

Prepared by and return to: John E. Tate, Jr.

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

**THIRD AMENDMENT TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
DUNROY ON RUTLEDGE**

THIS AMENDMENT made this the _____ day of December, 2010, by DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company, (hereinafter collectively referred to as “Declarant”) and DUNROY ON RUTLEDGE ASSOCIATION, INC, a North Carolina Non Profit Corporation (hereinafter referred to as “Association”).

WITNESSETH:

WHEREAS, Declarant has heretofore made, executed and delivered a Master Declaration Of Covenants, Conditions and Restrictions For Dunroy On Rutledge(hereinafter the “Master Declaration”), same having been recorded in Deed Book 1014, Page 235, Henderson County Registry; and

WEHEREAS, such Master Declaration provided therein in Article II, Section 3 that the Declarant had the right , at its election without the consent of any Owner or Owners, to subject any phase, section or portion of the Property to additional controls, covenants , conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional

Declaration in the Office of the Register Of Deeds Of Henderson County covering only such Phase, section of portion of the Property; and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Meadow Manor Homes of Dunroy dated as recorded in Deed Book 1028, Page 075, Henderson County Registry (hereinafter the “ Meadow Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Forest Manor Homes of Dunroy dated as recorded in Deed Book 1037, Page 595, Henderson County Registry (hereinafter the “ Forest Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Mountain Manor Homes of Dunroy dated as recorded in Deed Book 1146 , Page 456, Henderson County Registry (hereinafter the “ Mountain Manor Declaration”); and

WHEREAS, Declarant has heretofore made executed and delivered an Amendment to the Master Declaration which was recorded in Deed Book 1028, Page 71 and a Second Amendment to the Master Declaration recorded in Deed Book 1261, Page 188, Henderson County Registry;(the Master Declaration , the Amendment and the Second Amendment hereinafter collectively referred to as the “Dunroy Master Declaration”); and

WHEREAS, the Dunroy Master Declaration in Article V, Section 5, contains provisions pursuant to which Declarant will pay an amount as described therein in lieu of the Annual Assessments as provided in the Dunroy Master Declaration prior to the Turnover Date as same is defined therein, but in recognition of the current economic conditions, Declarant desires to modify the provisions of such Section; and

WHEREAS, the Declaration provides in Article XIII, Section 2 that same may be amended by a vote of not less than sixty-seven percent of all votes entitled to be cast by

Members in accordance with the provisions thereof and by reason of the provisions of Section 2(b) of Article VI, Declarant, as a Class B Member is the owner and holder of sufficient Lots within the Association such that Declarant is entitled to votes totaling more than sixty-seven (67%) of all votes entitled to be cast at any meeting of the Association; and

WHEREAS the Master ByLaws provide in Article Fourteen that the Master Board shall have no power to adopt a By-Law increasing or decreasing the number of Directors and Declarant and the Association desire to increase the number of Directors appointed by Declarant to enable Declarant to appoint up to five (5) Directors who are owners of a Lot, without affecting the right of Declarant to appoint Directors of the Association; and

WHEREAS, in order comply with the provisions of the Dunroy Master Declaration and the Master ByLaws a duly called Meeting of the Master Association Members was held to approve and adopt the amendments provided herein.

NOW, THEREFORE, Declarant and the Association do hereby:

(1) amend and modify the Dunroy Master Declaration by deleting the provisions of Article V, Section 5 and substituting therefor the following:

“ Section 5. Obligations of Declarant Regarding Master Annual Assessments.

Notwithstanding the provisions of this Article V, or anything in this Declaration to the contrary, for calendar years beginning with 2010 and all future calendar years prior to the Turnover Date, Declarant shall have no obligation to render payment of any Master Annual Assessments for any Lot owned by Declarant , (including no obligation to pay Special Assessments or Special Individual Assessments). For calendar years beginning with the calendar year following the Turnover Date, Declarant shall be responsible for paying Master Annual Assessments in the same manner as any other Owner of a Lot located in Property.”

