideline; 10'
 Rear: 20' Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>2,400 square feet</u>	<u>2,400 square feet</u>
1 ½ Story	<u>2,600 square feet</u>	<u>1,600 square feet</u>
2 Story	<u>2,600 square feet</u>	<u>1,300 square feet</u>
2 ½ Story	<u>Same as 2 Story</u>	<u>Same as 2 story</u>

B. Lots in Section H, Section J, and Section K, Phase 1, Cutter Creek Plantation:

Set backs: 20' Front; 10' Sideline; 10' Rear; 20' Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>1,800 square feet</u>	<u>1,800 square feet</u>
1 ½ Story	<u>2,000 square feet</u>	<u>1,200 square feet</u>
2 Story	<u>2,400 square feet</u>	<u>1,200 square feet</u>

There shall be no houses taller than 2 stories allowed in these sections.

C. Lots in Section I, Phase 1, Cutter Creek Plantation:

Set backs: 20' Front; 10' Sideline; 10' Rear; 20' Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>2,200 square feet</u>	<u>2,200 square feet</u>
1 ½ Story	<u>2,400 square feet</u>	<u>1,400 square feet</u>
2 Story	<u>2,400 square feet</u>	<u>1,200 square feet</u>
2 ½ Story	<u>Same as 2 story</u>	<u>Same as 2 story</u>

Assessments and Availability Fee

Notwithstanding the provisions in Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the Owners of the lots in Phase 1 shall not pay any regular or special assessments or availability fee until January 1, 2009.

Except as set forth herein, all terms of set forth in Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall remain in full force and effect and the restrictions and conditions set forth herein shall supplement them.

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

MILL RUN DEVELOPMENT GROUP,
L.L.C., a North Carolina
limited liability company

BY: [Signature], Manager

STATE OF NC
COUNTY OF Pitt

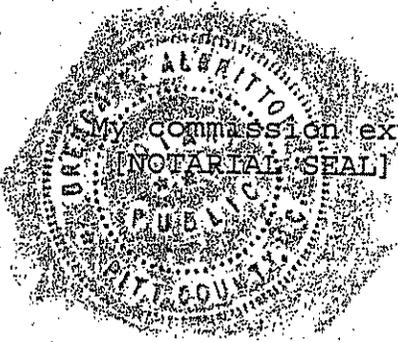
I, Brenda A. Allenton a Notary Public of
said County and State certify that [Signature] being
personally known to me or identified by satisfactory evidence,
came before me this day and acknowledged that he is MANAGER of
MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited
liability company, and that by authority duly given, he
voluntarily executed the foregoing instrument, as the act of
such limited liability company.

Witness my hand and notarial seal, this 29 day of
March, 2006.

[Signature]
Notary Public

Printed Name of Notary Public

My commission expires: 5-17-09



CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and the holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, Paragon Commercial Bank, by its authorized officer, and the undersigned Trustee have caused this Consent to be executed this 28 day of March, 2007.

Paragon Commercial Bank

By: Greg C. Steele
Name: Greg C. Steele
Title: Senior Vice President

STATE OF NC)
) : ss:
COUNTY OF Pitt)

I, Brenda N. Albritton a Notary Public of Pitt County, State of NC, certify that Greg C. Steele, being personally known to me or proven by satisfactory evidence, personally came before me this day and, being duly sworn, acknowledged that he/she is Senior Vice President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the Senior Vice President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official stamp or seal this 28 day of March, 2007, 2006.

Brenda N. Albritton
Notary Public

BRENDA N. ALBRITTON
Printed Name of Notary Public

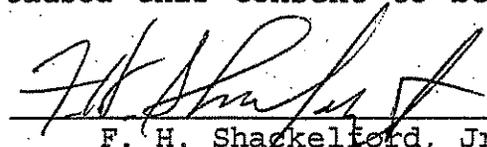
My commission expires: 5-17-09

[NOTARIAL SEAL]

CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR. and wife LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, F. H. Shackelford and wife Lou Anne Taylor Shackelford have caused this Consent to be executed this 28 day of March, 2007.

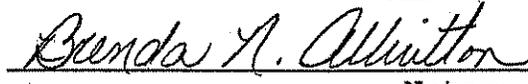
 (SEAL)
F. H. Shackelford, Jr.

 (SEAL)
Lou Anne Taylor Shackelford

NORTH CAROLINA
Pitt COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR. and LOU ANNE TAYLOR SHACKELFORD being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.

Witness my hand and notarial seal, this 28 day of March, 2007.


_____, Notary Public

My commission expires: 5-17-09



EXHIBIT A

Being all of that property identified as Lots 1-12, Block A, Lots 13-45 Block I, Lots 46 and 47, Block H, Lots 48-96, Block J and Lots 97-108, Block K all as shown on those maps comprising Phase 1 of Cutter Creek Subdivision which maps are recorded in Map Book 28, Pages 112-115, Greene County Registry to which maps reference is hereby made for a more particular and definate description of said property.

rja #10
092560-00002

4:40

Filed for registration on the 14th
day of June 2007 at 4:40 o'clock
in Book No. 615 Page 199
Nancy Murphy
Register of Deeds, Greene County

STATE OF NORTH CAROLINA

SUPPLEMENTAL
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR PHASE 2 CUTTER CREEK
PLANTATION

COUNTY OF GREENE

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION ("Supplemental Declaration") is made this 7th day of June, 2007 by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof which real estate is a portion of Cutter Creek Plantation; and

B. Declarant has previously executed Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation and wishes to supplement said Restrictions by including minimum square footage requirements and lot setback lines for Phase 2 of Cutter Creek Plantation and relieving the Owners of the obligation under Article V of said Restrictions to pay regular and special assessments or the availability fee until January 1, 2009.

THEREFORE, the Declarant hereby declares that all of the Lots shown on Exhibit A are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

Minimum House Size and Setbacks for Phase 2

For each Lot in Phase 2 of Cutter Creek Plantation, the following set backs and minimum heated square footage set forth before shall apply:

Lots in Section H, and Section K, Phase 2, Cutter Creek Plantation:

Set backs: 20' Front; 10' Sideline; 10' Rear; 20'
 Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>1,800 square feet</u>	<u>1,800 square feet</u>
1 ½ Story	<u>2,000 square feet</u>	<u>1,200 square feet</u>
2 Story	<u>2,400 square feet</u>	<u>1,200 square feet</u>

There shall be no houses taller than 2 stories allowed in these sections.

Assessments and Availability Fee

Notwithstanding the provisions in Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the Owners of the lots in Phase 2 shall not pay any regular or special assessments or availability fee until January 1, 2009.

Except as set forth herein, all terms of set forth in Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall remain in full force and effect and the restrictions and conditions set forth herein shall supplement them.

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

MILL RUN DEVELOPMENT GROUP,
L.L.C., a North Carolina
limited liability company

BY: [Signature], Manager

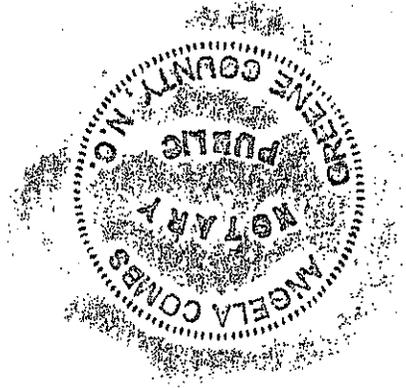
STATE OF NORTH CAROLINA
COUNTY OF GREENE

I, Angela Combs, a Notary Public of
said County and State certify that E.H. Shackelford, Jr. being
personally known to me or identified by satisfactory evidence,
came before me this day and acknowledged that he is MANAGER of
MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited
liability company, and that by authority duly given, he
voluntarily executed the foregoing instrument, as the act of
such limited liability company.

