

Prepared by: Ann M. "Margie" Happel Humphreys
Mail back to: Mr. Paul Brummett, Beech Hill Owners, Inc.,
68 Stoneridge Road, Durham, NC 27705

NORTH CAROLINA AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

COUNTY OF DURHAM

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Beech Hill Owners, Inc. and The Owners of Colony Hill, Inc. (the "Amendment to Declaration"), adopted by a vote of at least two-thirds of each class of Members casting votes in person or by proxy at that certain meeting held on December 4, 1989, which was duly called for the purpose of adopting this Amendment to Declaration, and written notice of which, including the subject matter of this Amendment to Declaration having been sent to all Members at least 30 days in advance of said meeting, all pursuant and in accordance with the provisions of Article IX, Section 6, entitled "Amendment" of the Declaration of Covenants, Conditions and Restrictions of Beech Hill Owners, Inc. and The Owners of Colony Hill, Inc. which is recorded in Book 1047, Page 454, Durham County Registry (the "Declaration") does hereby modify and amend the Declaration as follows:

1. Article VI, Section 3, is amended by deleting the word "agrees" in the fourth line, and by inserting in lieu thereof the words, "and the Board of Directors of Beech Hill Owners, Inc. agree", so that Article VI, Section 3 reads in its entirety, "Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner

who has used the wall must restore it as a party wall unless the other Owner and the Board of Directors of Beech Hill Owners, Inc. agree to the contrary in advance, and the other Owners thereafter making use of the wall shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions. Owner shall be required to reconstruct all exterior walls, roofs, patios and decks if same should be damaged by fire or other casualty."

2. Article VIII, Section 1, is deleted in its entirety and the following provision is substituted in lieu thereof, "Section 1. Exterior Maintenance. In addition to maintenance upon the Common Properties, Beech Hill Owners, Inc. shall provide a chimney inspection and a termite inspection, and shall provide exterior maintenance upon each townhouse located on a Lot which is subject to assessment under Article V hereof, as follows: paint gutters, down-spouts, and exterior building surfaces; and repair, and care for roofs. Any other maintenance, including skylights, windows, doors, decks, patios and railings, is the responsibility of the Owner of the Lot of the townhouse affected. This clarifies responsibilities and is necessary to hold assessments as low as possible. Repair of damage caused by an "act of God", such as windstorm, is the Owner's responsibility. Beech Hill Owners, Inc. owns common ground, including parking pads, streets, and street lights, but no structures. Owners are

not permitted to make any additions or changes to any part of the outside of buildings, unless approved in advance, in writing, by the Board of Directors. Any treatment or repairs required as the result of the chimney inspection or the termite inspection shall be performed and paid for by the Owner of the Lot of the townhouse which was inspected; provided, however, that because failure to make required treatment or repairs could potentially result in damage to other units, the Board of Directors of Beech Hill Owners, Inc., at its option and in its sole discretion, may decide to cause treatment or repairs to be made if the Owner fails to do so within a reasonable time, and the cost of such treatment or repairs shall be treated as a cost of exterior maintenance and may be assessed as such.

3. Article VIII, Section 3, is amended by inserting after the word "performing" in the second line the following words, "the chimney inspection, the termite inspection, any treatment and repair, and," so that Article VIII, Section 3 reads in its entirety, "Section 3. Access at Reasonable Hours. For the purpose solely of performing the chimney inspection, and the termite inspection, any treatment and repair, and the exterior maintenance required by this Article, Beech Hill Owners, Inc., through its duly authorized agents and employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours on any day, specifically including the right to repair or maintain any water or sewer line which may cross any Lot."

4. Article IX, Section 4, is amended by adding at the end of said section the following sentences, "Any violation of such rules shall be punishable by fine and/or suspension of the right to use specified portions of the Common Properties. In the event that the Board of Directors of Beech Hill Owners, Inc. or The Owners of Colony Hill, Inc. have reason to believe that a violation of any of the rules has occurred, the Board shall serve upon or mail to the person thought to be in violation a written notice specifying the nature of the violation, the time of occurrence, the intended action of the Board, and the time period in which the person shall have to respond or challenge the levy of the fine and/or suspension of rights to use specific portions of the Common Properties. Within the time limit specified in the notice, the person may serve upon or mail a written notice to the Board requesting a hearing on the matter. If the hearing is so requested, the Board shall serve upon or mail to the person a notice specifying the time and place for such hearing. At the hearing, the Board shall hear the position and response of the person. Thereafter the Board shall determine in writing whether to levy the fine and/or the suspension of the right to use specific portions of the Common Properties. The written determination of the Board shall be served upon or mailed to the person."

