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BOOK 01372  
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INSTRUMENT # 15116

**BOOK 1372 PAGE 299**

Prepared by and return to Bagwell, Holt, Smith, Tillman & Jones P.A., 111 Cloister Court, Ste. 200, Chapel Hill, NC 27517

**FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS  
FOR MILLCROFT CLOSE OF RECORD AT BOOK 1234  
PAGE 561, CHATHAM COUNTY REGISTRY**

This First Amendment to the above referenced Declaration is made this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Fitch Creations, Inc., a North Carolina corporation ("the Declarant"), and the undersigned individuals who represent not less than seventy-five percent (75%) of the Lot owners in Millcroft Close ("the Lot Owners"). The Declarant and the Lot Owners state and declare as follows:

A. The Declarant previously made a Declaration of Covenants and Restrictions for Millcroft Close dated January 21, 2006, recorded at Book 1234 Page 561, Chatham County Registry (hereinafter referred to as "the Declaration").

B. Section 4 of Article XI of the Declaration provides that the Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners in Millcroft Close; provided that no amendment to the Declaration may be made which substantially diminishes or adversely affects the interest of any Owner or Lot or as a member of the Association.

C. The Declarant and the Lot Owners now desire to amend the Declaration.

THEREFORE, Declarant and the Lot Owners hereby amend the Declaration as follows:

1. Article VIII of the Declaration, entitled "INSURANCE", is hereby deleted in its entirety, and the following is substituted therefor:

**ARTICLE VIII**

**INSURANCE**

Section 1. Association's Responsibility. The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available.

(a) Blanket property insurance for all insurable improvements on the Common Area to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. All property insurance policies the Association obtains shall have policy limits sufficient to cover the full replacement cost of the insured improvements under

current building ordinances and codes. The Association shall be deemed trustee of all Members' interests in all insurance proceeds paid to the Association under any such policies and shall have full power to receive and to deal with such proceeds. The insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, except as otherwise provided in this Section.

(b) Commercial general liability insurance. Coverage shall include, without limitation, liability for personal injuries and activities in connection with the maintenance of the Lots and the Common Area and the ownership, operation, and other use of the Common Area. The Board shall use its business judgment in deciding upon per occurrence limits for such coverage and shall consider any applicable secondary mortgage guidelines relating to such coverage. The liability insurance shall name, as separately protected insureds, Declarant, any property manager, the Association, the Board, the officers of the Association, and their respective representatives, members, agents, and employees with respect to any liability arising out of the maintenance of the Lots or the Common Area and the use of the Common Area.

(c) Workers' compensation insurance and employers' liability insurance, if and to the extent required by law.

(d) Such additional insurance as the Board, in its business judgment determines advisable.

Section 2. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged equally to Owners as an assessment according to the provision of Article V above.

Section 3. Deductible. The insurance policies purchased by the Association may provide for a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a common expense charged equally to Owners as an assessment in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment pursuant to Article V above.

Section 4. Insurance Requirements. All insurance coverage obtained by the Board shall: (a) be written with a company authorized to do business in North Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate and carries a Best rating of AA or better; (b) be written in the name of the Association as trustee for the benefited parties. (policies on the Common Areas shall be for the benefit of the Association and its Members); (c) not be brought into contribution with insurance purchased by Owners, occupants, or the Owner's mortgagees individually; and (d) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Association or interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving any Owner any interest in the Common Area other than that of a Member). In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners (as a class) as additional insureds for

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claims arising in connection with the ownership, existence, use or management of the Common Area and provide: (a) a waiver of subrogation as to any claims against the Association's board of directors, officers, employees and its manager, or the Owners and their tenants, servants, agents and guests; (b) a waiver of the insurer's rights to repair and reconstruct instead of paying cash; and (c) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or non-renewal

Section 5. Owner's Responsibility. Each Owner of a Lot shall be responsible for obtaining and maintaining at all times insurance at his or her own expense covering all portions of the Owner's Lot, including structures and improvements on the Lot and Owner's personal property. Additionally, each Owner of a Lot may, at his or her option, obtain insurance at his or her own expense to cover his or her personal liability, and to provide such other coverage as he or she may desire. At the Association's request, Owners shall file a copy of each individual policy or policies covering the Owner's Lot and personal property with the Board within ten (10) days after receiving such request. Such Owner shall promptly notify the Association in writing in the event such policy is canceled.

2. As amended herein, the Declaration is hereby confirmed and ratified in all respects, and it shall remain in full force and affect according to its terms.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed, as of the date first stated above.

**DECLARANT:**

Fitch Creations, Inc.,  
a North Carolina corporation

By: \_\_\_\_\_

*Roy B. Fitch, Jr.*  
Roy B. Fitch, Jr., President

STATE OF NC, COUNTY OF Chatham

I, Laura F. Morgan, a notary public, do hereby certify that Roy B. Fitch, Jr. personally came before me this day and acknowledged that he is President of Fitch Creations, Inc., a North Carolina corporation, and that he, as President, being duly authorized to do so, voluntarily executed the foregoing on behalf of the corporation.

Witness my hand and official seal this the 9<sup>th</sup> day of November, 2007.

Laura F. Morgan  
Official Signature of Notary Public

Laura F. Morgan  
Notary's Printed or Typed Name, Notary Public

My commission expires: 12/14/2007

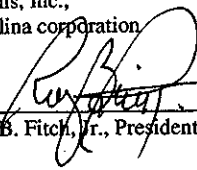
(Official Seal)



IN WITNESS WHEREOF, the following Lot Owners, representing no less than seventy-five percent (75%) of the Lot Owners in Bradford Place have caused this instrument to be executed, as of the date first stated above.

Owner of Lots 4052, 4063 through 4071, and 4076

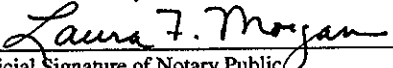
Fitch Creations, Inc.,  
a North Carolina corporation

By:   
Roy B. Fitch, Jr., President

STATE OF NC, COUNTY OF Chatham

I, Laura F. Morgan, a notary public, do hereby certify that Roy B. Fitch, Jr. personally came before me this day and acknowledged that he is President of Fitch Creations, Inc., a North Carolina corporation, and that he, as President, being duly authorized to do so, voluntarily executed the foregoing on behalf of the corporation.

Witness my hand and official seal this the 9<sup>th</sup> day of November, 2007.

  
Official Signature of Notary Public

Laura F. Morgan

(Official Seal)

Notary's Printed or Typed Name, Notary Public

My commission expires: 12/14/2007

