

Prepared By and Return To:
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**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
PENNMARKE PLACE TOWNHOMES**

[Carriage House Lofts at Penmark Place]

**THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PENNMARKE PLACE TOWNHOMES**
(this "Amendment") is made and entered into by **300 BLOCK INVESTORS, LLC**, a
North Carolina limited liability company (the "Declarant").

It is noted that **H & H CONSTRUCTORS, INC.**, a North Carolina corporation
("H & H Constructors"), additionally executes this Amendment for the reasons set forth
below.

WITNESSETH:

WHEREAS, the Declarant previously executed that certain Declaration of
Covenants, Conditions and Restrictions for Penmark Place Townhomes recorded in
Book 7797, Page 665, Cumberland County, NC Registry (the "Declaration");

WHEREAS, the Declaration subjected the property described therein to a planned
development known as Penmark Place Townhomes (the "Townhome Development"),
governed by the terms of the Declaration;

WHEREAS, H & H Constructors is the current owner all of Lots 1 through 10,
inclusive, as shown on that certain plat duly recorded in Plat Book 119, Page 34,
aforesaid Registry (the "Additional Property");

WHEREAS, pursuant to Article XI, Section 4(b) of the Declaration, the Declarant

reserved the unilateral right to annex the Additional Property into the Townhome Development;

WHEREAS, pursuant to Article XI, Section 4(b) of the Declaration, the Declarant additionally reserved the right to make such complementary additions and/ or modifications of the covenants and restrictions contained in the Declaration as may be necessary or convenient, in the sole judgment of the Declarant, to reflect the different character, if any, of any added property and as are not inconsistent with the plan of the Declaration;

WHEREAS, the Declarant desires to annex the Additional Property into the Townhome Development and to make certain additions and/ or modifications to the Declaration, to reflect the different character of the improvements located upon the Additional Property;

WHEREAS, H & H Constructors, as the current owner of the Additional Property, desires to subject the Additional Property to the terms of the Declaration and to consent to its annexation into the Townhome Development.

NOW, THEREFORE, pursuant to its rights under Article XI, Section 4(b) of the Declaration, as well as pursuant to authority as may be found elsewhere therein, and for and in consideration of the covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Declarant hereby amends the Declaration and/or states as follows (and H & H Constructors provides its consent hereto):

1. The Additional Property is hereby annexed into the Townhome Development and made subject to the terms of the Declaration, and shall hereinafter be subject to the restrictions and obligations as described in the Declaration, and shall hereinafter benefit from all easements and other rights as described therein;
2. The Additional Property is comprised of ten (10) townhome lots (each a "Lot"), upon which townhome improvements have been constructed; said townhome development shall be hereinafter known as the "Carriage House Lofts at Pennmark Place" or the "Carriage House Lofts" (also, for drafting purposes, it is noted that terms "Carriage House Lofts" and "Additional Property" may be used interchangeably and refer to one and the same thing);
3. Each Lot owner within the Carriage House Lofts shall automatically become a Member of the Association. The Association shall have the fiduciary discretion to adopt a separate budget, as well as a separate assessment scheme, for the Additional Property, in accordance with Article IV or other applicable provision of the Declaration; however, it is understood that the Carriage House Lofts shall pay its full prorated share of all Common Expenses applicable to the larger

Townhome Development;

4. Each Lot Owner within the Carriage House Lofts shall be entitled to any and all privileges as may be reserved in the Declaration, including but not limited to the any easement and license rights to use fitness and related facilities, as set forth in Article I, Section Five therein;
5. It is noted that the "Outdoor Cooking Provisions" as referenced in Article VII, Section 4 shall equally apply to all Lot Owners within the Carriage House Lofts;
6. Article VII, Section 5 is hereby added as follows:

"SECTION FIVE. CARPORTS. With respect to the Carriage House Lofts only, no garage door may be installed on any carport at any time (neither on the front nor at the rear); all carports must remain open at all times, in accordance with their original intended design as open-air carports. In addition, the carports must remain neat and orderly at all times, and may not be used for open and unsightly storage of boxes, debris, and/ or personal clutter; notwithstanding the above, it is noted that operational vehicles, bicycles, and municipal trash and recycling containers are allowed. Also, the Declarant and/ or the Architectural Review Committee, as the case may be, shall have sole and absolute discretion with regard to determining whether any boxes, debris and/ or personal clutter is unsightly and shall be vested with the right to order the removal of same for the aesthetic benefit of all Owners, subject to any notice requirements as may be set forth in the Planned Community Act;

7. Pursuant to Article V, Declarant hereby formally consents to the architectural design and construction of the Carriage House Lofts. It is noted that the Downtown Historic Committee of the City of Fayetteville has additionally approved said design and construction. Upon the sale of any improved Lot, any subsequent change or modification to the exterior of any Carriage House Lofts townhome must first be approved by the Declarant and/ or the Architectural Review Committee, as the case may be, all as set forth in Article V of the Declaration; also, it is noted for clarification purposes that all such architectural approval rights shall additionally apply to the type and appearance of all mailboxes (with respect to the entire Townhome Development);
8. Declarant declares and agrees that H & H Constructors shall be considered an "Affiliate" with respect to the "Period of Declarant Control", as such terms are defined by the Declaration.

8. Except as specifically amended herein, the Declaration remains unchanged and in full force and effect and the Declarant by its execution hereof, hereby ratifies, affirms and approves the Declaration, as specifically amended hereby. All capitalized terms that are not specifically defined herein shall have the meanings attributed to them in the Declaration;
9. H & H Constructors executes this Amendment to provide its consent to the terms contained herein, as well as to subject the Additional Property to the terms of the Declaration. In addition, H & H Constructors by its execution hereof, hereby ratifies, affirms and approves the Declaration, as specifically amended hereby.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Declarant and H & H Constructors have hereby executed this Amendment as of the dates set forth in the below notary acknowledgments, with the latter of said dates to comprise the effective date hereof.

DECLARANT:

300 BLOCK INVESTORS, LLC

By: [Signature]
Member/ Manager

STATE OF NORTH CAROLINA
COUNTY OF Cumberland

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: D. Ralph Huff as Member/ Manager of 300 Block Investors, LLC, a North Carolina limited liability company.

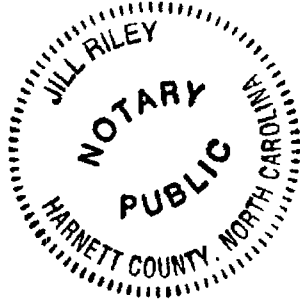
Date: 20 September 2010

Official Signature of Notary: [Signature]

Notary's Printed Name: Jill Riley

My commission expires: 3 August 2015

[Affix Notary Seal or Stamp]



H & H CONSTRUCTORS, INC.

By: *Gregory E. West*

Its: VICE PRESIDENT

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Gregory E. West as Vice President of H & H Constructors, Inc., a North Carolina corporation.

Date: 20 September 2010

Official Signature of Notary: *Jill Riley*

Notary's Printed Name: Jill Riley

My commission expires: 3 August 2015

[Affix Notary Seal or Stamp]

