Melanie Arthur CARTERET COUNTY
HD Date 03/29/2006 Time 12:59:00
BR 1164818 Page 1 of 28

NORTH CAROLINA, CARTERET COUNTY
This instrument and this certificate are duly filed at the date and time and in the Book and Page shown on the first page hereof.

Melanie Arthur Register of Deeds
By Lisa Lewis
Asst/Deputy Register of Deeds

THIS INSTRUMENT PREPARED BY: JAMES W. THOMPSON, Attorney At Law, 1207-A Arendell Street, Morehead City, North Carolina 28557

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

COUNTRY CLUB RUN SUBDIVISION

(Map Book 30, Page 841, (Lots 113-139, Phase 1), and Map Book 30, Page 868, (Lots 26-28, 91, and 98-112, Phase 1) Carteret County Registry

THIS DECLARATION OF COVENANTS AND RESTRICTIONS (hereafter "Declaration") is dated this 29 day of March, 2006 and is made and executed by MGM, Inc. (hereafter "Declarant") for the purposes and premises which follow.

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of certain subdivision of real property located in Morehead Township, Carteret County, North Carolina, which is described as "Country Club Run", Map Book 30, Page 841, (Lots 113-139, Phase 1), and Map Book 30, Page 868, (Lots 26-28, 91, and 98-112, Phase 1) Carteret County Registry, hereinafter ("Plats"), which map descriptions are hereby incorporated herein by reference; and,

WHEREAS, Country Club Run is to be comprised of 151 residential building lots, of which 46 are shown on the Plats (hereafter "Lots") within its boundaries which are restricted by this Declaration, and designated street right of ways; and,

WHEREAS, Declarant desires to create a planned residential community within Country Club Run and to provide an overall plan of development therefor which will endeavor to assure orderly development, preservation of property values, maintenance of common areas, good streets, and the general safety of property owners, and to that end Declarant intends to subject, and does hereby subject Country Club Run to the restrictions, conditions, easements, charges, liens, and other encumbrances created hereby; and,

WHEREAS, Declarant may subsequently develop additional properties it now owns or later acquires, and subject the same to this Declaration in order to complete an overall scheme of development with common purposes and objectives, and does hereby reserve the unilateral right to do so; and,

WHEREAS, Country Club Run is a planned community created pursuant to the North Carolina Planned Community Act, N. C. General Statutes, Chapter 47F (hereafter "Planned Community Act"), and is not a condominium or townhouse project; and,

WHEREAS, Declarant has deemed it appropriate for the more complete and efficient achievement of the purposes and objectives of this Declaration to create a corporation of homeowners to which should and subsequently will be delegated and assigned the powers of owning, maintaining, and administering the Common Areas and facilities of Country Club Run; to administer and enforce the covenants and restrictions encumbering Country Club Run; to levy and collect the dues and assessments required for the sound fiscal operation of the affairs of the corporation; and to

perform such other proper purposes which it may be empowered to perform pursuant to the Planned Community Act, its by-laws, and this Declaration, or which may be reasonably necessary for the achievement of its specific purposes; and

WHEREAS, for the aforesaid purposes the Declarant has formed, or will subsequently form, said corporation under the name "Country Club Run Owners Association, Inc." (hereafter "Association"), a non-profit corporation chartered under the laws of the State of North Carolina, membership in which corporation shall be mandatory for all owners of Lots; and,

WHEREAS, Declarant reserves the unilateral right to assign to third parties all or some of its rights and obligations herein, and all subsequent references to Declarant shall include any such assignees of Declarant.

NOW, THEREFORE, this Declaration shall govern the use, ownership, and management of Country Club Run from the time of recordation of this instrument.

ARTICLE I
(Definitions)

The following definitions shall apply to this Declaration:

1. "Association" shall mean and refer to Country Club Run Owners Association, Inc.

2. "Common Areas" shall mean all aspects of Country Club Run, other than the designated Lots.