(2) amend and modify the Dunroy Master ByLaws by deleting the first sentence of Article Five, Section 1 and substituting therefor the following;

“ Section 1. Number, Tenure and Qualifications. As long as the Declarant owns any Lot or portion of the Property, the Declarant shall appoint not less than three (3), nor more than five (5) directors. “

Except as specifically provided herein, the terms and provisions of the Declaration and Bylaws, as amended shall remain in full force and effect.

By execution below, Declarant hereby consents to this Third Amendment.

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

SECRETARY'S CERTIFICATE

Pursuant to the provisions of Article XIII, Section 2 of the Master Declaration, the undersigned Secretary of the Association, hereby certifies that an affirmative vote of at least sixty (60%) percent of the Master Association Members entitled to vote was received in favor of this Amendment at a called meeting on the _____ day of December, 2010.

DUNROY ON RUTLEDGE ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
Secretary

DECLARANT:
DUNROY ON RUTLEDGE, LLC, a
North Carolina Limited Liability
Company

By: _____ (SEAL)
JOSEPH R. CROWELL
Manager

ASSOCIATION:
DUNROY ON RUTLEDGE ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
President

NORTH CAROLINA
HENDERSON COUNTY

I, a Notary Public of the County and State aforesaid, certify that JOSEPH R. CROWELL personally came before me this day and acknowledged that he is Manager of DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed and executed on its behalf.

Witness my hand and official stamp or seal, this ____ day of _____, 2010.

My Commission Expires: _____
Notary Public

SEAL-STAMP

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is PRESIDENT of DUNROY ON RUTLEDGE ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is SECRETARY of DUNROY ON RUTLEDGE ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

Prepared by and return to: John E. Tate, Jr.

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

**FIRST AMENDMENT TO
DECLARATION OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
THE FOREST MANOR HOMES
OF DUNROY**

THIS AMENDMENT made this the _____ day of December, 2010, by DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company, (hereinafter collectively referred to as “Declarant”) and THE FOREST MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation (hereinafter referred to as “Association”).

WITNESSETH:

WHEREAS, Declarant has heretofore made, executed and delivered a Master Declaration Of Covenants, Conditions and Restrictions For Dunroy On Rutledge(hereinafter the “Master Declaration”), same having been recorded in Deed Book 1014, Page 235, Henderson County Registry; and

WEHEREAS, such Master Declaration provided therein in Article II, Section 3 that the Declarant had the right , at its election without the consent of any Owner or Owners, to subject any phase, section or portion of the Property to additional controls, covenants , conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional

Declaration in the Office of the Register Of Deeds Of Henderson County covering only such Phase, section of portion of the Property; and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Meadow Manor Homes of Dunroy dated as recorded in Deed Book 1028, Page 075, Henderson County Registry (hereinafter the “ Meadow Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Forest Manor Homes of Dunroy dated as recorded in Deed Book 1037, Page 595, Henderson County Registry (hereinafter the “ Forest Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Mountain Manor Homes of Dunroy dated as recorded in Deed Book 1146 , Page 456, Henderson County Registry (hereinafter the “ Mountain Manor Declaration”); and

WHEREAS, Declarant has heretofore made executed and delivered an Amendment to the Master Declaration which was recorded in Deed Book 1028, Page 71 and a Second Amendment to the Master Declaration recorded in Deed Book 1261, Page 188, Henderson County Registry;(the Master Declaration , the Amendment and the Second Amendment hereinafter collectively referred to as the “Dunroy Master Declaration”); and

WHEREAS, the Forest Manor Declaration in Article V, Section 5, contains provisions pursuant to which Declarant will pay an amount as described therein in lieu of the Annual Assessments as provided in the Forest Manor Declaration prior to the Turnover Date as same is defined therein, but in recognition of the current economic conditions, Declarant desires to modify the provisions of such Section; and

