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STATE OF NORTH CAROLINA) AMENDMENT TO DECLARATION  
COUNTY OF MECKLENBURG) OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
CHESAPEAKE SUBDIVISION

PRECEDENCE  
REGISTRATION  
MAY 19 8 50 AM '88

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THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHESAPEAKE SUBDIVISION ("Amendment") is made this the 17th day of May, 1988 by SNYDER FARM LIMITED PARTNERSHIP, a North Carolina limited partnership ("Declarant")

WITNESSETH:

WHEREAS, on the 12th day of January 1988 Declarant caused to be recorded in the Mecklenburg County Public Registry a Declaration of Covenants, Conditions and Restrictions for Chesapeake Subdivision ("Declaration"), the Declaration being recorded in Book 5678, Page 22 in said Registry; and

WHEREAS, pursuant to Section 9.6 of the Declaration, Declarant has the right to amend the Declaration to conform it with the requirements of any governmental agency in order to qualify the property described in the Declaration for mortgage loans made, sponsored and insured by any governmental agency; and

WHEREAS, Declarant desires to amend the Declaration pursuant to the aforesaid Section 9.6;

NOW, THEREFORE, Declarant does hereby amend the Declaration as follows:

(1) Article III of the Declaration is hereby amended to read as follows:

"ARTICLE III	FEE	16.00
<u>Membership and Voting Rights</u>	<>	16.00
	CASH	16.00

Section 3.1. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The directors of the Association may make reasonable rules relating to the proof of ownership of any Lot.

Section 3.2 The Association shall have two classes of voting membership:

(a) Class A: Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

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(b) Class B: The Class B Member shall be the Declarant. Declarant shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest. Upon the conveyance of a Lot from Declarant to an Owner other than Declarant, the membership classification for that Lot shall automatically be converted from Class B to Class A. Class B membership status for all Lots owned by Declarant shall cease and be converted to Class A status on the first to occur of the following:

- (i) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership;
- (ii) January 1, 1992;
- (iii) such date as Declarant shall elect to abolish Class B membership by delivery to the Association of written notice to such effect.

Section 3.3. The right of any Member to vote may be suspended by the Board of Directors of the Association for just cause pursuant to its rules and regulations and according to the provisions of Section 4.1(e) of this Declaration."

(2) Article IV of the Declaration is hereby amended to read as follows:

"ARTICLE IV

Property Rights

Section 4.1. Member's Easement of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to such Member's Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission, membership or other fees for the use of any Recreational Amenity situated upon the Common Area;

(b) The right of the Association, in accordance with its articles and bylaws, to borrow money for the purpose of improving the Common Area and Recreational Amenities, and in connection therewith to mortgage the Common Area or any portion thereof; provided, however, if any Common Area is mortgaged while Class B membership is in existence, the execution and delivery of such mortgage shall require the same approval of the Members as is required for special assessment for capital improvements as set forth in Section 5.4 of this Declaration;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions, as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members of the Association agreeing to such dedication or transfer has been recorded; provided, however, that a simple majority of the Board of Directors may authorize and execute customary utility, CATV or other such easements;

(d) The right of the Association to formulate, publish and enforce rules and regulations for the use of the Common Area and Recreational Amenities;

(e) The right of the Association to suspend the voting rights of a Member (or any person to whom a Member has delegated his right of enjoyment) for any period during which any assessment against such Member's Lot remains unpaid or for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations.

Section 4.2. Delegation of Use

(a) Any Member may delegate to members of his family, tenants or contract purchaser who reside at such Member's Lot, in accordance with the Bylaws of the Association, such Member's right to use the Common Area.

(b) Recreational Amenities situated upon the Property may be utilized by family members, guests, tenants or contract purchasers of a Member subject to the rules and regulations established by the Board of Directors of the Association governing their use.

Section 4.3. Title to the Common Area The Association shall hold fee simple title to such tracts of land as may be deeded to it by Declarant as Common Area. Declarant does not hereby commit to the conveyance of any Common Area other than that generally described in Section 1.2 hereof; provided, however, the Common Area generally described in Section 1.2 hereof shall be completed by Declarant and conveyed to the Association free and clear of encumbrances prior to the conveyance to an Owner of the first Lot on which a residence has been constructed."

(3) The words "and such Lot becomes a Lot in Use" are hereby removed from line 5 of paragraph (a), Section 5.1 of Article V of the Declaration.