Witness my hand and notarial seal, this 14th day of
June, 2007.

[Signature]
Notary Public
Angela Combs
Printed Name of Notary Public

My commission expires: 4-18-2010
[NOTARIAL SEAL]



CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and the holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, Paragon Commercial Bank, by its authorized officer, and the undersigned Trustee have caused this Consent to be executed this 8 day of June, 2007.

Paragon Commercial Bank

By: [Signature]
Name: MARTIN W. BORDEN
Title: SR. VICE PRESIDENT

STATE OF North Carolina)

: ss:

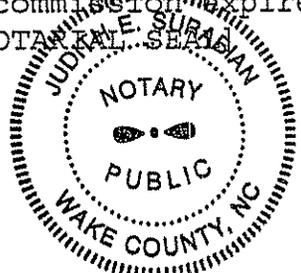
COUNTY OF WAKE)

I, Judith E. Surabian, a Notary Public of WAKE County, State of North Carolina certify that Martin W. Borden, being personally known to me or proven by satisfactory evidence, personally came before me this day and, being duly sworn, acknowledged that he/she is Sr. Vice President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the Sr. Vice President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official stamp or seal this 8th day of June, 2007

[Signature]
Notary Public
Judith E. Surabian
Printed Name of Notary Public

My commission expires: 3/26/2011



CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR. and wife LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, F. H. Shackelford and wife Lou Anne Taylor Shackelford have caused this Consent to be executed this 14th day of June, 2007.

F. H. Shackelford, Jr. (SEAL)
F. H. Shackelford, Jr.

Lou Anne Taylor Shackelford (SEAL)
Lou Anne Taylor Shackelford

NORTH CAROLINA
GREENE COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR. and LOU ANNE TAYLOR SHACKELFORD being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.

Witness my hand and notarial seal, this 14th day of June, 2007.
Angela Combs
Angela Combs, Notary Public.

My commission expires: 4-18-2010



Book Page
0615 0205

EXHIBIT A

Being all of that property identified as Lots 132 through 150, Block H and Lots 109 through 131, Block K all as shown on those maps comprising Phase 2 of Cutter Creek Subdivision which maps are recorded in Map Book 28, Pages 145-147, Greene County Registry to which maps reference is hereby made for a more particular and definate description of said property.

rja #10
092560-00002

copy A
10:55

Filed for registration on the 13th
day of Nov 2007 at 10:55 o'clock
in Book No. 621 Page 562
Nancy Murphy
Register of Deeds, Greene County

STATE OF NORTH CAROLINA

SUPPLEMENTAL
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR PHASE 3 CUTTER CREEK
PLANTATION

COUNTY OF GREENE

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION ("Supplemental Declaration") is made this 26 day of October, 2007 by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof which real estate is a portion of Cutter Creek Plantation; and

B. Declarant has previously executed Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation which Declaration is recorded in Deed Book 611, Page 529 Greene County Registry and wishes to supplement said Restrictions by including minimum square footage requirements and lot setback lines for Phase 3

of Cutter Creek Plantation and relieving the Owners of the obligation under Article V of said Restrictions to pay regular and special assessments or the availability fee until January 1, 2009.

THEREFORE, the Declarant hereby declares that all of the Lots shown on Exhibit A are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to those covenants recorded in Deed Book 611, Page 529 Greene County Registry and subject also to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

Minimum House Size and Setbacks for Phase 3

For each Lot in Phase 3 of Cutter Creek Plantation, the following set backs and minimum heated square footage set forth before shall apply:

Lots in Section H, and Section K, Phase 3, Cutter Creek
Plantation:

Set backs: 20' Front; 10' Sideline; 10' Rear; 20'
Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>1,800 square feet</u>	<u>1,800 square feet</u>
1 ½ Story	<u>2,000 square feet</u>	<u>1,200 square feet</u>
2 Story	<u>2,400 square feet</u>	<u>1,200 square feet</u>

There shall be no houses taller than 2 stories allowed in these sections.

Assessments and Availability Fee

Notwithstanding the provisions in Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the Owners of the lots in Phase 3 shall not pay any regular or special assessments or availability fee until January 1, 2009.

Except as set forth herein, all terms of set forth in Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall remain in full force and effect and the restrictions and conditions set forth herein shall supplement them.

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

MILL RUN DEVELOPMENT GROUP,
L.L.C., a North Carolina
limited liability company

BY: [Signature], Manager

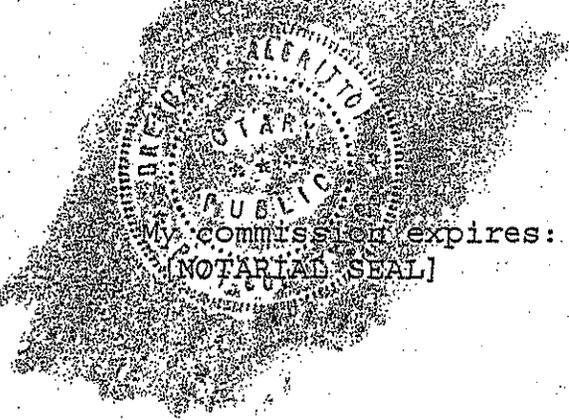
STATE OF N.C.
COUNTY OF Wake

I, Brenda N. Albritton a Notary Public of
said County and State certify that [Signature] being
personally known to me or identified by satisfactory evidence,
came before me this day and acknowledged that he is MANAGER of
MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited
liability company, and that by authority duly given, he
voluntarily executed the foregoing instrument, as the act of
such limited liability company.

Witness my hand and notarial seal, this 26 day of
October, 2007.

Brenda N. Albritton
Notary Public
BRENDA N ALBRITTON
Printed Name of Notary Public

My commission expires: 5-17-09



CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and the holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, modified by document recorded in Deed Book ____, Page ____ hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, Paragon Commercial Bank, by its authorized officer, and the undersigned Trustee have caused this Consent to be executed this ____ day of October, 2007.

Paragon Commercial Bank

By: Charles Wells
Name: Charles Wells
Title: CREDIT ADMINISTRATOR

STATE OF North Carolina)

: ss:

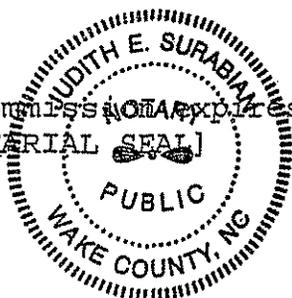
COUNTY OF Wake)

I, Judith E. Surabian, a Notary Public of Wake County, State of North Carolina, certify that Charles Wells, being personally known to me or proven by satisfactory evidence, personally came before me this day and, being duly sworn, acknowledged that he/she is Credit Administrator President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the Credit Admin. President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official stamp or seal this 24th day of October, 2007.