WHEREAS, the Forest Manor Declaration provides in Article XII, Section 2 that same may be amended by a vote of not less than sixty-seven percent of all votes entitled to be cast by

Members in accordance with the provisions thereof and by reason of the provisions of Section 3(b) of Article IV, Declarant, as a Class B Member is the owner and holder of sufficient Lots within the Association such that Declarant is entitled to votes totaling more than sixty-seven (67%) of all votes entitled to be cast at any meeting of the Association; and

WHEREAS the ByLaws provide in Article Fourteen that the Board shall have no power to adopt a By-Law increasing or decreasing the number of Directors and Declarant and the Association desire to increase the number of Directors appointed by Declarant to enable Declarant to appoint up to five (5) Directors who are owners of a Lot, without affecting the right of Declarant to appoint Directors of the Association; and

WHEREAS, in order comply with the provisions of the Forest Manor Declaration and the ByLaws a duly called Meeting of the Forest Manor Association Members was held to approve and adopt the amendments provided herein

NOW, THEREFORE, Declarant and the Association do hereby:

(1) amend and modify the Forest Manor Declaration by deleting the provisions of Article V, Section 5 and substituting therefor the following:

“ Section 5. Payments by Declarant in Lieu of Annual Assessments.

Notwithstanding the provisions of this Article V, or anything in this Declaration to the contrary, for calendar years beginning with 2010 and all future calendar years prior to the Turnover Date, Declarant shall have no obligation to render payment of any Annual Assessments for any Lot owned by Declarant , (including no obligation to pay Special Assessments or Special Individual Assessments). For calendar years beginning with the calendar year following the Turnover Date, Declarant shall be responsible for paying Annual Assessments in the same manner as any other Owner of a Lot located in Property.”

(2) amend and modify the Forest Manor ByLaws by deleting the first sentence of Article Five, Section 1 and substituting therefor the following;

“ Section 1. **Number, Tenure and Qualifications.** As long as the Declarant owns any Lot or portion of the Property, the Declarant shall appoint not less than three (3), nor more than five (5) directors. “

Except as specifically provided herein, the terms and provisions of the Declaration and Bylaws, as amended shall remain in full force and effect.

By execution below, Declarant hereby consents to this First Amendment.

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

SECRETARY’S CERTIFICATE

Pursuant to the provisions of Article XIII, Section 2 of the Forest Manor Declaration, the undersigned Secretary of the Association, hereby certifies that an affirmative vote of at least sixty (60%) percent of the Forest Manor Association Members entitled to vote was received in favor of this Amendment at a called meeting on the _____ day of December, 2010.

ASSOCIATION:

THE FOREST MANOR HOMES OF DUNROY
ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
Secretary

DECLARANT:
DUNROY ON RUTLEDGE, LLC, a
North Carolina Limited Liability
Company

By: _____ (SEAL)
JOSEPH R. CROWELL
Manager

ASSOCIATION:

THE FOREST MANOR HOMES OF DUNROY
ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
President

NORTH CAROLINA
HENDERSON COUNTY

I, a Notary Public of the County and State aforesaid, certify that JOSEPH R. CROWELL personally came before me this day and acknowledged that he is Manager of DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed and executed on its behalf.

Witness my hand and official stamp or seal, this ____ day of _____, 2010.

My Commission Expires: _____
Notary Public

SEAL-STAMP

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is PRESIDENT of THE FOREST MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is SECRETARY of THE FOREST MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

Prepared by and return to: John E. Tate, Jr.

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

**FIRST AMENDMENT TO
DECLARATION OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
THE MOUNTAIN MANOR
HOMES OF DUNROY**

THIS AMENDMENT made this the _____ day of December, 2010, by DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company, (hereinafter collectively referred to as “Declarant”) and THE MOUNTAIN MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation (hereinafter referred to as “Association”).

