

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS
OF STRAUS PARK**

This Amendment to Declaration of Covenants of Straus Park (the "Amendment") is made as of this 26 day of October, 1998 by Declarant, Straus Park Development Company, a North Carolina corporation, for the benefit of itself and all future owners of those certain portions of the property within the bounds of Straus Park, as defined in the Declaration of Covenants of Straus Park (including all Bylaws and Covenants attached thereto) recorded in Transylvania County Deed Book 426 at page 341 (the "Original Declaration").

RECITALS

Whereas, all those terms defined in the Original Declaration are intended to and shall have the same meanings herein, unless modified hereby; and

Whereas, pursuant to Article XII of the Original Declaration the Declarant reserved the right to amend the Original Declaration, and the Declarant is presently empowered to amend the Original Declaration since it owns more than two thirds of the Lots; and

Whereas, the Original Declaration, as modified by this Amendment, is intended to be, and shall be, the Declaration hereafter; and

Whereas, modifications to the Original Declaration are needed due to certain matters which have arisen subsequent to the recording of the Original Declaration; and

Whereas, this Amendment shall be beneficial to the proper development of Straus Park.

Now, therefore, in consideration of the foregoing, the Original Declaration is modified as set forth hereafter:

1. The term "West Village", wherever the same appears in the Original Declaration, is hereby amended to read and be, in lieu thereof, the "Southern Knoll". For all references in the Original Declaration to the West Village, there shall hereafter be substituted, Southern Knoll. Any Plats heretofore recorded making reference to the West Village shall likewise be deemed amended hereby to substitute Southern Knoll for West Village.

2. Notwithstanding anything to the contrary contained in the Original Declaration, a residential condominium or condominiums created pursuant to the

North Carolina General Statutes Chapter 47C, the North Carolina Condominium Act (hereinafter the "Act"), shall be a permitted residential use within the Southern Knoll, which is otherwise a Non-Residential Lot Classification.

3. Due to the fact that (i) the Southern Knoll Lot Covenants are primarily designed to govern commercial uses, and (ii) each condominium association will be solely responsible for the maintenance, repair and replacement of the condominium's common elements; those portions of the Southern Knoll which are developed as residential condominium and which prohibit non-residential uses therein, shall neither be a member of the Straus Park Southern Knoll Owner's Association nor subject to the Southern Knoll Lot Covenants. Any condominium established in the Southern Knoll which permits non-residential uses thereof, shall have its association as a member of the Southern Knoll Owner's Association and shall be subject to the Southern Knoll Lot Covenants.

4. Every condominium association in Straus Park shall be subject to the Bylaws and the Declaration. Each condominium unit properly established per the Act shall constitute a Lot. The Assessments levied against the condominium Lot Owners shall be collected by the condominium association for each of its unit owners as a part of the condominium association assessments, and shall be paid by such association to the Master Association.

5. Any condominium declaration for a condominium within Straus Park shall comply with the Act. Each owner of a condominium unit in Straus Park and all condominium associations shall, at all times, comply with provisions of the applicable condominium declaration, as well as complying with the Declaration (the Original Declaration, as modified by this Amendment). Without in any way limiting the rights of Declarant and the Master Association, nor the obligations of anyone seeking to develop a condominium in Straus Park, no condominium shall be built without all the prior design and other approvals required of Lot Owners in the Declaration.

6. The creation, operation, management and ownership of all condominium units established within Straus Park must be in accord with all laws of the State of North Carolina and any other governmental authorities having jurisdiction thereover. Should any provision of the Declaration be contrary to the Act, then the provisions of the Act shall control; and such contrary provisions shall be deemed severed from the Declaration, but only with respect to the condominium Lot Owners.

7. Any Lot in the Southern Knoll, which is not developed, as a condominium for solely residential use, shall remain subject to Southern Knoll Lot Covenants.

8. The provisions hereof are intended to be liberally construed to give effect to their apparent intent. The provisions hereof shall inure to the benefit of and bind the

Declarant, its successors and assigns and all other owners of property in Straus Park. In the event of any conflict between the provisions herein and those in the Original Declaration, the terms herein shall control. Except as modified herein, the Original Declaration remains in full force and effect and unchanged.

Attest:

J. Edwin Henson
Secretary

Straus Park Development Company

By: [Signature]
President

STATE OF NORTH CAROLINA, COUNTY OF JACKSON

I, a Notary Public of said County and State, certify that J. EDWIN HENSON personally came before me this day and acknowledged that he is _____ Secretary of Straus Park Development Company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by _____ as the _____ Secretary. Witness my hand and official stamp or seal, this 26th day of Octo Ber, 1998.

My commission expires: 4.3.2001

Susan Hamilton
Notary Public
"OFFICIAL SEAL"
Notary Public, North Carolina
County of Macon
Susan Hamilton
My Commission Expires 4/3/2001

The foregoing certificate of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

_____ Register of Deeds for Transylvania County

By _____ Deputy/Assistant Register of Deeds