Judith E. Surabian
Notary Public
Judith E. Surabian
Printed Name of Notary Public

My commission expires: 3/26/2011
[NOTARIAL SEAL]



CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR. and wife LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, F. H. Shackelford and wife Lou Anne Taylor Shackelford have caused this Consent to be executed this ___ day of October, 2007.

F. H. Shackelford Jr. (SEAL)
F. H. Shackelford Jr.
Lou Anne Taylor Shackelford (SEAL)
Lou Anne Taylor Shackelford

NORTH CAROLINA
Pitt COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR. and LOU ANNE TAYLOR SHACKELFORD being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.

Witness my hand and notarial seal, this 26 day of October, 2007.

Brenda N. Albritten
BRENDA N ALBRITTON Notary Public

My commission expires: 5-17-09

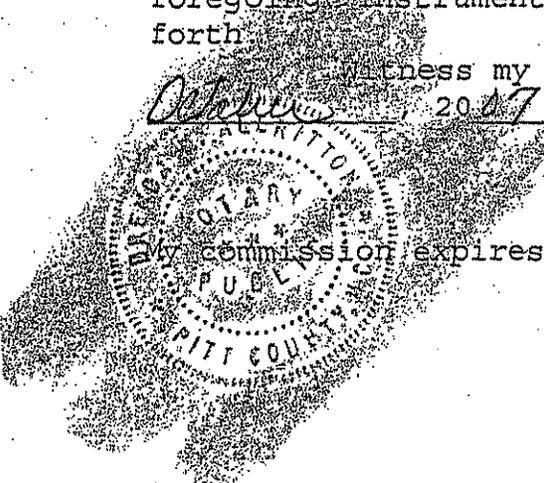


EXHIBIT A

Being all of that property identified as Lots 151 through 179, Block H and Lots 180 through 221, Block K all as shown on those maps comprising Phase 3 of Cutter Creek Subdivision which maps are recorded in Map Book 28, Pages 193-195, Greene County Registry to which maps reference is hereby made for a more particular and definite description of said property.

rja #10
092560-00002

Filed for registration on the 25th
day of June 2008 at 4:13 o'clock
in Book No. 629 Page 888
Nancy Murphy
Register of Deeds, Greene County

W-13
4-13

STATE OF NORTH CAROLINA

COUNTY OF GREENE

SUPPLEMENTAL
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR PHASE 4 CUTTER CREEK
PLANTATION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION ("Supplemental Declaration") is made this 25th day of June, 2008, by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof which real estate is a portion of Cutter Creek Plantation; and

B. Declarant has previously executed Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation and wishes to supplement said Restrictions by including minimum square footage requirements and lot setback lines for Phase 4 of Cutter Creek Plantation.

THEREFORE, the Declarant hereby declares that all of the Lots shown on Exhibit A are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to those restrictions in Book 611, Page 529 and subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

Minimum House Size and Setbacks for Phase 4

For each Lot in Phase 4 of Cutter Creek Plantation, the following set backs and minimum heated square footage set forth before shall apply:

Lots in Phase 4, Cutter Creek Plantation:

	Set backs: <u>20'</u> Front; <u>10'</u> Sideline; <u>10'</u> Rear:	
<u>20'</u> Side Street		
	Minimum Total	Minimum Ground
	Heated Area	Floor Heated Area
1 Story	<u>2,200 square feet</u>	<u>2,200 square feet</u>
1 ½ Story	<u>2,400 square feet</u>	<u>1,400 square feet</u>
2 Story	<u>2,400 square feet</u>	<u>1,200 square feet</u>
2 ½ Story	<u>Same as 2 Story</u>	<u>Same as 2 story</u>

Assessments and Availability Fee

Notwithstanding the provisions in Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the Owners of the lots in Phase 4 shall not pay any regular or special assessments or availability fee until January 1, 2009.

Except as set forth herein, all terms of set forth in Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall remain in full force and effect and the restrictions and conditions set forth herein shall supplement them.

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

MILL RUN DEVELOPMENT GROUP,
L.L.C., A North Carolina Limited
Liability Company

BY: F. H. Shackelford, Jr.
F. H. SHACKELFORD, JR.
Manager

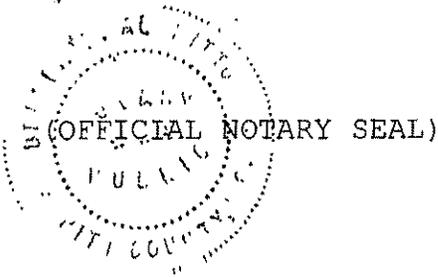
STATE OF NORTH CAROLINA

COUNTY OF GREENE

I, Brenda N. Albritton, a Notary Public of
said County and State certify that F. H. SHACKELFORD, JR., being
personally known to me or identified by satisfactory evidence,
came before me this day and acknowledged that he is MANAGER of
MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited
liability company, and that by authority duly given, he
voluntarily executed the foregoing instrument, as the act of
such limited liability company.

Witness my hand and notarial seal, this 25 day of
June, 2008.

Brenda N. Albritton
Notary Public



BRENDA N ALBRITTON
Printed Name of Notary Public

My commission expires: 5-17-09

CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and the holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, modified by documents recorded in Book 621, Page 72, and Book 629, Page 438, hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and the filing thereof, in the office of the County Recorded of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, Paragon Commercial Bank, but its authorized officer, and the undersigned Trustee have caused this Consent to be executed this 25th day of June, 2008.

PARAGON COMMERCIAL BANK

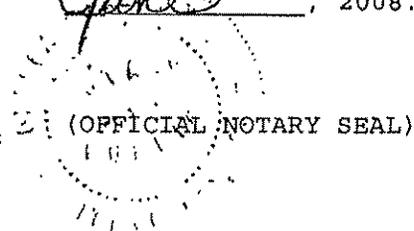
BY: Greg C. Steele
Name: Greg C. Steele
Title: SVP

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Brenda N. Albritton, a Notary Public of Pitt County, State of North Carolina, certify that Greg C. Steele, being personally known to me or proven by satisfactory evidence, personally came before me this day and, being duly sworn, acknowledged that he/she is _____ President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the _____ President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official stamp or seal this 25 day of June, 2008.



Brenda N. Albritton
Notary Public

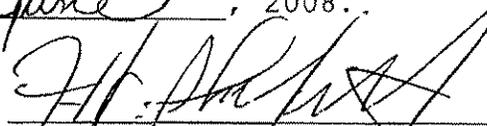
BRENDA N ALBRITTON
Printed/Typed Name of Notary

My Commission Expires: 5-17-09

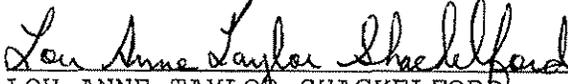
CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR., and wife, LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution to the execution and delivery of the foregoing Declaration of Covenants, Conditions and Restrictions, with exhibits thereto (the "Declaration"), and the filing thereof, in the office of the County Recorded of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHERE, F. H. Shackelford, Jr., and wife, Lou Anne Taylor Shackelford, have caused this Consent to be executed this the 25 day of June, 2008.



