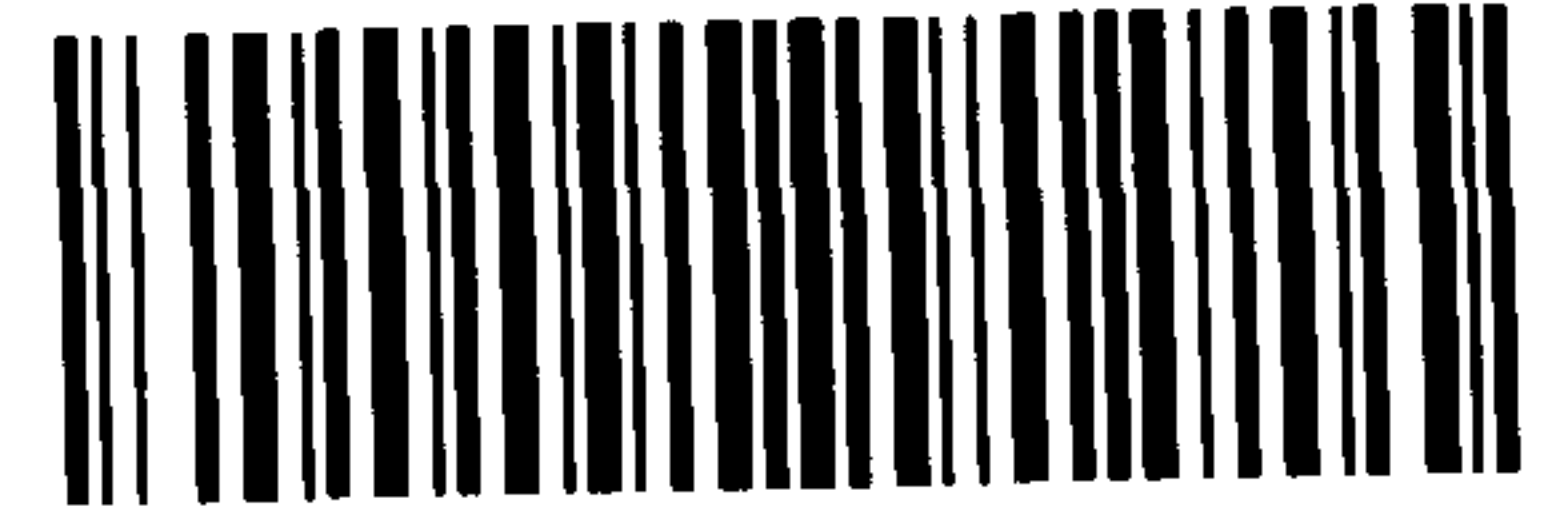


INSTRUMENT # 2017025594



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Prepared by & Return to: Shumaker, Loop & Kendrick, LLP, 101 South Tryon Street, Suite 2200, Charlotte, NC
28280, Moses Luski, Esq.

STATE OF NORTH CAROLINA

COUNTY OF BURKE

**THIRD SUPPLEMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE SETTINGS OF LAKE RHODHISS
HENCEFORTH TO BE KNOWN AS LAKE
RHODHISS ESTATES**

This Third Supplement (the "Third Supplement") to the Declaration of Covenants, Conditions and Restrictions for The Settings of Lake Rhodhiss is made this 12 day of March, 2019, by Lake Rhodhiss Development, LLC, a North Carolina limited liability company ("Declarant").

WITNESSETH

WHEREAS, The Settings of Lake Rhodhiss, LLC, the predecessor to Declarant (the "Predecessor"), as the developer of The Settings of Lake Rhodhiss, recorded that certain Declaration of Covenants, Conditions, and Restrictions for The Settings of Lake Rhodhiss, on March 1, 2007, recorded in Deed Book 1644, Page 1, and those certain Supplements to the Declaration of Covenants, Conditions, and Restrictions for The Settings of Lake Rhodhiss recorded on March 13, 2007, in Deed Book 1647, Page 113 (the "First Supplement") and on May 1, 2008, in Deed Book 1760, Page 853 (the "Second Supplement"), all in the Burke County, NC Public Registry (as may be further amended from time to time, collectively referred to as the "Declaration");

WHEREAS, the Predecessor assigned its rights as declarant to Declarant by instrument recorded in Book 2371, Page 532, aforesaid Registry.

WHEREAS, pursuant to Article 16.2 of the Declaration, Declarant has the unilateral option, right and privilege to amend the Declaration for any purpose by filing in the public records, an amendment or supplemental Declaration; and

WHEREAS, the Class "B" membership as set forth in Article 3.3 (b) of the Declaration has not been terminated; and

WHEREAS, any such amendment shall be effective upon the filing for record any such amended or supplemental Declaration, unless otherwise provided therein;

NOW THEREFORE, in consideration of \$10.00 and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Declarant hereby amends the Declaration as follows:

1. The name of the Community, currently known as "The Settings of Lake Rhodhiss," is changed to "Lake Rhodhiss Estates." Any reference in the Declaration to "The Settings of Lake Rhodhiss" shall now be deemed to refer to "Lake Rhodhiss Estates." Nothing herein shall change the formal legal description of Lots which shall be conveyed pursuant to the legacy name referenced in the Plat.