5. A new Article V, Section 3, paragraph D, is hereby added which reads, "D. Any fine levied pursuant to Article IX, Section 4, shall be an assessment against the Lot owned or leased by the

person violating the rules adopted by the Board of Directors of Beech Hill Owners, Inc. or The Owners of Colony Hill, Inc. and shall be as any other assessment due, collected, and a lien on the Lot against which it is made."

6. Article V, Section 6, is amended by adding at the end of said section the following sentence, "Any failure or delay of the Board of Directors of The Owners of Colony Hill, Inc. or the Board of Directors of Beech Hill Owners, Inc. in performing maintenance or any duty or obligation set forth in the Declaration or in any amendment to the Declaration shall not abate, postpone, waive, or release any Owner from his or her obligation to pay assessments when due."

7. Article IX, Section 8, shall be amended by adding at the end of said section the following provisions, "Any dispute or controversy which may arise between any Owner and the Board of Directors of Beech Hill Owners, Inc., or the Board of Directors of The Owners of Colony Hill, Inc. as to any duties, obligations, responsibilities, assessments, including fines, or other matters relating to the Declaration or any amendments to the Declaration shall first be attempted to be resolved by mediation through the Dispute Settlement Center of Durham or similar mediation program. The Board of Directors of Beech Hill Owners, Inc. or the Board of Directors of The Owners of Colony Hill, Inc., in its sole discretion, may elect to have any dispute or controversy concerning the Declaration or any amendments to the Declaration resolved by binding arbitration. The arbitration shall be handled by a panel of three arbitrators, one selected by the

board, one selected by the adverse or disputing party, and the third selected by mutual agreement of the two arbitrators previously selected. The majority decision of the panel of arbitrators shall be the binding decision and resolution of the dispute."

By the recording of this Amendment to Declaration in the office of the Register of Deeds of Durham County, this Amendment to Declaration becomes operative and binding upon all Members and their properties;

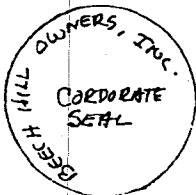
IN WITNESS WHEREOF, this Amendment to Declaration has been signed in the corporate name of the Beech Hill Owners, Inc. and The Owners of Colony Hill, Inc. by the respective authorized officers and their respective seals affixed by the authority of their Boards of Directors.

BEECH HILL OWNERS, INC.

By: *[Signature]*
President

Attest:

[Signature]
Secretary
[Corporate Seal]



NORTH CAROLINA
PERSON COUNTY

I, Sheila R. Clark, a Notary Public of said state and county certify that Ruth B. Eddy personally appeared before me this day and acknowledged that she is Secretary of Beech Hill Owners, Inc. 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 herself as its Secretary.

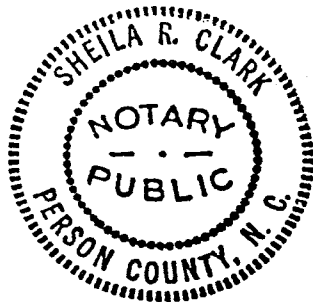
Witness my hand and notarial seal this the 25th day of February, 1991.

Sheila R. Clark
Notary Public

My Commission Expires:

August 13, 1992

AMH:
BHILL.ADC



State of North Carolina-Durham County

The foregoing certificate(s) of
Sheila R. Clark

A Notary (Notaries) Public for the Designated Governments units is (are) certified to be correct.

This the 27 day of Feb A.D. 1991
Ruth C. Garrett Ruth C. Garrett
Register of Deeds By: Assistant Deputy
Register of Deeds

FILED
BOOK 1641 PAGE 505-511

91 FEB 27 AM 11 08

RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, N.C.