F. H. SHACKELFORD, JR. (SEAL)

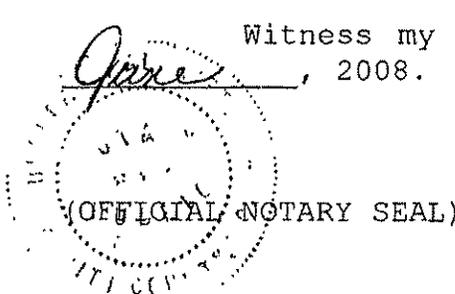


LOU ANNE TAYLOR SHACKELFORD (SEAL)

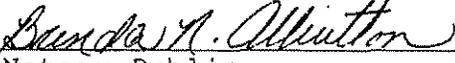
NORTH CAROLINA

GREENE COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR., and wife, LOU ANNE TAYLOR SHACKELFORD, being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.



Witness my hand and notarial seal, this 25 day of June, 2008.



Notary Public

BRENDA N. ALBRITTON

Printed/Typed Name of Notary

My commission expires: 5-17-09
Rja/sht #14
092560-00002

EXHIBIT A

Being all of that property identified as Lots 275-294, and Lots 315-334 all as shown on those maps comprising Phase 4 of Cutter Creek Subdivision which maps are recorded in Map Book 29, Pages 22 - 24, Greene County Registry to which maps reference is hereby made for a more particular and definite description of said property.

Rja/sht #14
092560-00002

4:35
9-24 3200

Filed for registration on the 24th
day of Sept. 2008 at 4:35 o'clock
in Book No. 632 Page 182
Nancy Murphy
Register of Deeds, Greene County

STATE OF NORTH CAROLINA

COUNTY OF GREENE

SUPPLEMENTAL
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR PHASE 5 CUTTER CREEK
PLANTATION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION ("Supplemental Declaration") is made this 16th day of September, 2008 by MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, whose address is P.O. Box 38, Hookerton, North Carolina (the "Declarant").

WITNESSETH:

A. Declarant is the owner and developer of certain real estate in Greene County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof which real estate is a portion of Cutter Creek Plantation; and

B. Declarant has previously executed Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation which Declaration is recorded in Deed Book 611, Page 529 Greene County Registry and wishes to supplement said Restrictions by including minimum square footage requirements and lot setback lines for Phase 5 of Cutter Creek Plantation, relieving the Owners of the obligation under Article V of said Restrictions to pay regular and special assessments or the

availability fee until January 1, 2009, and requiring the owners of the lots in Phase 5 to pay the Homeowners Association to maintain the yards of said lots.

THEREFORE, the Declarant hereby declares that all of the Lots shown on Exhibit A are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to those covenants recorded in Deed Book 611, Page 529 Greene County Registry and subject also to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

Minimum House Size and Setbacks for Phase 5

For each Lot in Phase 5 of Cutter Creek Plantation, the following set backs and minimum heated square footage set forth before shall apply:

Set backs: 15' Front; 5' Sideline; 10' Rear; 20'
Side Street

	Minimum Total Heated Area	Minimum Ground Floor Heated Area
1 Story	<u>1,400 square feet</u>	<u>1,400 square feet</u>
1 ½ Story	<u>1,400 square feet</u>	<u>1,000 square feet</u>

There shall be no houses taller than 1½ stories allowed in this section.

Assessments and Availability Fee

Notwithstanding the provisions in Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the Owners of the lots in Phase 5 shall not pay any regular or special assessments or availability fee until January 1, 2009.

Yard Maintenance Obligations and Assessments

Notwithstanding the provisions of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation, the yard maintenance and landscaping maintenance for the lots in Phase 5 shall be performed by the Association. The Association shall establish the cost of said maintenance and shall bill the Owners of the lots in Phase 5 for said maintenance in addition to the Regular Assessment. Said cost of maintenance shall be referred to as a Maintenance Assessment and shall be paid upon the same terms as the Regular Assessment. The provisions of Article V of the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall apply to the Maintenance Assessment.

Except as set forth herein, all terms of set forth in Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation shall remain in full force and effect and the

restrictions and conditions set forth herein shall supplement them.

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

MILL RUN DEVELOPMENT GROUP,
L.L.C., a North Carolina
limited liability company

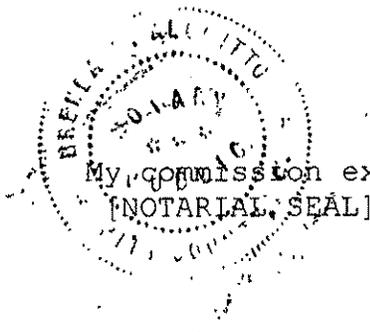
BY: [Signature], Manager

STATE OF N.C.
COUNTY OF Pitt

I, Brenda A. Albritton, a Notary Public of said County and State certify that [Signature] being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he is MANAGER of MILL RUN DEVELOPMENT GROUP, L.L.C., a North Carolina limited liability company, and that by authority duly given, he voluntarily executed the foregoing instrument, as the act of such limited liability company.

Witness my hand and notarial seal, this 14 day of September, 2008.

Brenda A. Albritton
Notary Public
BRENDA N ALBRITTON
Printed Name of Notary Public



My commission expires: 5-17-09
[NOTARIAL SEAL]

CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and the holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, modified by document recorded in Deed Book 629, Page 438 hereby consents to the execution and delivery of the foregoing Supplemental Declaration, and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Supplemental Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, Paragon Commercial Bank, by its authorized officer, and the undersigned Trustee have caused this Consent to be executed this 25 day of September, 2008.

Paragon Commercial Bank

By: Greg C. Steele
Name: Greg C. Steele
Title: Senior Vice President

STATE OF NC)
COUNTY OF Pitt : ss: 240-76-8699

I, Brenda N. Albritton, a Notary Public of Pitt County, State of NC, certify that Greg Steele, being personally known to me or proven by satisfactory evidence, personally came before me this day and, being duly sworn, acknowledged that he/she is President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official stamp or seal this 25 day of September, 2008.

Brenda N. Albritton
Notary Public
BRENDA N ALBRITTON
Printed Name of Notary Public

My commission expires: 5-17-09
[NOTARIAL SEAL]



CONSENT OF MORTGAGEE

F. H. SHACKELFORD, JR. and wife LOU ANNE TAYLOR SHACKELFORD, the holders of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 722, hereby consent to the execution and delivery of the foregoing Supplemental Declaration, and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing Supplemental Declaration with attached exhibits (including, without limitation, any easements reserved therein).

IN WITNESS WHEREOF, F. H. Shackelford and wife Lou Anne Taylor Shackelford have caused this Consent to be executed this 16 day of September, 2008.

F. H. Shackelford, Jr. (SEAL)
F. H. Shackelford, Jr.

Lou Anne Taylor Shackelford (SEAL)
Lou Anne Taylor Shackelford

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day F. H. SHACKELFORD, JR. and LOU ANNE TAYLOR SHACKELFORD being personally known to me or identified by satisfactory evidence and acknowledged to me their due voluntary execution of the foregoing instrument for the terms and purposes therein set forth.

Witness my hand and notarial seal, this 16 day of September, 2008.