2. Certain of the roadways in the Community do not conform in their as-built state to their location on the recorded plats. The non-conformance is nominal and constitutes an encroachment on the "Affected Lots," hereafter defined, as to which an Easement of Encroachment is established in Article 11.7 of the Declaration. In order to cure such non-conformance, Declarant hereby adds an Article 16.19 to the Declaration to provide as follows:

"Article 16.19. Revised Setbacks as to Affected Lots. Notwithstanding any provision in the Declaration or any Plats recorded with respect to the Properties to the contrary, the front yard setback for the Affected Lots described on Exhibit A (the "Affected Lots") shall be as follows: The front yard setback shall be measured from a line that is 22.5 feet from the centerline of the paved roadway as actually built or shall be measured from the platted right-of-way, whichever is the greater setback. Provided, any structures that have been constructed on an Affected Lot as of the date of the recordation of the Third Supplement are granted a variance from the revised setback, established herein, until such time as they are destroyed or demolished."

3. Declarant hereby amends and restates Article 1.5 to the Declaration to provide as follows:

"Article 1.5. "Association": Shall mean and refer to Lake Rhodhiss Estates Association, Inc., a North Carolina corporation."

4. Declarant hereby amends and restates Article 9.10 (v), as follows:

"(v) Garages. Garages having courtyard, side or rear entry based upon lot type and grade are preferred. See Design Guidelines for front entry garage parameters. All garages must have doors and each garage door must be coordinated in design and color with the Residential Unit to which it is appurtenant pursuant to the Design Guidelines. Each Owner shall provide with respect to each of such Owner's Residential Unit parking of at least two (2) automobiles within a garage or within a paved driveway which accommodates at least two (2) automobiles. Without limiting the generality of any other provision of this Declaration, construction of a garage shall be subject to the approval of the Design Review Board."

5. Declarant hereby amends and restates Article 10.3, as follows:

"Article 10.3. Leasing. Lots with a completed home may be leased for residential purposes of a single family and all leases must be in writing. All leases shall require, without limitation, that the tenant acknowledge receipt of the copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board. The Board may also adopt rules regarding leasing of homes. Any leases must comply with all applicable governmental regulations or ordinances, including without limitation any Burke County or Town of Valdese zoning or other ordinances."

6. Declarant hereby adds a new Article 13.10 to the Declaration which shall provide as follows:

“Article 13.10. Grinder Pumps / Pump Station. All Lot Owners shall be required to install and maintain an appropriate and adequate Grinder System on their Lots, in accordance with standards acceptable to the Town of Valdese for the purpose of connecting to and using the Sewer and Water Systems on their Lots, as applicable.”

7. Declarant hereby adds a new Article 13.11 to the Declaration as follows:

“Article 13.11. Blanket Easement to Town of Valdese. The Declarant hereby reaffirms the grant of a blanket easement to the Town of Valdese, as set forth in that certain Deed of Easement recorded in Book 2304, Page 588, of the Burke County, NC Public Registry. Pursuant to Paragraph 3 of said Easement and Article 11.12 of the Declaration, Declarant grants to the Town of Valdese a 20-foot wide easement lying on both sides and parallel and adjacent to all road rights-of-way for the purposes of water and sewer systems installations, operations, and maintenance.”

8. Declarant hereby amends and restates Article 16.13 to the Declaration as follows:

“Article 16.13. Merger and Subdivision of Lots. Upon application in writing by an Owner of adjoining Lots, the Declarant and, upon assignment of such right, the Board of Directors may authorize the merger of adjoining Lots or the subdivision of a Lot, subject to the consent of such Mortgagees as may have an interest in the affected Lot. Such merger or subdivision shall be in conformance with the provisions of the Governing Documents and any Supplemental Declaration that may be applicable to such Lots, including provisions which may further regulate merger or subdivision and use provisions regulating use of Lots. Such plats and plans as may be necessary to show the merged or subdivided Lots shall be thereafter prepared at the expense of the requesting Owner, who shall additionally be responsible for all costs, including legal fees, associated with the merger or subdivision of such Lots. The Declarant (or Board of Directors, as the case may be) may impose conditions for use of the merged or subdivided Lot as a condition precedent to granting approval for such a merger or subdivision. From and after the time a merger or subdivision of Lots is approved, such resulting Lots shall, for all purposes, including, without limitation, purposes of voting and assessment, be considered one (1) Lot under the Declaration in accordance with their new boundaries. Provided, an Owner of up to three (3) adjoining Lots has the right, without Declarant or Board of Director approval, to merge such Lots into one (1) Lot, which resulting Lot shall be considered as one (1) Lot for all purposes under the Declaration, including without limitation, voting and assessment, subject to: (i) the rules and regulations of the Board of Directors; (ii) the consent of all Mortgagees having an interest in the affected Lots; and (iii) the requirements of this Article for merged or subdivided Lots. Provided, further, all Lot mergers and subdivisions are subject to zoning and all applicable governmental ordinances and approval by the Board of Directors of a merger or subdivision of a Lot does not imply compliance with governmental requirements. Notwithstanding any provision in the Declaration to the contrary: (i) once a Lot is merged, it may never be subdivided again; and (ii) no additional merger of Lots may occur once the Lot count for the Properties has reached 260.”