3. "Residence" shall mean and refer to a residential home upon a Lot which has been fully constructed and is ready for occupancy. For purposes of this subparagraph, a Residence shall be deemed "fully constructed" if a certificate of occupancy has been issued by the appropriate

authority. Twelve (12) months shall be considered adequate time to complete construction of a Residence once construction has begun.

4. "Family" shall mean and refer to one person living alone or two or more persons, whether related to each other by birth or not, living together in the same Residence and having common housekeeping facilities.

5. "Lot" (and Lots as the context requires) shall mean and refer to any of the numbered lots which are platted upon the recorded maps (the Plats) of Country Club Run, and such other lots in subsequently developed phases projects as may become subject to this Declaration.

6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, holding the fee simple title to any Lot. A tenant, lessee, mortgagee, or beneficiary of a deed of trust is not an Owner.

7. "Person" shall include any individual, partnership, corporation, trust or other entity.

8. "Property" shall mean and refer to all of the property appearing within the solid boundary lines of any recorded plat of Country Club Run.

ARTICLE II
(General Use Restriction of Lots)

All Lots in Country Club Run are hereby dedicated and restricted solely for use as single family Residences, subject to Declarant's reserved rights as set forth in Article IV, Section 15 below.

ARTICLE III
(Subjecting Additional Property To This Declaration)

If and when new properties are developed by Declarant, whether referred to as "Country Club Run" or some other designation, Declarant may, by supplemental declaration to be filed in the Office of the Register of Deeds of Carteret County, make such new properties or portions thereof

subject to this Declaration so that lots and lot owners therein will automatically be bound hereby. However, Declarant reserves the right to impose different covenants upon such subsequently developed property.

ARTICLE IV
(Lot Use Restrictions)

1. Lot Use and Building Type. No Lot shall be used except for single-family residential purposes. No building or structure shall be erected, altered or permitted to remain on any Lot other than a single family dwelling with an attached private garage for two cars, and a single outbuilding as described below. A two car attached garage is mandatory. Before commencing construction, the plans for such structures must be approved by the Architectural Control Committee in accordance with Article V herein. A single outbuilding may be constructed upon a Lot provided it is either 10' x 12' or 12' x 14' in exterior dimension, and has exterior siding of the same materials as that of the Residence; and also the same type and color of roof shingles and same roof pitch as the Residence. No other outbuilding, shed, storage barns, or detached structures of any sort, temporary or otherwise, shall be allowed, except for temporary toilets during construction as required by applicable law.

2. Dwelling Size. The enclosed floor heated area of a Residence, exclusive of porches and garages (whether open or closed), shall not be less than 1475 square feet for all lots abutting Sneed Street, Palmer Way, Els Court, and Player Lane west of Sneed Street; and not be less than 2100 square feet for all lots abutting White Drive, Woods Court, Strange Court, and the remaining Lots along Player Lane.

3. Building Location. No Residence shall be located on any Lot nearer to the front, side or rear boundary lines than the minimum building set-back lines shown or described on the recorded plat of Country Club Run.

4. Animals. Only domestic house pets are permitted upon any Lot. No pets may be kept, bred or maintained for any commercial purposes. All pets shall be on a leash when off the premises of any Lot and may not be allowed to roam the neighborhood unrestrained. No dog houses, pet enclosures, cable runs, or similar pet accessories or restraints shall be permitted upon any Lot. Declarant specifically delegates to the Association the right and power to enact and enforce additional rules and regulations concerning the number, type, and manner of keeping domestic pets upon Lots as may be deemed appropriate by said Association in order to preserve and maintain the quiet and orderly character of the community, and to enhance property values.

5. Prohibition of Nuisance. No loud or boisterous conduct or noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

6. Recreational Equipment. No commercial or recreational equipment or vehicles, including boats, trailers, jet skis, motorhomes, ATV's, campers and other similar personal property (other than operational personal automobiles) may be parked or placed on any Lot or within any street right of way. No junk, wrecked or non-operational cars or vehicles or equipment shall be kept on any Lot at any time. However, an owner may keep a boat on a trailer on a Lot (but not within a street right of way) for up to 48 continuous hours, but no more than one such period per week. The Association is given authority to enact reasonable rules and regulations which would permit the

temporary parking of such equipment and vehicles on a Lot for the sole purpose of accommodating the loading or off loading of gear and equipment.