Brenda A. Albritton
Saurville, N.C., Notary Public



My commission expires: 5-17-09

EXHIBIT A

Being all of that property identified as Lots 335A through 355 as shown on that map comprising Phase 5 of Cutter Creek Subdivision which map is recorded in Map Book 29, Pages 41, Greene County Registry to which map reference is hereby made for a more particular and definite description of said property.

rja #10
092560-0002

P/W
26.00



Doc ID: 000832060011 Type: S/INS
Recorded: 02/18/2016 at 11:55:13 AM
Fee Amt: \$26.00 Page 1 of 11
Revenue Tax: \$0.00
Instr# 201500001674
Greene County, NC
Nancy Murphy Register of Deeds
BK **695** PG **179-189**

STATE OF NORTH CAROLINA
GREENE COUNTY

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CUTTER CREEK PLANTATION

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION (this
"Amendment") is made this the 16th day of February, 2016, by MILL RUN
DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company, Grantor and
Grantee for indexing purposes, whose registered mailing address is P.O. Box 277, Kinston, North
Carolina 28501 (the "Declarant").

WITNESSETH:

WHEREAS, Mill Run Development Group, LLC recorded the Declaration of Covenants,
Conditions and Restrictions for Cutter Creek Plantation dated March 27, 2007, the same being
recorded in the Greene County Register of Deed's Office at Deed Book 0611, Page 0529 (the
"Declaration");

WHEREAS, Declarant rights were transferred from Mill Run Development Group, LLC to
Declarant by Deed recorded in the Greene County Register of Deed's Office at Deed Book 650,
Page 79.

WHEREAS, Declarant desires to amend Article VII and Article X of the Declaration;

WHEREAS, Cutter Creek Golf Club II, LLC is the current owner of Cutter Creek Golf
Club and joins in and consents to the amendments by Declarant herein; and,

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WHEREAS, as provided in Sections 11.4, 4.4, and 4.5 of the Declaration, the Development Period has not elapsed and the Declarant may unilaterally amend the Declaration for the purpose stated herein.

NOW, THEREFORE, Declarant hereby declares that Article VII and Article X of the Declaration are amended as appears below. The above recitals are incorporated herein and made a part hereof.

Article VII of the Declaration is hereby replaced and amended to state as follows:

ARTICLE VII

GOLF COURSE

Section 7.1 Acknowledgment. Each Owner acknowledges that owning property adjacent or in close proximity to a golf course involves certain risks which may have an effect on the utilization of enjoyment of such Lot. Owner acknowledges that such risks may include (as examples and not as a limitation on the generality of such risks) golf balls being hit into a Lot, with the potential of causing bodily injury or physical damage to property, and further including golfers coming onto a Lot to look for errant golf balls. Owner hereby expressly assumes such risk and agrees that neither Declarant nor any entity owning or managing the golf course shall be liable to any Owner of any Lot or anyone claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the proximity of any Lot to the golf course, including, without limitation any claim arising in whole or in part from the negligence of Declarant or any entity owning or managing the golf course. Each Owner hereby agrees to indemnify, defend and hold harmless Declarant or any entity owning or managing the golf course against any and all claims by said Owner and his guests, invitees or licensees with respect to the above. Nothing in this paragraph shall restrict or limit any power of Declarant or any entity owning or managing the Cutter Creek Golf Club to change the design of the golf course, and such changes, if any, shall not nullify, restrict or impair the covenants and duties of the Owner of any Lot or Dwelling Unit contained herein.

Section 7.2 Easements.

7.2.1 Cutter Creek Golf Club, its members, whether Owners or otherwise, its heirs, successors, assigns, guests, invitees, and licensees, shall have a non-exclusive right of ingress and egress on, over, and across all public and private roadways located on or within the Subdivision for access to Cutter Creek Golf Club property, the Golf Course, and the Recreational Facilities.

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7.2.2 Every Lot and Common Area is burdened with an easement permitting golf balls unintentionally to come upon the Lot or Common Area and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of a Lot or Common Area to retrieve errant golf balls; provided, however, if any Lot is fenced or walled as approved in accordance with this Declaration by the Association, the golfer shall seek the Owners permission before entry. Declarant shall use its best efforts to have the entity owning, managing or operating the Cutter Creek Golf Club to conspicuously denote all property on any Lot or Common Area as out of bounds. Every Owner of every Lot by acceptance of delivery of a deed, assumes all risks associated with errant golf balls, and such owner agrees and covenants not to make any claim or institute any action whatsoever against Declarant, the golf course designer, or golf course owner or operator, or any other party relating to the design and utilization of the Cutter Creek Golf Club relating to any errant golf ball, any damages caused thereby, or for negligent design of the golf course or siting of the Lot.

Section 7.3 Golf Course Membership Covenant.

7.3.1 With respect to Cutter Creek Golf Club and the Golf Course, the Owners shall be subject to the additional covenants that are set forth in this Article VII.

7.3.2 Every Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be expressed in the deed, shall automatically become obligated, from the date of acquisition of such Lot, to apply for membership in Cutter Creek Golf Club and to pay the dues, fees and other charges associated with the "Residential Membership" category of membership in the Cutter Creek Golf Club and imposed, assessed or levied by Cutter Creek Golf Club or any successor owner of the Golf Course, all in accordance with and subject to the terms of this Declaration and any membership rules or regulations of Cutter Creek Golf Club. All dues, fees and other charges so imposed, assessed or levied shall, to the extent not paid, be a charge and continuing lien upon the Lot and/or Dwelling Unit of the Owner, and specifically enforceable by Cutter Creek Golf Club, its successors and assigns ("the Membership Lien"). The Membership Lien shall be subordinate to the Association's lien for assessments, and subordinate to any first mortgage lien on such Lot. Such membership in Cutter Creek Golf Club shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling Unit. This Section 7.3.2 shall not apply to the Declarant, its affiliate entities, or any other Owner that purchased or acquired a Lot prior to the recordation date of this Amendment, or to any recipient of a Lot pursuant to a gratuitous transfer from an Owner that purchased or acquired said Lot prior to the recordation date of this Amendment. However, this Section 7.3.2 shall apply to all bona fide purchasers of any Lot, irrespective of prior ownership.

7.3.3 Owners admitted to the Residential Membership category in Cutter Creek Golf Club pursuant to this Section shall be entitled to a maximum cap on the Membership Initiation Fee as follows: For 2016, the Membership Initiation Fee for a Residential Membership shall be \$1,200; in each year thereafter, the Membership Initiation Fee shall increase by three percent (3%) on a cumulative basis (\$1,236 for 2017, \$1,273.08 for 2018, \$1,311.27 for 2019, etc). Owners admitted to the Residential Membership category in Cutter Creek Golf Club pursuant to this Section shall, for so long as they remain Owners, be entitled to a maximum cap on Membership dues as follows: For

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2016, the maximum dues for a Residential Membership shall be \$200 per month; in each year thereafter, the maximum dues shall increase by three percent (3%) on a cumulative basis (\$206 for 2017, \$212.18 for 2018, \$218.55 for 2019, etc). The Board of Directors for Cutter Creek Golf Club may not levy dues on any Residential Member greater than the amount allowed by this section. Residential Members who cease to be Owners shall be converted to Founder or Associate Members as appropriate.

7.3.4 Owners of Lots that purchased or acquired said Lots prior to the date of recordation of this Amendment, may become eligible for the "Residential Membership" category of membership in Cutter Creek Golf Club by executing, in recordable form, and express consent to this Amendment.