WITNESSETH:

WHEREAS, Declarant has heretofore made, executed and delivered a Master Declaration Of Covenants, Conditions and Restrictions For Dunroy On Rutledge(hereinafter the “Master Declaration”), same having been recorded in Deed Book 1014, Page 235, Henderson County Registry; and

WEHEREAS, such Master Declaration provided therein in Article II, Section 3 that the Declarant had the right , at its election without the consent of any Owner or Owners, to subject

any phase, section or portion of the Property to additional controls, covenants , conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Register Of Deeds Of Henderson County covering only such Phase, section of portion of the Property; and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Meadow Manor Homes of Dunroy dated as recorded in Deed Book 1028, Page 075, Henderson County Registry (hereinafter the “ Meadow Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Mountain Manor Homes of Dunroy dated as recorded in Deed Book 1037, Page 595, Henderson County Registry (hereinafter the “ Mountain Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Mountain Manor Homes of Dunroy dated as recorded in Deed Book 1146 , Page 456, Henderson County Registry (hereinafter the “ Mountain Manor Declaration”); and

WHEREAS, Declarant has heretofore made executed and delivered an Amendment to the Master Declaration which was recorded in Deed Book 1028, Page 71 and a Second Amendment to the Master Declaration recorded in Deed Book 1261, Page 188, Henderson County Registry;(the Master Declaration , the Amendment and the Second Amendment hereinafter collectively referred to as the “Dunroy Master Declaration”); and

WHEREAS, the Mountain Manor Declaration in Article V, Section 5, contains provisions pursuant to which Declarant will pay an amount as described therein in lieu of the Annual Assessments as provided in the Mountain Manor Declaration prior to the Turnover Date as same is defined therein, but in recognition of the current economic conditions, Declarant desires to modify the provisions of such Section; and

WHEREAS, the Mountain Manor Declaration provides in Article XII, Section 2 that same may be amended by a vote of not less than sixty-seven percent of all votes entitled to be cast by Members in accordance with the provisions thereof and by reason of the provisions of Section 3(b) of Article IV, Declarant, as a Class B Member is the owner and holder of sufficient Lots within the Association such that Declarant is entitled to votes totaling more than sixty-seven (67%) of all votes entitled to be cast at any meeting of the Association; and

WHEREAS the ByLaws provide in Article Fourteen that the Board shall have no power to adopt a By-Law increasing or decreasing the number of Directors and Declarant and the Association desire to increase the number of Directors appointed by Declarant to enable Declarant to appoint up to five (5) Directors who are owners of a Lot, without affecting the right of Declarant to appoint Directors of the Association; and

WHEREAS, in order comply with the provisions of the Mountain Manor Declaration and the ByLaws a duly called Meeting of the Mountain Manor Association Members was held to approve and adopt the amendments provided herein

NOW, THEREFORE, Declarant and the Association do hereby:

(1) amend and modify the Mountain Manor Declaration by deleting the provisions of Article V, Section 5 and substituting therefor the following:

“ Section 5. Payments by Declarant in Lieu of Annual Assessments.

Notwithstanding the provisions of this Article V, or anything in this Declaration to the contrary, for calendar years beginning with 2010 and all future calendar years prior to the Turnover Date, Declarant shall have no obligation to render payment of any Annual Assessments for any Lot owned by Declarant , (including no obligation to pay Special Assessments or Special Individual Assessments). For calendar years beginning with the calendar year following the Turnover Date, Declarant shall be responsible for paying Annual Assessments in the same manner as any other Owner of a Lot located in Property.”

(2) amend and modify the Mountain Manor ByLaws by deleting the first sentence of Article Five, Section 1 and substituting therefor the following;

“ Section 1. **Number, Tenure and Qualifications.** As long as the Declarant owns any Lot or portion of the Property, the Declarant shall appoint not less than three (3), nor more than five (5) directors. “

Except as specifically provided herein, the terms and provisions of the Declaration and Bylaws, as amended shall remain in full force and effect.