7. Clotheslines, Antennae, Etc. No outdoor clotheslines shall be allowed. Satellite dishes must be approved by the Architectural Control Committee to ensure that they are suitably located or screened from view from all sides. Only small dishes (approximately 18" diameter) shall be allowed. No exterior TV or radio antennae shall be allowed.

8. Pre-Fabricated Houses; Trailer Homes; Mobile and Modular Homes. No building, house, room, or other structure which is constructed in whole or in part at a place other than upon a Lot and then delivered to the Lot, such as house trailers, "double-wide" mobile homes, "off-site/stick-built" homes, and modular homes, shall be located upon any Lot, either temporarily or permanently. Pre-assembled roof and floor trusses are permitted.

9. Signs. No sign or billboard or advertising of any kind shall be erected or allowed on any Lot other than a 'For Sale" or "For Rent" sign not larger than two (2) feet by two (2) feet. Provided, however, this provision shall not prevent use by Declarant, or its assigns, of advertising signs which shall advertise the entire Country Club Run project or promote financing. The allowed "For Sale" and "For Rent" sign shall be removed upon completion of the sale or rent transaction.

10. Mailboxes/Newspaper boxes. Each Lot may have a single mailbox/newspaper pole or post that supports both boxes. The mailbox/newspaper box must be approved by the Architectural Control Committee as provided in Article V herein.

11. Driveways. Each Lot on which a Residence is constructed shall have a paved driveway. For purposes of this paragraph the term "paved driveway" shall be deemed to mean a

driveway of formed and poured concrete only, and shall include parking space, on each Lot itself, for at least two automobiles.

12. Fuel Oil Tanks; Trash Receptacles. Any propane or fuel oil tanks shall be buried, placed in the basement of the dwelling house, or shall be enclosed by screening or plantings in such manner that they will not be visible from the front of lots, and such that the structure within which the tank is housed blends harmoniously with the dwelling house. All trash cans shall, likewise, be enclosed or screened such that they cannot be viewed from off the Lot. Location and screening of tanks and trash cans must be approved by the Architectural Control Committee and may be otherwise regulated by the Association.

13. General Construction Standards. To enhance and sustain property values, it is intended that the entire subdivision have an aesthetically pleasing and generally harmonious look, and that each Residence be compatible in style with other Residences, as determined by the Architectural Control Committee. Therefore, the following general standards shall apply:

a. All dwellings shall have a front porch or front stoop which is covered by the same materials as that of the main roof structure.

b. All dwellings shall have an enclosed, attached two (2) car garage.

c. Exterior colors shall be harmonious as determined by the Architectural Control Committee.

d. All utilities shall be underground.

e. There shall be no fences on any Lots except as approved by the Architectural Control Committee for purposes of enclosing portions of back yards, screening tanks, HVAC

components, or trash cans. Fences approved for these purposes must be constructed on either wood pickets painted white or white vinyl, and not exceeding 4 feet in height.

f. The Architectural Control Committee shall approve all landscaping on which Residences are built and may enact general rules and regulations regarding landscaping. Any changes thereafter to any Lots, including but not limited to additional clearing, planting of trees, shrubs, gardens or any other alterations, shall require prior approval by the Architectural Control Committee as provided for in Article V.

14. Sight Triangles. There are small "triangle" areas at street corners within which areas nothing may be placed or planted. These areas are described upon the recorded plat of the Property. No construction, fence, building, or any other item or fixture of any sort may be placed within said areas, nor any plantings of shrubs, trees, or other forms of vegetation (except grass) - this for the purpose of assuring safety and unobstructed views of traffic for vehicles preparing to enter onto the public right of way.

ARTICLE V
(Architectural Control Committee)

The Lots to which this Declaration applies are governed by an Architectural Control Committee as described below.

