

North Carolina, Henderson County The foregoing certificate(s) of
Constance R. Penfold
 Notary Public (Notaries Public) is/are certified to be correct, this
 instrument presented for registration and recorded in this office
 this 29 day of July, 2004
 at 1:35 in book 1192 page 26
Nedra W. Miles Gordon Lindsey
 Register of Deeds (Assistant Deputy)

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

**AMENDMENT OF RESTRICTIVE
 COVENANTS FOR THE HOMESTEAD AT
 MILLS RIVER**

This AMENDMENT TO RESTRICTIVE COVENANTS FOR THE HOMESTEAD AT MILLS RIVER is signed by **THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, the co-owner and developer (hereinafter referred to as "Owner"), and **RIVER OAKS JOINT VENTURE, LLC**, the co-owner (hereinafter referred to as "Owner") this the 29th day of July, 2004.

WITNESSETH:

WHEREAS, the original Restrictive Covenants for The Homestead at Mills River are recorded in Deed Book 1184 at Page 95, Henderson County Registry;

WHEREAS, under Article XXIX, "the Declaration may be amended at any time and from time to time either by the recordation in the office of the Register of Deeds for Henderson County, North Carolina, of a written amendment to these restrictions signed by the owners of at least sixty-seven percent (67%) of the lots in the Development, and also by the Developer so long as Developer shall own any lots which are subject to this Declaration, or by the recordation in said office of a document prepared and executed by the Secretary of the Board of Directors certifying that the amendment to the declaration set out therein has been approved by the affirmative vote of at least sixty-seven percent (67%) of the votes in the Association.";

WHEREAS, The Homestead at Mills River, LLC and River Oaks Joint Venture, LLC are the owners of more than sixty-seven percent (67%) of the lots and real estate comprising The Homestead at Mills River, and wish to make certain additions to said Restrictive Covenants recorded in Deed Book 1184 at Page 95;

NOW THEREFORE, pursuant to Article XXIX of the Restrictive Covenants, the Restrictive Covenants are amended as follows:

1. The following paragraph is added after Article XXVII of the Restrictive Covenants recorded in Deed Book 1184 at Page 95:

**ARTICLE XXVII-A
 EROSION CONTROL**

Each owner of a lot in The Homestead at Mills River must submit in writing to The Homestead at Mills River, LLC, or its designated assigns, an engineered soil erosion control plan for said lot before any construction, clearing, excavation, grading or any other improvement begins on a lot. The plan must be approved by the Homestead at Mills River, LLC, or the Architectural Control Committee, prior to any construction, clearing, excavation, grading or any other improvement begins on said lot.

2. The following paragraphs are added after Article XV of the Restrictive Covenants recorded in Deed Book 1184 at Page 95:

ARTICLE XV-A
NON-DISTURBANCE NEAR STREAMS

The areas within thirty (30) feet of the edge of all streams in The Homestead at Mills River, described in Deed Book 1159 at Page 717, Henderson County Registry, shown as The Homestead at Mills River on those certain plats prepared by Associated Land Surveyors, dated June 29, 2004, entitled The Homestead at Mills River, Phase 1, recorded in Plat Slide 5040A and Plat Slide 5040B, Henderson County, NC Registry, and plats of The Homestead at Mills River which are recorded in the future in the Henderson County Register of Deeds office, shall be maintained in perpetuity in their natural condition. No person or entity shall fill, grade, excavate, or perform any other land disturbing activity; nor cut, remove, or harm any vegetation; nor construct any structures, nor allow animal grazing or watering or any other agricultural use on such above referenced thirty (30) foot wide areas. This restriction does not prohibit normal pruning of trees and other vegetation, and does not prohibit removal of dead or dying trees or other dead or dying vegetation. This covenant is intended to ensure continued compliance with the mitigation condition of an authorization issued by the United State of America, U.S. Army Corps of Engineers, Wilmington District, Action ID _____, and therefore may be enforced by the United States of America. This covenant is to run with the land, and shall be binding on the Owners, and all parties claiming under the owners.

The above paragraph cannot be amended without the express written consent of the U.S. Army Corps of Engineers, Wilmington District.

ARTICLE XV-B
LANDSCAPING

No landscaping, grading, excavation, filling or any other construction improvements may be made without prior written approval by The Homestead at Mills River, LLC, or the Architectural Control Committee.

In all other respects, except as modified herein, the Restrictive Covenants recorded in Deed Book 1184 at Page 95, Henderson County Registry, are and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Amendment on behalf of the LLCs, the day and year first above written.