9. Any reference in the Declaration to “The Settings of Lake Rhodhiss, Inc., a North Carolina non-profit corporation, shall be deemed to refer to Lake Rhodhiss Estates Association, Inc., a North Carolina nonprofit corporation.

10. Except as specifically modified hereinabove, the Declaration shall remain in full force and effect. Any capitalized terms not specifically defined herein shall have such meanings as are given in the Declaration. The terms hereof shall be supplemental to the terms of the aforesaid Declaration and in the event of any inconsistency, the terms of the Declaration shall control. This Third Supplement shall be effective upon its filing for record in the Public Records of Burke County, North Carolina and shall be

binding upon and inure to the benefit of all Owners of Lots in the Community and their respective heirs, executors, administrators, legal representatives, successors and assigns.

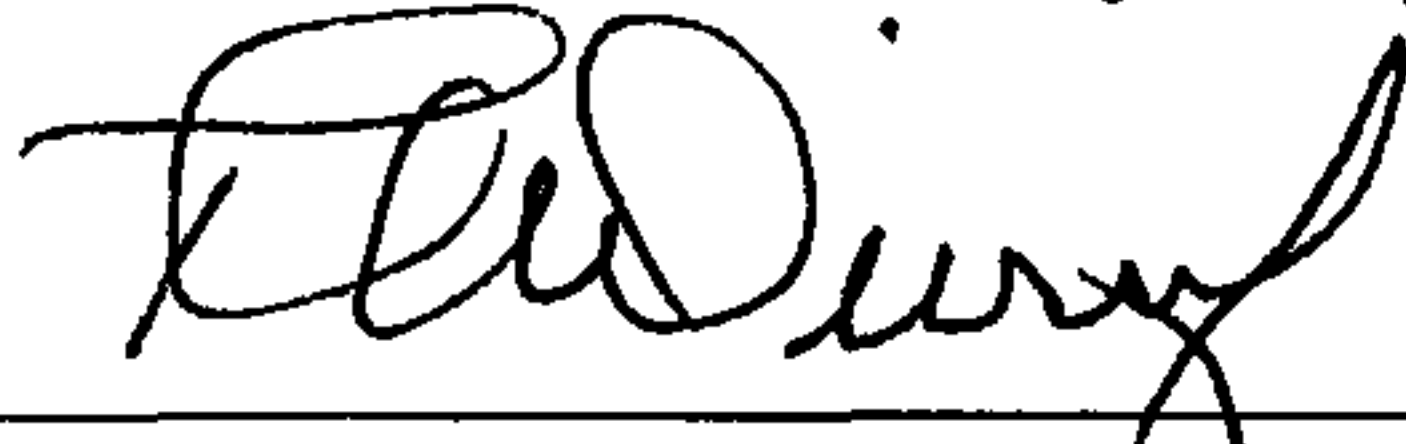
[Signature Page to Follow]

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IN WITNESS WHEREOF, Declarant has caused this instrument to be signed and sealed as of the date and year first above written.

DECLARANT:

LAKE RHODHISS DEVELOPMENT, LLC
a North Carolina limited liability company

By: 
Name:
Title: Manager

STATE OF Kentucky

COUNTY OF Jefferson

I, a Notary Public for the County of Jefferson, State of Kentucky, certify that Thomas A. Dierck, personally appeared before me and acknowledged the due execution of the foregoing document for the purpose stated therein and in the capacity indicated.

Date: March 12, 2019

(Official Stamp – Seal)


Signature of Notary Public
KAREN S. KRAMER
Printed Name of Notary Public

My Commission expires: July 21, 2020

EXHIBIT A
AFFECTED LOTS

The Lots listed and described below shall be considered Affected Lots:

LOT #	PB-PG
18	33-103
44	33-111
47	33-111
55	33-111
63	33-109
65	33-109
66	33-109
68	33-107
71	33-109
84	33-109
85	33-109
86	33-109
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90	33-109
93	33-109
96	33-109
115	33-105
118	33-107
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