

**AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

This Amendment to the Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 4429, Page 165, Mecklenburg County Public Registry (“Amendment”) is made and entered into as of the ____ day of November, 2010, by and between Sardis Cove Homes Association, a North Carolina non-profit corporation, and all the persons and entities whose names and signatures are set forth on Schedule “A” to this Amendment, which is incorporated herein by reference.

RECITALS

WHEREAS, the Sardis Cove Homes Association (hereinafter the “Association”) is a property owners association and the persons and entities whose names and signatures are set forth on Schedule “A” are members of the Association by virtue of their ownership, whether individually or jointly, of a Lot within the Sardis Cove townhouse development, Mecklenburg County, North Carolina (hereinafter, collectively, the “Owners”); and

WHEREAS, the Owners acquired their Lots within the Sardis Cove townhouse development subject to the Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 4429, Page 165, Mecklenburg County Public Registry (the “Declaration”); and

WHEREAS, Article XIV of the Declaration, Section 3, provides that the Declaration may be amended after May 8, 2006, by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots within the Sardis Cove townhouse development; and

WHEREAS, the Owners, collectively, own more than fifty-one percent (51%) of the Lots subject to the Declaration and are desirous of amending the Declaration as hereinafter set forth; and

WHEREAS, the Owners have directed the preparation of this Amendment for the express purpose of amending the Declaration, effective as of the 1st day of January, 2011. (the "Effective Date").

NOW, THEREFORE, the Association and the Owners, by this Amendment, do declare that the Declaration shall be amended as hereinafter set forth such that the real property, including the Lots, subject to the Declaration shall be held, transferred, sold, conveyed and occupied subject to the Declaration as amended by this Amendment, which Declaration and Amendment shall run with the real property and be binding on all parties owning any right, title or interest in such real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

FIRST AMENDMENT

Article III, Section 3, of the Declaration shall be amended and restated, in its entirety, to read as follows:

Section 3. (a) In the event that the Owner of any residence ceases to occupy that residence as his own personal living quarters or in the event that any property within the development is leased for rental purposes to tenants, then, in such event, the vote as expressed by rental tenants, if voted in a block, shall not be entitled to any weight greater than forty-nine (49%) percent on any matter pending before the Townhouse Association.

(b) Effective January 1, 2011, all Lots shall be Owner occupied and no Lot shall, thereafter, be leased to a tenant or tenants, except that Owners of up to a maximum of fifteen percent (15%) of the Lots shall be permitted to enter into leases, provided, the Association shall maintain a listing of Owner Lots available for lease and Owners shall be permitted to lease their Lots in the order of priority set forth on such listing. The initial list shall include those Owners who's Lots are subject to a lease on the date hereof. Provided, further, leases shall be for an initial term of not less than one (1) year and prior to permitting occupancy by a tenant, each Owner entering into a lease of his/her Lot shall provide the Association with the name and address of the proposed tenant and a statement certifying that the lease is for an initial term of not less than one (1) year. The Association may, by duly adopted rules and/or regulations, require additional conditions and disclosures with respect to Lot leases, excluding, however, the financial terms thereof.

SECOND AMENDMENT

Article V of the Declaration shall be amended to add a new Section 11 which shall read as follows:

Section 11. Authorized Charges. In connection with the collection of past due assessments, charges and penalties authorized under this Article V, the Board of Directors of the Association may, on an annual basis, authorize the following:

(a) Interest on any assessment not paid within thirty (30) days after the due date at a rate of up to eighteen percent (18%) per annum.

(b) Attorneys fees incurred by the Association in the filing of liens authorized under Section 1 of this Article V in an amount of up to \$500.00 per lien filing.

(c) At least thirty (30) days prior to January 1 of each year, the Board of Directors shall fix the interest rate to be charged on past due assessments and the amount of attorneys fees chargeable in connection with lien filings in the following calendar year, and in the event the Board of Directors elects not to or fails to fix the interest rate and chargeable attorneys fees, the amount of the then applicable interest rate and/or chargeable attorneys fees shall be the fixed amount(s) for the following year.

THIRD AMENDMENT

Article XIV, Section 1, of the Declaration shall be amended and restated, in its entirety, to read as follows:

(a) Parties. The Townhouse Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Townhouse Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) Procedures for Fines and Suspensions. Pursuant to North Carolina General Statutes §47F-3-107.1, the Board of Directors shall be authorized to establish specific procedures for implementing fines and suspensions in connection with any alleged violations of this Declaration and/or a rule and/or regulation of the Association. To the extent applicable to property owner associations organized prior to January 1, 1999, the Association shall have all the authority and powers granted property owner associations under North Carolina General Statutes §47F-3-102.

FOURTH AMENDMENT

Article XIV, Section 3, of the Declaration shall be amended by adding the following paragraph to the present Article XIV, Section 3:

Effective January 1, 2011, this Declaration may also be amended no more than once during each calendar year under the following procedures:

(a) Any such proposed amendment(s) shall be presented to the Members at a special meeting of the Association called for the express purpose of considering such proposal;

(b) A written notice of the special meeting containing the proposed amending language shall be provided to the Members in accordance with the special meeting procedures set forth in the Association's Bylaws.

(c) The presence in person or by proxy at the special meeting of Members referenced in (b) hereinabove entitled to vote at least sixty percent (60%) of the votes held by Members shall constitute a quorum.

(d) A vote of a majority of the Members present at such special meeting in person or by proxy shall be required for adoption of the proposed amendment(s).

(e) Upon adoption, an amendment to this Declaration shall become effective upon the recordation of the amendment by the Association with the Register of Deeds, Mecklenburg County, North Carolina, in a form acceptable for the recordation of documents filed by property owner associations in the State of North Carolina.

Except as amended hereby, the Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 4429, page 165, Mecklenburg County Public Registry shall remain in full force and effect as presently written.

IN WITNESS WHEREOF, the parties hereunto have set their hands and seals the day and year first above written.

SARDIS COVE HOMES ASSOCIATION

By: _____
President

ATTEST:

Secretary