THE HOMESTEAD AT MILLS RIVER, LLC

By: _____

SCOTT E. McELRATH, Member/ Manager

RIVER OAKS JOINT VENTURE, LLC

By: _____

SHEPPARD COLLEDGE, Member/Manager

By: _____

SCOTT E. McELRATH, Attorney-in-Fact for
SHEPPARD COLLEDGE

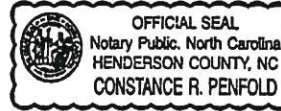
STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, a Notary Public of the aforesaid County and State certify that **SCOTT E. McELRATH**, Member/Manager of **THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, personally appeared before me and acknowledged the execution of the foregoing instrument on behalf of the company. WITNESS my hand and official seal, this the 29th day of July, 2004.

Constance R. Penfold
Notary Public

My Commission Expires: 12-02-06



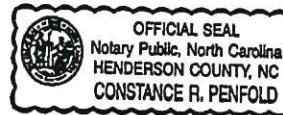
STATE OF NORTH CAROLINA, COUNTY OF HENDERSON

I, a Notary Public for said County and State, do certify that **SCOTT E. McELRATH**, attorney-in-fact for **SHEPPARD COLLEDGE**, Member/Manager of **RIVER OAKS JOINT VENTURE, LLC**, a North Carolina limited liability company, personally appeared before me this day and being by me duly sworn, says that he executes the foregoing and annexed instrument for and in behalf of the said **SHEPPARD COLLEDGE**, and that his authority to execute and acknowledge said instrument is contained in an instrument, dated November 12, 2003, and recorded in Deed Book 1161, at Page 494, Henderson County Registry, on November 14, 2003, and that this instrument was executed under and by virtue of the authority given by said instrument granting his power of attorney.

I do further certify that the said **SCOTT E. McELRATH** acknowledged the due execution of the foregoing and annexed instrument on behalf of the limited liability company for the purposes therein expressed for and in behalf of said **SHEPPARD COLLEDGE**. WITNESS my hand and notarial seal, this the 29th day of July, 2004.

Constance R. Penfold
Notary Public

My Commission Expires: 12-02-06



North Carolina, Henderson County The foregoing certificate(s) of
Jacqueline R. Hernandez
 Notary Public (Notaries Public) is/are certified to be correct, this
 instrument presented for registration and recorded in this office
 this 18 day of Aug, 2004
 at 9:05 in book 1194, page 582
Nedra W. Moler *Lyonne Lindsey*
 Register of Deeds (Assistant Deputy)

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

**SECOND AMENDMENT OF RESTRICTIVE
COVENANTS FOR THE HOMESTEAD AT
MILLS RIVER**

This SECOND AMENDMENT TO RESTRICTIVE COVENANTS FOR THE HOMESTEAD AT MILLS RIVER is signed by **THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, the co-owner and developer (hereinafter referred to as "Owner"), and **RIVER OAKS JOINT VENTURE, LLC**, the co-owner (hereinafter referred to as "Owner") this the 12th day of August, 2004.

WITNESSETH:

WHEREAS, the original Restrictive Covenants for The Homestead at Mills River are recorded in Deed Book 1184 at Page 95, Henderson County Registry;

WHEREAS, an Amendment of Restrictive Covenants for the Homestead at Mills River was recorded in Deed Book 1192 at Page 26, Henderson County Registry;

WHEREAS, under Article XXIX, "the Declaration may be amended at any time and from time to time either by the recordation in the office of the Register of Deeds for Henderson County, North Carolina, of a written amendment to these restrictions signed by the owners of at least sixty-seven percent (67%) of the lots in the Development, and also by the Developer so long as Developer shall own any lots which are subject to this Declaration, or by the recordation in said office of a document prepared and executed by the Secretary of the Board of Directors certifying that the amendment to the declaration set out therein has been approved by the affirmative vote of at least sixty-seven percent (67%) of the votes in the Association."; and

WHEREAS, The Homestead at Mills River, LLC and River Oaks Joint Venture, LLC are the owners of more than sixty-seven percent (67%) of the lots and real estate comprising The Homestead at Mills River, and wish to make an amendment to said Restrictive Covenants recorded in Deed Book 1184 at Page 95;

NOW THEREFORE, pursuant to Article XXIX of the Restrictive Covenants, the Restrictive Covenants are amended as follows:

1. The following paragraph replaces Section 1 of Article XXVI:

Section 1. Membership

Every person (or entity) who/which is a record owner of a fee or undivided fee interest in any lot that is subject to this Declaration shall be deemed to have a membership in The Homestead at Mills River Property Owners Association, Inc. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. No owner, whether one or more persons, shall have more than

one membership per lot owned. In the event that an owner of a lot is more than one person or entity, votes and rights of use and enjoyment shall be as provided for in the bylaws and rules and regulations of the Association.