(4) The words "in Use" are hereby removed from lines 1 and 2 on page 6, line 5 on page 7, paragraph (b), Section 5.1,

Article V of the Declaration; from line 2, paragraph (b), Section 5.3, Article V of the Declaration and from line 3, Section 5.6, Article V of the Declaration.

(5) Paragraph (c) of Section 5.1 of the Declaration is hereby deleted.

(6) Paragraph (b) of Section 5.3 of the Declaration is hereby amended to read as follows:

"From and after January 1, 1990 and each year thereafter, the maximum annual assessment for each Lot may be increased by the Board of Directors of the Association without a vote of the membership, by a percentage which may not exceed five percent (5%) per annum."

(7) The words "rate of ten percent (10%) per annum" are hereby substituted for the words "maximum rate permitted under Section 24-1.1 of the North Carolina General Statutes, or any successor statute governing contract interest rates generally," on lines 4, 5 and 6 of Section 5.8 of Article V of the Declaration.

(8) Section 6.6 of the Declaration is hereby amended to read as follows:

Section 6.6. Composition of Architectural Control Committee

So long as Declarant or any entity with which Declarant is associated (an associated entity to be only one with respect to which the deed conveying ownership of any portion of the Property makes specific reference to such association by language reading substantially as follows: "For purposes of Section 6.6 of the Declaration of Covenants, Conditions and Restrictions to which the above property is subject, this conveyance is to an entity with which Declarant is associated as defined in such Section") owns more than twenty-five percent (25%) of the Lots, Declarant shall have the right to appoint the Architectural Control Committee which shall be composed of three (3) or more representatives. At such time as Declarant or any associated entity shall no longer own more than twenty-five percent (25%) of the Lots, the Architectural Control Committee shall be appointed by the Board of Directors of the Association in accordance with the Bylaws of the Association."

(9) Section 8.3 of the Declaration is hereby deleted.

(10) The following language is hereby added to the end of Section 9.4 of the Declaration:

"; and provided further, for so long as Class B membership is in existence, the following actions shall require the

prior written approval of the Veterans Administration, U.S. Department of Housing and Urban Development, Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation or Federal National Mortgage Corporation, as applicable:


- (a) annexation of additional property subject to this Declaration.
- (b) dedication of additional Common Area.
- (c) further amendment of this Declaration."

(11) Sections 9.6, 9.7 and 9.8 of the Declaration are hereby deleted.

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be duly executed the day and year first above written.


SNYDER FARM LIMITED PARTNERSHIP,  
a North Carolina limited partnership

BY: Waddell-Rubin Associates Limited  
Partnership, a North Carolina  
limited partnership, General  
Partner of Snyder Farm Limited  
Partnership

BY:   
R. Alvin Waddell,  
General Partner of Waddell-Rubin  
Associates Limited Partnership

The Charlotte Building Group, a North Carolina general partnership, being the owner of certain of the Lots described in the Declaration, joins herein for the purpose of consenting to this Amendment and subjecting the Lots owned by it to this Amendment.

THE CHARLOTTE BUILDING GROUP, a  
North Carolina general partnership  
BY: Waddell-Rubin Associates Limited  
Partnership, a North Carolina  
limited partnership, General  
Partner of The Charlotte  
Building Group

BY:   
R. Alvin Waddell, General  
Partner of Waddell-Rubin  
Associates Limited Partnership

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

This 13 day of May, 1988, personally came before me, a notary public for said County and State, R. ALVIN WADDELL, who, being by me duly sworn, acknowledged the execution of the foregoing instrument as General Partner of Waddell-Rubin Associates Limited Partnership, a North Carolina limited partnership, Waddell-Rubin Associates Limited Partnership being the sole General Partner of Snyder Farm Limited Partnership, a North Carolina limited partnership and a General Partner of The Charlotte Building Group, a North Carolina general partnership.

Kathryn Tully  
Notary Public

My Commission Expires: \_\_\_\_\_

[Notarial Seal]



State of North Carolina, County of Mecklenburg  
The foregoing certificate(s) of Kathryn Tully

a Notary (y) (ies) Public (is) (are) certified to be correct.  
This 19th day of May, 1988

Charles E. Crowder, Register of Deeds  
By: Colleen J. Stuegh Deputy