1. General. There is hereby created an Architectural Control Committee (hereinafter, the "Committee") for Country Club Run. This Committee shall be a standing committee of the Association. Said Committee shall consist of three (3) members. The members of the Committee shall be appointed by Declarant until such time as all Lots in Country Club Run are conveyed by Declarant, or until such earlier time as Declarant shall elect to transfer appointment

rights to the Association. Such transfer shall be accomplished by written notice of same to the Association from Declarant. Upon such notice, or upon the conveyance by Declarant of the last Lot to be conveyed by Declarant, the Association Board of Directors shall appoint the members of the Architectural Control Committee.

No Residence, fence or wall, sign, or other structure shall be commenced, or erected or maintained upon a portion of the Property, nor shall any addition, change, or alteration (including repainting or residing) to any exterior be made until the plans and specifications showing the dimensions, nature, kind, height, materials, color, and locations of the same shall have first been submitted to and approved in writing by the Committee.

2. Plans. It shall not be required that house plans be prepared by a registered architect licensed to practice in the State of North Carolina. All plans presented to the Architectural Control Committee must, however, be of professional quality, must be complete, and must fairly depict the exterior appearance and site plan for the proposed improvements. All plans and specifications must be submitted to the Architectural Control Committee at least ten (10) days prior to application for a building permit. The submissions shall show by plot plans, elevations, and perspective sketches all proposed improvements including locations, architectural features and landscaping. In the event said Committee fails to respond, in writing, on a proper submission, within thirty (30) days after sufficient plans have been submitted to it, this Article will be deemed to have been fully complied with, and the plans shall be deemed approved.

3. Approval. The Committee will review and shall approve the plans and specifications if the proposed improvements meet all of the requirements of this Declaration, and if in the Committee's opinion, the exterior appearance of the property will be visibly compatible and

harmonious with other development in the subdivision. Architectural style and materials must be, in the opinion of the Committee, professionally and aesthetically acceptable, and harmonious with those of other dwellings. Notification of approval or disapproval shall be in writing.

By acceptance of a deed, purchasers agree that the actions of the Committee are in the best interest of all Owners within the subdivision and that they will abide by the decisions of the Committee. Declarant, the Committee, or other Owners may seek injunctions to compel compliance with Committee decisions, or damages resulting from failure to act in accordance with directions of the Committee.

4. Site Standards. Prior to any clearing of any Lot, the owner thereof shall first submit a plan for clearing said Lot and preparation of the building site to the Architectural Review Committee for approval. Thereafter, the Committee shall determine if such plan is harmonious with the overall aesthetic appearance of the subdivision in terms of the development of existing residences; is consistent with sound environmental practices and drainage issues; and meets the requirements of stormwater regulations. The Committee shall either approve or disapprove such plans within the time period set forth in this Article V for the approval of building plans.

5. Appeal. Any Owner submitting plans, as required by this Declaration, to the Architectural Control Committee, shall be entitled to appeal any adverse ruling to the Board of Directors of the Association. In order to avail himself of this right of appeal, the aggrieved party must notify the Board of Directors, in writing, requesting a hearing, said notification to be given to the Board of Directors within seven (7) days after his receipt of written notification of the adverse decision from the Committee. The Association shall schedule the hearing within fourteen (14) days after receipt of said notice, shall give to the aggrieved Owner written notice of the date of said

hearing, and shall give the Owner the right to appear and personally state his case. The decision of the Board of Directors of the Association shall be controlling in all such matters, and all Owners hereby agree to be bound by such decision. The board shall overturn a decision of the Committee only if a finding is made that the decision of the Committee was arbitrary, and without rational basis.

ARTICLE VI
(Utilities)

The Property is within the municipal limits of the Town of Morehead City. Therefore, all water and sewer disposal shall be through the system provided by the Town. All users of such services agree to pay rates established by the Town for the use of such services and to pay any required tap on fees.

ARTICLE VII
(Country Club Run Owners Association, Inc.)

Declarant has caused or will cause to be created a non-profit corporation called Country Club Run Owners Association, Inc. (herein, the "Association"), which Association shall be governed pursuant to this Article, its by-laws, and the Planned Community Act.