In all other respects, except as modified herein and in the Amendment recorded in Deed Book 1192 at Page 26, Henderson County Registry, the said Restrictive Covenants are and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment on behalf of the LLCs, the day and year first above written.

THE HOMESTEAD AT MILLS RIVER, LLC

By: [Signature]
SCOTT E. McELRATH, Member/ Manager

RIVER OAKS JOINT VENTURE, LLC

By: [Signature]
SHEPPARD COLLEDGE, Member/Manager

By: [Signature] AIF
SCOTT E. McELRATH, Attorney-in-Fact for
SHEPPARD COLLEDGE

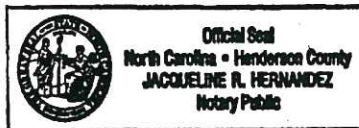
STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, a Notary Public of the aforesaid County and State certify that **SCOTT E. McELRATH, Member/Manager of THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, personally appeared before me and acknowledged the execution of the foregoing instrument on behalf of the company. WITNESS my hand and official seal, this the 17 day of August, 2004.

[Signature]
Notary Public

My Commission Expires: 6/3/2008



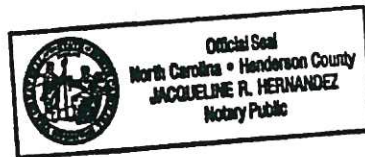
STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

I, a Notary Public for said County and State, do certify that **SCOTT E. McELRATH**, attorney-in-fact for **SHEPPARD COLLEDGE**, Member/Manager of **RIVER OAKS JOINT VENTURE, LLC**, a North Carolina limited liability company, personally appeared before me this day and being by me duly sworn, says that he executes the foregoing and annexed instrument for and in behalf of the said **SHEPPARD COLLEDGE**, and that his authority to execute and acknowledge said instrument is contained in an instrument, dated November 12, 2003, and recorded in Deed Book 1161, at Page 494, Henderson County Registry, on November 14, 2003, and that this instrument was executed under and by virtue of the authority given by said instrument granting his power of attorney.

I do further certify that the said **SCOTT E. McELRATH** acknowledged the due execution of the foregoing and annexed instrument on behalf of the limited liability company for the purposes therein expressed for and in behalf of said **SHEPPARD COLLEDGE**. WITNESS my hand and notarial seal, this the 17 day of August, 2004.


 Notary Public
 My Commission Expires: 6/3/2008



STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

AMENDMENT OF RESTRICTIVE
COVENANTS FOR THE HOMESTEAD
AT MILLS RIVER

Thompson &

This AMENDMENT TO RESTRICTIVE COVENANTS FOR THE HOMESTEAD AT MILLS RIVER is signed by **THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, the co-owner and developer (hereinafter referred to as "Owner"), and **RIVER OAKS JOINT VENTURES, LLC**, the co-owner (hereinafter referred to as "Owner") this the 8 day of July, 2005.

WITNESSETH:

WHEREAS, the original Restrictive Covenants for The Homestead at Mills River are recorded in Deed Book 1164, at Page 91, Henderson County Registry;

WHEREAS, an Amendment of Restrictive Covenants for the Homestead at Mills River was recorded in Deed Book 1192, at Page 26, and Deed Book 1194, at Page 592, Henderson County Registry;

WHEREAS, under Article XXIX, "the Declaration may be amended at any time and from time to time either by the recordation in the Office of the Register of Deeds for Henderson County, North Carolina, of written amendment to these Restrictive Covenants signed by the owners of at least sixty-seven percent (67%) of the lots in the Development, and also by the Developer so long as Developer shall own any lots which are subject to this Declaration, or by the recordation in said office of a document prepared and executed by the Secretary of the Board of Directors certifying that the amendment to the declaration set out therein has been approved by the affirmative vote of at least sixty-seven percent (67%) of the votes in the Association."; and

WHEREAS, The Homestead at Mills River, LLC and River Oaks Joint Venture, LLC, are the owners of more than sixty-seven percent (67%) of the lots and real estate comprising The Homestead at Mills River, and wish to make an amendment to said Restrictive Covenants recorded in Deed Book 1164 at Page 91;

NOW, THEREFORE, pursuant to Article XXIX of the Restrictive Covenants, the Restrictive Covenants are amended as follows:

1. The following paragraph is hereby added to the end of Article I, Land Use and Structure Type:

FUTURE PHASES; ANNEXED PROPERTIES; AND REMOVAL OF PROPERTIES

Declarant reserves the right to subject Annexed Properties as herein defined to the terms of this Declaration and the general plan of development for The Homestead at Mills River by the filing of a supplement to this Declaration with corresponding plat that identifies the property to be added to The Homestead at Mills River. Notwithstanding any provision of this Declaration to the contrary, Declarant, in its sole discretion, shall designate in the Supplemental Declaration the permitted uses within the Annexed Properties, which may be other than residential, and any other development restrictions affecting the use and enjoyment of said land. Notwithstanding the differences, if any in the use restrictions for Annexed Properties, it is the intent of the Declarant that properties once annexed be part of the general plan of development for The Homestead at Mills River; provided, that however, the Declarant reserves the right to modify the boundaries of The Homestead at Mills River to remove the unsold properties from The Homestead at Mills River planned community. This right to move properties from the general plan of development for The Homestead at Mills River does not apply to Common Elements. This Article is be construed to give the Declarant the broadest

flexibility to add Annexed Properties to The Homestead at Mills River planned community with use restrictions tailored for each additional tract or to modify the boundaries of The Homestead at Mills River when determined in the sole discretion of the Declarant to be in the best interest of The Homestead at Mills River.

"Annexed Properties" shall mean any tract of land not included within the boundaries of The Homestead at Mills River as defined in the original Restrictive Covenants recorded in Deed Book 1164, at Page 91, Henderson County Registry, which may be added to The Homestead at Mills River planned community as provided as provided in this section.

EXCEPT AS NOTED HEREIN ALL LOTS ARE FOR RESIDENTIAL PURPOSES AND NO LOT SHALL BE USED AS ACCESS TO ANY ADJOINING ACREAGE NOT A PART OF THE HOMESTEAD AT MILLS RIVER SUBDIVISION. ONLY THE DEVELOPER MAY ADD ADDITIONAL PROPERTY TO THE SUBDIVISION.

In all other respects, except as modified herein and in the other aforementioned Amendments, the said Restrictive Covenants are and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment on behalf of the LLC's, the day and year first above written.

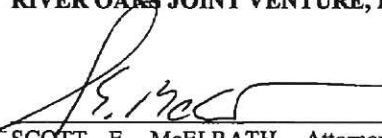
THE HOMESTEAD AT MILLS RIVER, LLC

By:


SCOTT E McELRATH, Member/Manager

RIVER OAKS JOINT VENTURE, LLC

By:


SCOTT E. McELRATH, Attorney-in-Fact for
SHEPPARD COLLEDGE

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, a Notary Public of the aforesaid County and State certify that **SCOTT E. McELRATH, Member/Manager of THE HOMESTEAD AT MILLS RIVER, LLC**, a North Carolina Limited Liability Company, personally appeared before me and acknowledged the execution of the foregoing instrument on behalf of the company. WITNESS, my hand and office seal, this the 8th day of July, 2005.

Margaret D. Gipe
Notary Public

My Commission Expires: 9/10/09



STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, a Notary Public for said County and State, do certify that **SCOTT E. McELRATH**, attorney-in-fact for **SHEPPARD COLLEDGE, Member/Manager of RIVER OAKS JOINT VENTURE, LLC**, a North Carolina Limited Liability Company, personally appeared before me this day and being by me duly sworn, says that he executes the foregoing and annexed instrument for and in behalf of the said **SHEPPARD COLLEDGE** and that his authority to execute and acknowledge said instrument is contained in an instrument dated November 12, 2003, and recorded in Deed Book 1161, at Page 494, Henderson County Registry, on November 14, 2003, and that this instrument was executed under and by virtue of the authority given by said instrument granting his power of attorney.

I do further certify that said **SCOTT E. McELRATH** acknowledged the due execution of the foregoing and annexed instrument on behalf of the limited liability company for the purposes therein expressed for and in behalf of said **SHEPPARD COLLEDGE**. WITNESS my hand and notarial seal, this the 8th day of July, 2005.

Margaret D. Gipe
Notary Public

My Commission Expires: 9/10/09



North Carolina, Henderson County The foregoing certificate(s) of

Margaret D. Gipe
Notary Public (~~Notaries Public~~) is/are certified to be correct, this instrument presented for registration and recorded in this office this 8 day of July, 2005 at 4:58 P. in book 1234, page 444

James W. Mide
Register of Deeds

(Assistant-Deputy)