7.3.5 The Owner of each Lot or Dwelling Unit acknowledges that memberships entitling use of the Cutter Creek Golf Club will be offered by the Board of Directors of Cutter Creek Golf Club, not by Declarant. Such offers shall be made in accordance with such terms and conditions as the Board of Directors of the Cutter Creek Golf Club establishes from time to time in its sole discretion. The Owner of each Lot acknowledges that, by purchasing or paying for any Lot, or by acquiring membership in the Association, said Owner does not acquire any vested right or easement, prescriptive or otherwise, to use any portion of the Cutter Creek Golf Club or the Golf Course, nor does such Owner acquire any ownership or membership interest in the Cutter Creek Golf Club. Furthermore, the Association has no vested right or easement, prescriptive or otherwise, or any ownership interest in Cutter Creek Golf Club or course.

7.3.6 Notwithstanding anything to the contrary contained herein, no property of Cutter Creek Golf Club nor the Golf Course will be Common Area under this Declaration, as amended, and the ownership of a Lot and/or membership in the Association does not confer any ownership interest in or any easement or right to use the Golf Course or any other property of Cutter Creek Golf Club. No such interest, right, easement or right to use is created under this Declaration, as amended, by implication or otherwise. Further, Cutter Creek Golf Club may have members who are not Owners or members of the Association.

7.3.7 Notwithstanding anything to the contrary contained herein, even though all Owners shall be obligated to pay the dues, fees and other charges associated with the "Residential Membership" category of membership, Cutter Creek Golf Club may reject the application of any Owner and any Owner so rejected shall not be obligated to pay such "Residential Membership" charges. However, if an Owner was offered and admitted to membership, and such Owner rejected such offer, or was admitted but such Owner's membership was subsequently resigned, suspended, or terminated, or such Owner was expelled, such Owner shall continue to be obligated to pay such "Residential Membership" charges. Such Owners that do become "Residential Members" subject to their payment of dues and other charges incurred, and abiding by the rules and regulations that may be promulgated and amended by Cutter Creek Golf Club from time to time, shall have the usage rights associated with their membership.

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7.3.8 This Section and the covenant contained herein shall not apply to the Declarant or its affiliate entities, irrespective of their ownership of Lots.

Section 7.4 Use Restrictions.

7.4.1 While Owners shall have the right of quiet enjoyment to their portion of the Property, there shall be no activity on any Lot or other portion of the Property which is contiguous to the Golf course or within a distance of one hundred feet (100') from any boundary of the Golf Course that unreasonably disturbs play, or the enjoyment of the Golf Course, by members and guests thereof, including, without limitation, undue noise, unsightly trash and debris, or any other noxious or offensive activity. Typical noises and activities associated with normal construction activities on Lots or other portions of the Property shall, however, be permitted. In addition to the other provisions in this Declaration, no fencing shall be constructed or maintained on any Lot or other portion of the Property which is (i) contiguous to the Golf Course and (ii) within twenty five (25) feet from any boundary of the Golf Course, without the prior written consent of the Golf Course Owner and the Architectural Control Committee.

7.4.2 With respect the portions of the Property which are contiguous to the Golf Course:

- (a) Reasonable efforts shall be made to screen locations of construction material storage areas, chemical toilets, dumpsters and other unsightly items from the line of sight of the Golf Course;
- (b) All construction areas shall be kept in good order: all debris shall be placed in trash receptacles or dumpsters (which shall be emptied as necessary during construction in order to prevent spillage of debris on the ground) or handled as otherwise directed by the Architectural Control Committee; and
- (c) Except for drainage required by governmental authorities, no permanent open trenches will be located adjacent to the Golf Course. Any trenches required by governmental authorities shall be designed so as to minimize any adverse aesthetic impact on the Golf Course and the Property.

7.4.3 The view of the Golf Course from Lots may be impaired by scoreboards, tents and other temporary or permanent obstructions or structures installed or erected within the boundaries of the Golf Course and the Common Areas in connection with uses of the Golf Course. No Owner shall be entitled to assert any claim or to bring any action relative to any such impairment of view of the Golf Course.

Article X of the Declaration is hereby amended as follows:

Section 10.10 of the Declaration is hereby deleted, and is replaced and amended to state as follows:

Section 10.10

Laundry, Rubbish, and Open Fires.

10.10.1 Laundry. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Commons Areas, or on any Lot in a manner visible from any Common Area, neighboring Lot, Dwelling Unit or street.

10.10.2 Rubbish. The Common Areas and Lots shall be kept free and clear of rubbish, debris and other unsightly materials. All trash, garbage and other rubbish shall be deposited only in covered sanitary containers as provided in Section 10.14 below.

10.10.3 Fires. No open fires shall be permitted on any part of the Subdivision other than fires in charcoal or natural gas cooking grills (or other similar cooking devices) or, subject to regulation by the Architectural Control Committee, masonry or freestanding outdoor fireplaces or fire pits. Open fires on any part of the Common Areas shall only be permitted on or in grills, fireplaces and fire pits owned by the Association, and constituting a part of the Recreational Facilities, if any. Use of grills, fireplaces and fire pits shall be in compliance with local, state and federal rules and regulations. The burning of yard waste, rubbish, construction debris, and other similar materials is strictly prohibited.

Section 10.11 of the Declaration is hereby deleted, and is replaced and amended to state as follows:

Section 10.11 Prohibited Activities. Except as otherwise provided in this Declaration, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, shall be conducted, maintained or permitted on any part of the Subdivision. A Lot Owner is permitted to place and maintain a single, standard "For Sale" or "For Rent" sign only in the window or front yard of a Lot with a completed dwelling. "For Sale" signs are not permitted on vacant Lots. Placement and size restrictions on such signage may be promulgated and enforced by the Board of Directors. No other sign that is visible from the outside of the house may be placed on any part of the Subdivision except as expressly permitted by the Board of Directors. Declarant and/or the Board shall have the right to immediately remove and dispose of those items in violation of this Declaration. An Owner must obtain the prior written consent of the Board of Directors in the event an Owner desires to maintain a "For Sale" or "For Rent" sign which is not of a typical size within the industry, or desires to maintain other displays or advertising, unless otherwise provided for under the Rules and Regulations. The right is reserved by the Declarant to use any such unsold or unoccupied Dwelling Units or other structures in the Subdivision as models and/or offices in connection with the construction, sale or rental of Lots. *THIS DOCUMENT REGULATES OR PROHITS THE DISPLAY OF POLITICAL SIGNS.*

So long as the Declarant owns a Lot, no action may be taken nor may any Rule or Regulation be adopted or amended that would (a) directly or indirectly alter the exterior appearance of any part of the Subdivision; (b) reduce or discontinue any maintenance standard or practice in

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effect as of the date when the Declarant no longer controls the Board; (c) adversely affect the Declarant's sale or leasing of any Lots; or (d) otherwise adversely affect the Declarant, any of its rights, or any Lot owned by it without, in each case, first obtaining the Declarant's written consent.

Section 10.13 of the Declaration is hereby amended to add the following sentence: "The provisions of this Section 10.13 shall not apply to Phase 5 of the Subdivision, short term vacation rentals being specifically permitted therein."