1. Membership. Every person having any fee ownership of a Lot in Country Club Run shall be a member of the Association, excluding only persons holding such interest as security for performance of an obligation. Lessees, regardless of length of term of lease, shall not be members. The Association shall have two classes of voting membership:

a. Class A Members: Class A Members shall be all those Owners as defined in Article I of this Declaration, with the exception of the Declarant. When more than one Owner holds an interest in any Lot, all Owners of such Lot shall be Members.

b. Class B Member: The Class B Member shall be the Declarant. However, Declarant's membership status shall expire at such time as it conveys the last Lot it owns in Country Club Run. Further, in the event Declarant owns no more than one Lot in Country Club Run and has not sold said Lot for at least six (6) months, its membership status shall automatically convert to Class A, with voting rights as set forth below.

2. Voting Rights. Members shall be entitled to vote at all annual and special meetings of the general membership on matters required by the by-laws of the Association, this Declaration, or any applicable statute to be voted upon. While all Owners, other than Declarant, shall be Class A Members, there shall be only one vote per Lot entitled to be cast at meetings of the Association by such Owners. In cases where two people are Owners (such as husband and wife, parent and child, or brother and sister), a unanimous vote of the two will be required; and in the case of three or more people (such as heirs), a simple majority shall be required. In the event that only one of multiple Owners of a Lot attends a meeting of the Association at which a vote is taken, or votes in some other fashion by approved proxy or otherwise, such vote for the Lot so represented will be presumed to be and recorded as the vote made and entered for that Lot, with the approval of all, or a majority of, the Lot Owners.

The Class B Member, the Declarant, shall have ten (10) votes per Lot, subject to the limitation on Declarant's membership status as stated in subparagraph 1 b. above.

3. Suspension of Voting Rights. The right of any Member to cast a vote for a Lot may be suspended by the Association for a substantial violation of the Association's rules and regulations, or of this Declaration.

4. Assessments. The owner of each Lot in Country Club Run, other than Declarant, is obligated to pay to the Association, for each Lot owned by it, the following:

a. Annual dues and assessments which, for the first fiscal year beginning on January 1, 2006, are in the amount of $500.00 per Lot, payable in quarterly installments of $125.00, in advance, on the first day of each calendar quarter. The initial Lot purchasers shall pay, at closing, the prorated portion of the current quarter's dues and assessments. The Board of Directors for the Association shall have the right to increase the annual dues and assessments by an amount not exceeding ten percent (10%) of the amount for the previous fiscal year, without approval of the general membership. Any increase above that amount shall require approval of not less than two thirds of the membership voting in person or by proxy at an annual meeting or at a special meeting called for that purpose at which a quorum is present.

b. Special assessments for extra-ordinary repair/restoration of all easements and Common Areas appearing on the recorded plat of Country Club Run, including the right-of ways of Country Club Run.

c. Each Lot shall pay the same assessment amount, whether annual or special. The annual assessment amount for each separate Lot shall be determined by the Board of Directors, subject to approval by membership as noted in subparagraph (a), above.

Until such time as the Town of Morehead City formally assumes repair and maintenance responsibility over the streets in Country Club Run, either the Declarant, or the Association, as hereafter provided, shall have such responsibility. However, Declarant and the Association shall have a right of action against any Lot owner or such owner's contractors for recovery of such road repair and maintenance costs when the necessity therefor is caused by the intentional or accidental

conduct of such owner or contractor. The Declarant's responsibility for street repair and maintenance is limited to repair and maintenance the necessity for which is caused by Declarant or any of Declarant's subcontractors. The Association shall have repair and maintenance responsibility for all other repair and maintenance, until the Town accepts the streets.

5. Use of Assessments. Assessments made by the Association shall be used to meet its obligation for street right of way maintenance until such time as the Town of Morehead City accepts the same; street lighting; all drainage and other easements; for landscape and other maintenance to Common Areas; and for all reasonable and necessary costs and expenses of administering its purposes and owning its Common Areas, such as taxes and insurance.

