

BK 1155 PG 0615

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NORTH CAROLINA

FIRST AMENDMENT TO
DECLARATION OF MASTER COVENANTS,
CONDITIONS, RESERVATIONS AND
RESTRICTIONS FOR LAUREL OAK RANCH

DAVIDSON COUNTY

Shugart Enterprises, LLC, and owner and Declarant desires to amend the Declaration of Master Covenants, Conditions, Reservations and Restrictions for Laurel Oak Ranch as it has been and may be imposed on the real property.

Shugart Enterprises, LLC (herein "Declarant") is the owner of all the real property described in the Declaration recorded in Book 1142 page 198, and as supplemented and imposed for The Meadows - Phase I, in Book 1151 page 987, and for Ridge View, Phase I, in Book 1152 page 894, in the Office of the Register of Deeds of Davidson County, North Carolina (herein "Declaration").

Article XI of the Declaration grants the Declarant the authority to amend and modify the Declaration.

Now Therefore the Declarant hereby amends, modifies and changes the Declaration as it has been imposed upon the land heretofore subjected thereto as follows:

XI. SPECIAL DECLARANT'S RIGHTS

This Article XI, is amended and modified by adding the following section thereto following Section 11.7, in the Declaration:

11.8 Withstanding language to contrary herein annexation of additional properties, dedication of common area, mortgaging of Common Area, mergers and consolidations, dissolution of the Association and amendment of the Association's Articles of Incorporation and this Declaration shall require HUD/VA prior approval so long as there is a Class C membership(Declarant) in order to meet HUD regulations for loan guaranties.

Following termination of the Class C membership this Declaration may be amended by the vote of 67% of the vote of the members in accordance with NCGS 47F-2-117.

VII. MEMBERSHIP AND VOTING RIGHTS

This Article VII, paragraph 7.2, of the Declaration is amended and modified to clarify as follows:

Paragraph 7.2, subsections Class A., Class B. and Class C. of the Declaration are removed entirely and replaced with the following 7.2 Class A., Class B., and Class C.

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paragraphs:

7.2 The Association may have four classes of members and voting membership:

Class A. Class A Members shall be all Owners Declarant allocates one(1) vote to for each lot owned and will be obligated to pay assessments based on the total membership at the time of the adoption of the budget in order to meet the approved budget of the Association.

The assessment due from each Class of Member will be derived by multiplying the total number of lots in Class A by 1, in Class B by 2/3rds, in Class C by 1/4th; in Class D by the allocated percentage of vote, if such class is established by the Declarant, the number of lots in each Class will be divided by the number so arrived at to get the percentage for of each Class; the percentage so derived times the dollar amount of the approved budget will equal the sum due from each Class of lots, and that dollar amount divided by the number of lots in each class will equal the amount due from each lot. The assessment so computed will be used for lots added or changing class (in the event of class change the assessment will be prorated for the remainder of the assessment year) until another approved budget is adopted causing the assessment to change

Class B. Class B Members shall be all Owners Declarant allocates two thirds (2/3rds) of one vote to for each lot owned in such class and will be obligated to pay assessments according the formula stated above.

Class C. The Class C Member shall be the Declarant and shall be entitled to three(3) votes for each Lot owned as allocated in the Phases and shall be assessed using twenty five percent(25%) for the class of vacant lot, lot improved with an unoccupied dwelling or unoccupied model dwelling which may be furnished but not lived in, owned in each class Phase annexed in accordance with the formula stated above. The Class C membership shall cease and be converted to Class A membership when seventy-five percent(75%) of the total number of Lots subjected to this Declaration and including land owned by the Declarant for annexation into LORA, are sold to Owners other than the Declarant or Ten(10) years from the date of the recording of the sale of the first lot subjected to this Declaration, whichever comes first. In the event of untimely annexation of lots the Class C membership may be reinstated upon annexation of additional lots, but not beyond the ten year limit stated.

The remainder of the paragraphs in this Article remain as stated in the Declaration as originally recorded.

The following Article and paragraph numbering corrections are made:

ONE. IV. SETBACKS , WALLS AND FENCES

Paragraph numbered 5.1, in the original recording is changed to:

4.2 Walls and fences:

TWO. VI. STREETS, EASEMENTS AND RIGHTS OF WAY

This article was numbered as stated above in the original recording. It is renumbered as follows:

V. STREETS, EASEMENTS AND RIGHTS OF WAY

THREE. VII. COVENANT FOR ASSESSMENTS

This article was numbered as stated above in the original recording. It is renumbered as follows:

VIII. COVENANT FOR ASSESSMENTS

The first three paragraphs under this article numbered VII as originally recorded were numbered 7.1, 7.2, and 7.3. The same are renumbered as follows:

8.1 Creation of the Lien and Personal Obligation for Assessments.

8.2 Direct Assessments.

8.3 Purpose of General Assessments.

Except as herein modified and amended the Declaration as originally recorded remains as written.

In Testimony Whereof, the authorized manager of Shugart Enterprises, LLC, has signed and sealed this instrument for and on behalf of the limited liability company this the 4th day of October, 1999.

SHUGART ENTERPRISES, LLC (Seal)

By:


Grover Shugart, Jr., Manager

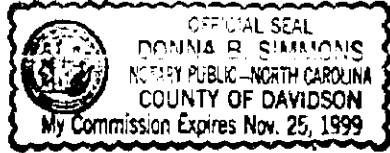
NORTH CAROLINA - FORSYTH COUNTY

I, DANNA B. SIMMONS, a Notary Public of DAVIDSON County, North Carolina, certify that Grover Shugart, Jr., Manager of Shugart Enterprises, LLC, personally appeared before me this day and acknowledged the execution of the foregoing instrument for and on behalf of Shugart Enterprises, LLC, a North Carolina Limited Liability Company.

Witness my hand and official seal or stamp, this the 4th day of October, 1999.

My Commission expires: 11/25/99

Donna B. Simmons
Notary Public



STATE OF NORTH CAROLINA - DAVIDSON COUNTY

The foregoing certificate of Donna B. Simmons Notary Public of North Carolina is certified to be correct.

RONNIE CALLICUTT, Davidson County Register of Deeds

By: Mary S. Rhoads
Deputy/Assistant