Section 10.19 of the Declaration is hereby deleted, and is replaced and amended to state as follows:

Section 10.19 Restricted Activities Regarding Lakes and Ponds. The Property will contain one or more lakes or ponds which may or may not be Common Area. With respect to construction of any Improvements on any Lot that abuts a lake or pond, a silt fence or barrier shall be placed and maintained across each such Lot during the construction of any Improvements thereon in such manner as to protect the lake or pond from soil erosion and silt. Such fence or barrier shall be constructed prior to the commencement of any construction of Improvements, including clearing or grading, and shall remain in place until such time as the said Lot has been landscaped or stabilized in a manner that will protect the lake or pond from soil erosion and silt. No pesticides or other toxic, hazardous or harmful chemicals shall be used for any purposes whatsoever within thirty (30) feet of any lake or pond. Any such chemicals used or applied more than thirty (30) feet from any lake or pond shall be used or applied so as to prevent the spread or dissemination of such chemicals into the lake or pond. Lot Owners are strictly prohibited from constructing any piers, jetties, docks, boat houses, boat ramps/launches, storage facilities or other similar structures on or in any portion of a lake or pond. The Association may, in its discretion, construct piers or docks in lakes or ponds in areas adjacent to Common Area lands, the same becoming part of the Recreational Facilities when built. Use of such Recreational Facilities, as well as boating and fishing in Common Area lakes or ponds, shall be subject to regulation by the Board of Directors and is deemed prohibited unless specifically authorized by such regulations. Swimming in any lake or pond is strictly prohibited.

Section 10.21 of the Declaration is hereby deleted.

Section 10.22 of the Declaration is hereby deleted, and is replaced and amended to state as follows:

Section 10.22 Mailboxes, Newspaper Tubes, and House Numbers. All mailboxes shall be affixed to a substantial pole or stand permanently placed in the ground and shall not be located within a sidewalk or other Common Area. Newspaper tubes shall conform to the architectural guidelines for same, if any. Architectural guidelines with respect to mailboxes and newspaper tubes may require, prohibit, or restrict or specify one or more of the following: method and type of support; style, material, color, size, height and one or more of the foregoing with respect to the numbering and/or lettering to be placed on a mailbox or newspaper tube, or affixed thereto.

There may be different mailbox and newspaper tube requirements for the various phases of the Subdivision. House numbers may be displayed on Dwelling Units only as approved by the Architectural Control Committee.

Section 10.25 of the Declaration is hereby deleted, and is replaced and amended to state as follows:

Section 10.25 Vehicular Restrictions

10.25.1 No motorcycles, mopeds, motorized scooters, all-terrain vehicles or other motorized conveyances which are not designed for common use on the streets in any municipality in North Carolina shall be driven on the Roadways, Golf Course or sidewalks of the Subdivision.

10.25.2 Golf carts may be driven within the Subdivision only in areas designated by the Association for golf cart use, subject to such rules and regulations governing the same as may be promulgated by the Association.

10.25.3 All motorized vehicles used on the Roadways of the Subdivision shall be duly registered with the North Carolina Department of Motor Vehicles and driven by a duly licensed driver.

10.25.4 This section shall not apply to motorized golf course maintenance equipment owned and operated by the Golf Course owner, its officers, employees and independent contractors, the use of the Roadways in the Subdivision by such equipment being integral and necessary for the maintenance and upkeep of the Golf Course.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment:

SIGNATURES AND CONSENTS APPEAR ON FOLLOWING PAGES

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment:

MILL RUN DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company,

BY: Cameron McRae
Cameron McRae

ITS: Managing Member

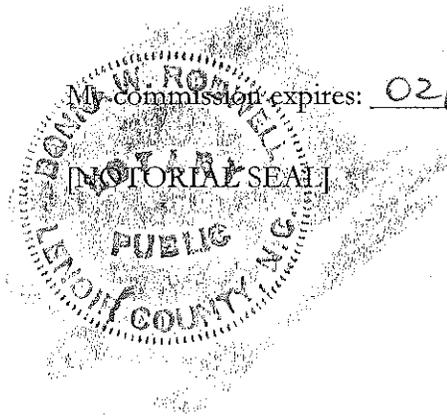
STATE OF NC
COUNTY OF Lenoir

I, Dannah Rodwell, a Notary Public of said County and State certify that Cameron McRae, being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he is MANAGING MEMBER of MILL RUN DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company, and that by authority duly given, he voluntarily executed the foregoing instrument, as the act of such limited liability company.

Witness my hand and notarial seal, this 16th day of February, 2016.

Dannah Rodwell
Notary Public

My commission expires: 02/19/17



CONSENT OF MORTGAGEE

Paragon Commercial Bank, a North Carolina banking corporation and holder of a deed of trust recorded in the Office of the Greene County, North Carolina Register of Deeds, in Book 610, Page 904, modified by document recorded in Deed Book 629, Page 438 hereby consents to the execution and delivery of the foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION, and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION.

IN WITNESS WHEREOF, Paragon Commercial Bank, by its authorized officer, and the undersigned Trustee have caused this Consent to be executed this 16th day of February, 2016.

Paragon Commercial Bank

By: [Signature]
Name: Jason Rapuano
Title: CDO/SVP

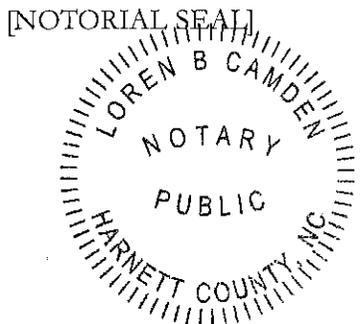
STATE OF NC
COUNTY OF Harnett

I, Loren B Camden, a Notary Public of said County and State certify that Jason Rapuano, being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he/she is Senior Vice President of Paragon Commercial Bank, a corporation and that said writing was signed by him/her in behalf of said corporation by its authority duly given. And the Senior Vice President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and notarial seal, this 16 day of Feb, 2016.

[Signature]
Notary Public

My commission expires: 3/19/18



CONSENT OF GOLF COURSE OWNER

CUTTER CREEK GOLF CLUB II, LLC, a North Carolina limited liability company, hereby consents to the execution and delivery of the foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION, and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION.

IN WITNESS WHEREOF, Cutter Creek Golf Club II, LLC, by its authorized officer, and have caused this Consent to be executed this 16th day of February, 2016.

Cutter Creek Golf Club II, LLC

By: Cameron McRae
Name: Cameron McRae
Title: Manager

STATE OF NC
COUNTY OF Lenoir

I, Donna W Rodwell, a Notary Public of said County and State certify that Cameron McRae, being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he/she is the Manager of Cutter Creek Golf Club II, LLC, and that said writing was signed by him/her in behalf of said company by its authority duly given.

Witness my hand and notarial seal, this 16th day of February, 2016.

Donna W Rodwell
Notary Public

My commission expires: 02/19/17



STATE OF NORTH CAROLINA
GREENE COUNTY

SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CUTTER CREEK PLANTATION

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION (this "Amendment") is made this the 17th day of July, 2023, by MILL RUN DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company, Grantor and Grantee for indexing purposes, whose registered mailing address is P.O. Box 277, Kinston, North Carolina 28502 (the "Declarant").