6. Obligation for Assessments; Lien for Assessments. All assessments, including interest thereon (at the rate of 18% per annum) shall be the joint and several obligation of the Owners of each Lot at the time the assessment is made. Annual assessments shall be deemed made on the first day of the fiscal year, which is the calendar year. Special assessments shall be deemed made on the date the special assessment is approved by the membership. Non-payment of an assessment within thirty (30) days of its due date shall give rise to the right of the Association to file a lien against the Lot against which such assessment applies, and to enforce said lien, pursuant to section 47F-3-116 of the Planned Community Act. The liens provided for herein shall have priority and be otherwise governed in accordance with such section.

7. Organization of Association. The organization and operation of the Association shall be as provided in this Declaration, the corporate charter, and by-laws.

ARTICLE VIII
(Duration)

These covenants are to run with the land and shall be binding on all parties and all persons, including Declarant and all persons claiming under them for a period of twenty-five (25) years from the date of recording of these covenants, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority of the then Owners of the Lots has been recorded, agreeing to change these covenants in whole or in part.

ARTICLE IX
(Amendment to Declaration)

Except for provisions herein related to stormwater management and wetlands restrictions, this Declaration may be amended by vote of 66 2/3rds percent of all votes entitled to be cast, in person or by proxy, at an annual meeting or a special meeting called for that purpose. The amendment must be signed by the President and Secretary of the Association and recorded in the Carteret County Registry to become effective, however this document may be amended by the additional of new sections to Country Club Run by the Declarant without the joinder of any other party.

ARTICLE X
(Enforcement)

Enforcement of this Declaration shall be by any proceeding in law or equity against any person violating or attempting to violate any provision hereof, whether to restrain a violation or to recover damages, and against the land to enforce any lien created by this Declaration, and failure by the Association or any Owner to enforce any provision herein contained shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any provision of this Declaration by

judgment or court order shall in no wise affect any other provision, and the same shall remain in full force and effect. The right of enforcement of these covenants is hereby decreed to be vested in any Owner, or Declarant, or the Association. To the extent permitted by the Planned Community Act, the Association shall be entitled to recover its reasonable attorney fees incurred in connection with any lawsuit brought by it to enforce the covenants, conditions, restrictions, and obligation for payment of assessments contained herein.

ARTICLE XI
(Interpretation)

This Declaration shall be interpreted in the spirit of reasonableness and, in the absence of authoritative court decisions, the interpretations placed thereon by Declarant shall prevail.

ARTICLE XII
(Stormwater Management)

In accordance with the Declarant's development permits, the following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 030302 as issued by the Division of Water Quality under NCAC 2H.1000. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit. These covenants are to run with the land and be binding on all persons and parties subsequently acquiring interests in the development project from the Declarant, and whether the instrument of conveyance mentions the covenants or not.. The following covenants shall apply to all Lots subject to this Declaration:

1. The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the North Carolina Division of Water Quality.

2. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality.

3. The allowable built-upon area per lot is 3,274 square feet for all lots except Lots 57, 58, 59, 74, 75, 76, 77, which excepted Lots will have an allowable built upon area of 5,500 square feet; and except Lots 15, 16, 24, 27, 85, 86, 99 and 102, which expected Lots will have an allowable built upon area of 3,615 square feet per Lot. These allotted amounts include any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

4. Filling in, piping or altering any vegetated conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.

5. Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters.

6. All roof drains shall terminate at least 30' from the mean high water mark of surface waters.

7. Filling in, piping or altering any designated 5:1 curb outlet swale associated with the development is prohibited by any persons.

8. This project proposes a curb outlet system. Each designated curb outlet swale shown on the approved plan must be maintained at a minimum of 100' long with 5:1 (H:V) side

slopes or flatter, have a longitudinal slope no steeper than 5%, carry the flow from a 10-year storm in a non-erosive manner, and maintain a dense vegetated cover.

9. Lots within CAMA's Area of Environmental Concern may have the permitted maximum built-upon area reduced due to CAMA jurisdiction within the AEC.