By execution below, Declarant hereby consents to this First Amendment.

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

SECRETARY’S CERTIFICATE

Pursuant to the provisions of Article XIII, Section 2 of the Mountain Manor Declaration, the undersigned Secretary of the Association, hereby certifies that an affirmative vote of at least sixty (60%) percent of the Mountain Manor Association Members entitled to vote was received in favor of this Amendment at a called meeting on the _____ day of December, 2010.

ASSOCIATION:

THE MOUNTAIN MANOR HOMES OF
DUNROY ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
Secretary

DECLARANT:

DUNROY ON RUTLEDGE, LLC, a
North Carolina Limited Liability
Company

By: _____ (SEAL)
JOSEPH R. CROWELL
Manager

ASSOCIATION:

THE MOUNTAIN MANOR HOMES OF
DUNROY ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
President

NORTH CAROLINA
HENDERSON COUNTY

I, a Notary Public of the County and State aforesaid, certify that JOSEPH R. CROWELL personally came before me this day and acknowledged that he is Manager of DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed and executed on its behalf.

Witness my hand and official stamp or seal, this ____ day of _____, 2010.

My Commission Expires: _____
Notary Public

SEAL-STAMP

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is PRESIDENT of THE MOUNTAIN MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is SECRETARY of THE MOUNTAIN MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

Prepared by and return to: John E. Tate, Jr.

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

**FIRST AMENDMENT TO
DECLARATION OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
THE MEADOW MANOR
HOMES OF DUNROY**

THIS AMENDMENT made this the _____ day of December, 2010, by DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company, (hereinafter collectively referred to as “Declarant”) and THE MEADOW MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation (hereinafter referred to as “Association”).

WITNESSETH:

WHEREAS, Declarant has heretofore made, executed and delivered a Master Declaration Of Covenants, Conditions and Restrictions For Dunroy On Rutledge(hereinafter the “Master Declaration”), same having been recorded in Deed Book 1014, Page 235, Henderson County Registry; and

WEHEREAS, such Master Declaration provided therein in Article II, Section 3 that the Declarant had the right , at its election without the consent of any Owner or Owners, to subject

any phase, section or portion of the Property to additional controls, covenants , conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Register Of Deeds Of Henderson County covering only such Phase, section of portion of the Property; and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Meadow Manor Homes of Dunroy dated as recorded in Deed Book 1028, Page 075, Henderson County Registry (hereinafter the “ Meadow Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Meadow Manor Homes of Dunroy dated as recorded in Deed Book 1037, Page 595, Henderson County Registry (hereinafter the “ Meadow Manor Declaration”); and

WHEREAS, pursuant to said Article II, Section 3, Declarant did make, execute and deliver an Additional Declaration Of Covenants, Conditions and Restrictions For The Mountain Manor Homes of Dunroy dated as recorded in Deed Book 1146 , Page 456, Henderson County Registry (hereinafter the “ Mountain Manor Declaration”); and

WHEREAS, Declarant has heretofore made executed and delivered an Amendment to the Master Declaration which was recorded in Deed Book 1028, Page 71 and a Second Amendment to the Master Declaration recorded in Deed Book 1261, Page 188, Henderson County Registry;(the Master Declaration , the Amendment and the Second Amendment hereinafter collectively referred to as the “Dunroy Master Declaration”); and

WHEREAS, the Meadow Manor Declaration in Article V, Section 7, contains provisions pursuant to which Declarant will pay an amount as described therein in lieu of the Annual Assessments as provided in the Meadow Manor Declaration prior to the Turnover Date as same is defined therein, but in recognition of the current economic conditions, Declarant desires to modify the provisions of such Section; and