WITNESSETH:

WHEREAS, Mill Run Development Group, LLC recorded the Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation dated March 27, 2007, the same being recorded in Book 0611, Page 0529 in the office of the Register of Deeds of Greene County (as amended and supplemented, the "Declaration");

WHEREAS, Declarant rights were transferred from Mill Run Development Group, LLC to Declarant by Deed recorded in the Book 650, Page 79 and by Assignment of Declarant Rights recorded in Book 651, Page 799, both of the foregoing being recorded in the office of the Register of Deeds of Greene County;

WHEREAS, Declarant previously amended Article VII of the Declaration via the First Amendment to Declaration of Covenants, Conditions and Restrictions for Cutter Creek Plantation recorded in Book 695, Page 179 in the office of the Register of Deeds of Greene County ("First Amendment");

WHEREAS, Declarant desires to further amend Article VII of the Declaration;

WHEREAS, Cutter Creek Golf Club II, LLC is the current owner of the Golf Course and joins in and consents to the amendments by Declarant herein; and;

WHEREAS, as provided in Sections 11.4, 4.4, and 4.5 of the Declaration, the Development Period has not elapsed and the Declarant may unilaterally amend the Declaration for the purpose stated herein.

NOW, THEREFORE, Declarant hereby declares that the Declaration is amended as appears below. The above recitals are incorporated herein and made a part hereof.

1. Article VII, Section 7.3.2 of the Declaration is hereby amended and restated as follows:

Section 7.3 Golf Course Membership Covenant.

...

7.3.2 All Owners of each Lot (Owner, for purposes of this Article, shall include both individual and Corporate Owners (as defined below)), by acceptance of a deed therefor, whether or not it shall be expressed in the deed, shall automatically become obligated, from the date of acceptance of the deed for such Lot (i) to submit an application for a Residential Membership in Cutter Creek Golf Club II, LLC d/b/a Cutter Creek Golf Club or any successor or assign of such entity, as applicable (Cutter Creek Golf Club II, LLC, including any successor or assign, referred to generally herein as "Cutter Creek Golf Club" or "Club") or any equivalent of a Residential Membership as established from time to time in the sole discretion of the Club, within thirty (30) days of acceptance of a Deed for such Lot, (ii) to become and thereafter remain a Residential Member (or its equivalent as applicable) of the Club, and (iii) to abide by all rules, regulations, or other requirements of the Club as applicable and pay the dues, fees and other charges associated with the Residential Membership category (or its equivalent as applicable) in the Cutter Creek Golf Club and imposed, assessed or levied by the Cutter Creek Golf Club, all in accordance with and subject to the terms of this Declaration and any membership rules or regulations of the Cutter Creek Golf Club. All dues, fees and other charges so imposed, assessed or levied shall, to the extent not paid, be a charge and continuing lien upon any Lot and/or Dwelling Unit of the Owner(s) (the "Membership Lien"), and shall be specifically enforceable by the Association, its successors and assigns, upon notice to the Association, its successors or assigns, of the same by the Club. The Membership Lien shall be subordinate to the Association's lien for assessments, and subordinate to any first mortgage lien on such Lot. This Section 7.3.2 shall not apply to the Declarant, its affiliate entities, or any other Owners that purchased or

acquired a Lot prior to the recordation date of this Amendment, or to any recipient of a Lot pursuant to a gratuitous transfer from an Owner that purchased or acquired said Lot prior to the recordation date of this Amendment.

2. A new Section 7.3.9 is hereby added to Article VII of the Declaration immediately following Section 7.3.8 as follows:

7.3.9. For purposes of this Article, the term "Owner" shall include all individual owners and any "Corporate Owner." A "Corporate Owner" means any entity, including but not limited to, a corporation, limited liability company, partnership, trust, or other entity which is the record owner of a fee simple title to any Lot located within the Subdivision. Each Corporate Owner shall designate in writing to the Association no later than ten (10) days following the recording of the deed for the Lot, the name(s) of each owner of the Corporate Owner holding any equity in the entity, including but not limited to, any and all equity members, managers, partners, shareholders, or in the case of a trust, the primary beneficiaries of such trust (each a "Corporate Designee"). Where a Corporate Owner is owned in whole or in part by one or more other entities, the Corporate Designee(s) shall include any and all equity members, managers, partners, shareholders, or in the case of a trust, the primary beneficiaries of such trust. All Corporate Designee(s) of any Corporate Owner shall be subject to the requirements of Section 7.3.2 above, including but not limited to the requirements to each individually apply for a Residential Membership (or its equivalent as applicable) in the Club, to become and remain a Residential Member, abide by all rules, regulations, or other requirements of the Club as applicable, and each pay the dues, fees and other charges associated with the Residential Membership category (or its equivalent as applicable). Once admitted to the Residential Membership, Corporate Designees shall be entitled to exercise the rights of a Residential Member. It shall be the continuous responsibility of each Corporate Owner to notify the Association in writing of any change in the Corporate Designee(s) within ten (10) days of such change. The Board, in its sole and absolute discretion, may charge a change of Corporate Designee fee at the time of such change.

3. Except as amended hereby, the Declaration shall continue in full force and effect. Notwithstanding anything to the contrary herein, any Owners that accepted a deed for a Lot between February 18, 2016 and the recordation date of this Amendment shall continue to be bound by the terms of the language in Section 7.3.2 of the First Amendment.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment:

SIGNATURES AND CONSENTS APPEAR ON FOLLOWING PAGES

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment:

MILL RUN DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company,

BY: Cameron McRae
Cameron McRae

ITS: Managing Member

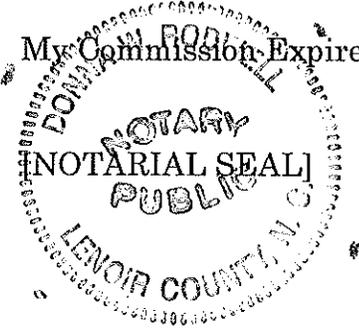
STATE OF NC
COUNTY OF Lenoir

I, Donna W Rodwell, a Notary Public of said County and State certify that Cameron McRae, being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he is MANAGING MEMBER of MILL RUN DEVELOPMENT GROUP II, LLC, a North Carolina limited liability company, and that by authority duly given, he voluntarily executed the foregoing instrument, as the act of such limited liability company.

Witness my hand and notarial seal, this 17th day of July, 2023.

Donna W Rodwell
Notary Public

My Commission Expires: 02/19/2027



CONSENT OF GOLF COURSE OWNER

CUTTER CREEK GOLF CLUB II, LLC, a North Carolina limited liability company, hereby consents to the execution and delivery of the foregoing SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION, and to the filing thereof, in the office of the County Recorder of Greene County, North Carolina, and further subject and subordinate the above-described deed of trust to the provisions of the foregoing SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CUTTER CREEK PLANTATION.

IN WITNESS WHEREOF, Cutter Creek Golf Club II, LLC, by its authorized officer, and have caused this Consent to be executed this 17th day of July, 2023.

Cutter Creek Golf Club II, LLC

By: Cameron McRae

Name: Cameron McRae

Title: Managing Member

STATE OF NC
COUNTY OF Lenoir

I, Donna W Rodwell, a Notary Public of said County and State certify that Cameron McRae, being personally known to me or identified by satisfactory evidence, came before me this day and acknowledged that he/she is the Managing Member of Cutter Creek Golf Club II, LLC, and that said writing was signed by him/her in behalf of said company by its authority duly given.

Witness my hand and notarial seal, this 17th day of July, 2023.

Donna W Rodwell
Notary Public



commission expires: 02/19/2027