ARTICLE XIII
(Wetlands Restrictions)

All of the Property subject to this Declaration of Covenants and Restrictions shall also be subject to the following special provisions relating to wetlands. In developing the property, the Declarant has agreed with the Department of the Army Corps of Engineers (pursuant to a permit issued by the Corps of Engineers) to restrict and prohibit any future filling or other detrimental activities in the wetlands area which presently exist within the identified area of the Property. Accordingly, all wetlands shown and delineated on the wetland survey plat dated November 25, 2000, and verified by the Corps of Engineers on November 28, 2000, shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall fill, grade, excavate, or perform any other land disturbing activities; nor cut, remove, or harm any vegetation; nor construct any structures, nor allow animal grazing or watering or any other agricultural use on such conservation area. This covenant is intended to ensure continued compliance with the mitigation condition of authorizations issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, Action ID 200300858, and therefore may be enforced by the United States of America. This covenant shall run with the land, and shall be binding on the Owner, and all parties claiming under it.

This Declaration must be executed and recorded with Carteret County Register of Deeds prior to the selling or developing the Property. This recording must also include recording of a wetland survey verified by the U.S. Army Corps of Engineers and must depict the location of all waters and wetlands within the boundary of the Property. The Declarant shall provide the Corps with a copy of the recorded restrictive covenants as soon as possible.

ARTICLE XIV
(Common Areas)

Part of the Common Areas of the Property consist of a pool and clubhouse to be shown upon a plat to be recorded at a later date. On or before the date the Declarant sells and conveys the last Lot owned by it, Declarant shall execute a conveyance of all of the Common Areas and easement rights of Country Club Run to the Association, and Association shall accept said conveyance and thereafter manage and maintain the same at its sole responsibility and expense pursuant to this Declaration and the Planned Community Act. The Association shall have the responsibility to repair and maintain the Common Areas once they are completed and certified ready for use and occupancy (in the case of the clubhouse). However, the Declarant shall have such responsibility the necessity for which is caused by Declarant or its subcontractors.

ARTICLE XV
(Rights reserved by Declarant)

Notwithstanding anything to the contrary contained in this Declaration, the Declarant hereby unilaterally reserves the following rights for such time as Declarant owns any portion of the Property:

a. The right to complete improvements indicated on the recorded plats of Country Club Run.

b. The right to utilize any Lot in the subdivision as a model or models/sales facility for sale of Lots to which this Declaration applies, and whether Declarant owns said Lot or leases it from a third party.

c. The right to convey the street right of ways appearing upon the recorded plat to the Association for purposes of maintenance.

d. The right to assign any or all of Declarant's rights and obligations to third parties.

e. The right to contract with any utility or service provider for the provision of utilities and services to the Property (such as street lighting), and to delegate the responsibility for payment for such utilities and services to the Association.

f. The right to create any easement or impose any burden upon any of the Property not already sold and conveyed to third parties which becomes necessary to comply with any governmental or regulatory agency authority, or which is reasonably necessary to the proper development of Country Club Run.

g. The right to appoint all members of the Architectural Control Committee and all directors of the Association until such time as Declarant has sold 136 Lots in the development, or for the maximum period of time permitted under the Planned Community Act, whichever period is longer.

h. The right to annex additional property to the general Country Club Run development regime and to subject such property to this Declaration or amendments to the same.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed in its corporate name by its authorized corporate officer, all by order of its Board of Directors first duly given, the day and year first above written.

MGM, INC.

By: Mark Mansfield

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

I, Denise Lewis, a Notary Public of the aforesaid County and State, do hereby certify that Mark Mansfield personally appeared before me this day and acknowledged that he is Vice President of MGM, Inc., a corporation, and that by authority duly given and as the act of the corporation, the foregoing Declaration was signed in its name by her as Vice President.

WITNESS my hand and official stamp or seal this the 29th day of March, 2006.

Notary Public (Denise Lewis)
My Commission Expires: 10/30/2010

DENISE LEWIS
NOTARY PUBLIC
CARTERET COUNTY, N. C.

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