WHEREAS, the Meadow Manor Declaration provides in Article XII, Section 2 that same may be amended by a vote of not less than sixty-seven percent of all votes entitled to be cast by Members in accordance with the provisions thereof and by reason of the provisions of Section 3(b) of Article IV, Declarant, as a Class B Member is the owner and holder of sufficient Lots within the Association such that Declarant is entitled to votes totaling more than sixty-seven (67%) of all votes entitled to be cast at any meeting of the Association; and

WHEREAS the ByLaws provide in Article Fourteen that the Board shall have no power to adopt a By-Law increasing or decreasing the number of Directors and Declarant and the Association desire to increase the number of Directors appointed by Declarant to enable Declarant to appoint up to five (5) Directors who are owners of a Lot, without affecting the right of Declarant to appoint Directors of the Association; and

WHEREAS, in order comply with the provisions of the Meadow Manor Declaration and the ByLaws a duly called Meeting of the Meadow Manor Association Members was held to approve and adopt the amendments provided herein

NOW, THEREFORE, Declarant and the Association do hereby:

(1) amend and modify the Meadow Manor Declaration by deleting the provisions of Article V, Section 7 and substituting therefor the following:

“ Section 7. Payments by Declarant in Lieu of Annual Assessments.

Notwithstanding the provisions of this Article V, or anything in this Declaration to the contrary, for calendar years beginning with 2010 and all future calendar years prior to the Turnover Date, Declarant shall have no obligation to render payment of any Annual Assessments for any Lot owned by Declarant , (including no obligation to pay Special Assessments or Special Individual Assessments). For calendar years beginning with the calendar year following the Turnover Date, Declarant shall be responsible for paying Annual Assessments in the same manner as any other Owner of a Lot located in Property.”

(2) amend and modify the Mountain Manor ByLaws by deleting the first sentence of Article Five, Section 1 and substituting therefor the following;

“ Section 1. **Number, Tenure and Qualifications.** As long as the Declarant owns any Lot or portion of the Property, the Declarant shall appoint not less than three (3), nor more than five (5) directors. “

Except as specifically provided herein, the terms and provisions of the Declaration and Bylaws, as amended shall remain in full force and effect.

By execution below, Declarant hereby consents to this First Amendment.

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

SECRETARY’S CERTIFICATE

Pursuant to the provisions of Article XIII, Section 2 of the Meadow Manor Declaration, the undersigned Secretary of the Association, hereby certifies that an affirmative vote of at least sixty (60%) percent of the Meadow Manor Association Members entitled to vote was received in favor of this Amendment at a called meeting on the _____ day of December, 2010.

ASSOCIATION:

**THE MEADOW MANOR HOMES OF DUNROY
ASSOCIATION, INC
a North Carolina Non Profit Corporation**

BY: _____
Secretary

DECLARANT:

**DUNROY ON RUTLEDGE, LLC, a
North Carolina Limited Liability
Company**

By: _____ (SEAL)
**JOSEPH R. CROWELL
Manager**

ASSOCIATION:

THE MEADOW MANOR HOMES OF DUNROY
ASSOCIATION, INC
a North Carolina Non Profit Corporation

BY: _____
President

NORTH CAROLINA
HENDERSON COUNTY

I, a Notary Public of the County and State aforesaid, certify that JOSEPH R. CROWELL personally came before me this day and acknowledged that he is Manager of DUNROY ON RUTLEDGE, LLC., a North Carolina Limited Liability Company and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed and executed on its behalf.

Witness my hand and official stamp or seal, this ____ day of _____, 2010.

My Commission Expires: _____
Notary Public

SEAL-STAMP

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is PRESIDENT of THE MEADOW MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, _____, a Notary Public for the County and State aforesaid certify that _____ personally came before me this day and acknowledged that he/she is SECRETARY of THE MEADOW MANOR HOMES OF DUNROY ASSOCIATION, INC, a North Carolina Non Profit Corporation, and that he/she as PRESIDENT, being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official stamp or seal, this _____ day of December, 2010.

Notary Public

My commission expires: _____

(NOTARY SEAL)