

WAKE COUNTY, NC 522
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
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Prepared By Clifton & Singer
Return to: Box 43
NORTH CAROLINA

WAKE COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR TOWNES AT BUCKHAVEN
TOWNHOMES.

THIS DECLARATION, made this the 13 day of Sept 2006, by Bill Clark
Homes of Raleigh, LLC, a North Carolina limited liability company, of Wake County, North
Carolina, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Town of Fuquay
Varina, Wake County, North Carolina, which is more particularly described on Exhibit "A"
attached hereto; and

WHEREAS, Declarant will convey the said property subject to certain protective
covenants, conditions and restrictions, reservations and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares all of the property described on the
attached Exhibit "A" to be held, sold and conveyed subject to the following easements,
restrictions, covenants and conditions, all of which are for the purpose of enhancing and
protecting the value, desirability and attractiveness of the real property, and which shall run

with the real property and shall; be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to TOWNES AT BUCKHAVEN HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described on Exhibit "A" attached hereto.

Section 3. "Common Area" shall mean all real property owned by the Association for the Common use and enjoyment of all members or designated classes of members of the Association, and all water lines located outside of the city streets or rights of way and all sewer lines located outside of either street rights of way or Town of Fuquay-Varina sewer easements which serve the property except water and sewer line located on any lot.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Declarant" shall mean and refer to Bill Clark Homes of Raleigh, LLC, a North Carolina limited liability company, its successors and assigns.

ARTICLE II

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest mainly as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment, by the Association. Ownership of such Lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in the Subdivision.

ARTICLE III

VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership which shall be non-cumulative.

Class A. Class A members shall be all those Owners as defined in Article III with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting shall not be allowed.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for

membership by Article III, provided that the Class B membership shall cease and be converted by Class A membership on the happening of either of the following events, whichever occurs earlier:

- * When the total votes outstanding in Class A membership equal to the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, such additional lands are annexed to the Properties without the agent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article II, Section 2, above.
- * On January 1, 2016

Section 2. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and according to the provisions of Article V, Section 1(d).

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and over the Common Area for access, ingress and egress from and to public streets and parking areas and walkways, and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- * The right of the Association to limit the number of guests or members;
- * The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

* The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the homeowners hereunder;

* The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which an assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

* The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to case two-thirds (2/3) of the votes of the Class A membership if the Association has been turned over to the two-thirds (2/3) of the votes of the Class B membership. Written notice of the proposed action must be sent to every member not less than thirty (30) days nor more than sixty (60) days in advance, if applicable.

* The right of the individual members to the exclusive use of parking spaces as provided in this Article.

Section 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except street rights of way,

easements for driveways, walkways, parking, drainage and utility easements (if any) prior to the conveyance of the first Lot, or first Lot within an area annexed to the Association.

Section 4. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of access, ingress and egress in and upon said parking areas. If a townhouse has a garage, the garage shall count as one parking space. The Association shall permanently assign one (1) vehicular parking space for each dwelling, such space to be as near the dwelling to which it is assigned as is reasonably possible. (The Association may prohibit the parking of boats, campers, trailers, commercial vehicles and other such items on the Common Area. Such vehicles may be temporarily parked or stored only with permission of the Association.)

Section 5. TV Antennas. The Association may regulate or prohibit the erection of television and radio antennas on individual lots. Satellite dishes eighteen (18") inches or less in diameter are permitted provided they are installed in a manner that causes them to be as unobtrusive as possible. Satellite dishes may not be placed on the front of the townhome or in the front yard. Prior written approval must be obtained from the association to install a Satellite dish.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned with the Properties, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants to pay to the Association: (1) annual assessments or

charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereafter provided. All assessments relating to Commons Areas and the maintenance of exterior shall be shared equally by each Lot Owner and annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessment The assessments levied by the Association shall be used: (a) to provide funds for maintenance, upkeep, landscaping and beautification of the Common Area in Townes at Buckhaven Townhomes and to meet the maintenance obligation of the Association set forth in Article VII hereof; (b) to provide services for the Association members to promote the health, safety and welfare of the residents of Townes at Buckhaven Townhomes, and in particular for the acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area, including but not limited to the cost of repair, replacement and additions thereof; (c) to provide funds to maintain the insurance coverage set forth in Section 12.1 hereof; (d) for the payment of taxes and public improvement liens assessed against the Common Area owned in fee simple; (e) the employment of attorneys. (f) the provision of any service which is not readily available from any governmental authority and which the Association shall decide to provide; (g) the payment of all costs, expenses and fees necessary for the operation, maintenance, repair and renovation of the water and sanitary sewer system servicing Townes at Buckhaven Townhomes, including, without

limitation, the payment of all fees, charges, and expenses payable to the Wake County Utility Department, or Town of Fuquay-Varina Utility Department or a private utility company in connection therewith; (h) to provide funds for the use, maintenance and replacement of all utilities, stormwater facilities defined as Common Area.

Section 3. Basis and Maximum of Annual Assessments. Until December 31, 2007 the maximum annual assessment shall be Eighty (\$80.00) Dollars per Lot, per month.

From and after December 2007 the maximum annual assessments may be increased effective January 1 of each year without a vote of the membership, provided the increase is not more than five (5%) percent above the maximum assessment for the previous year.

From and after December 31, 2013 the maximum annual assessments may be increased above five (5%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

After consideration of the current maintenance costs and further needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Working Capital Fund. Simultaneously with the closing of the sale of each Townhome Unit by Declarant, the purchaser shall remit to the Association \$300.00 to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Uniform Rate of Assessment. Annual assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. Special assessments shall be fixed in the same manner.

Section 7. Quorum for any Action Authorized Under Section 3(b) and Section 5
At the first meeting called, as provided in Section 3(b) and Section 5 hereof, the presence at the meeting of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Section 5 and the required quorum at any such subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in use on the first

day of the month following conveyance of the Common Areas. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certification in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been made.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8%) percent per annum, and the Association may, as by law provided, file a lien against the Lot for all sums due and foreclose on said lien; and also may bring an action at law against the Owner personally obligated to pay the same either for a money judgment without foreclosing or waiving the lien or for a deficiency money judgment following foreclosure, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of the first mortgages on the applicable property. Sale or transfer of any Lot shall not affect the assessment lien. However, the

sale or transfer of any Lot which is subject to any mortgage, pursuant to foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which assessment became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority and (b) the Common Area. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Responsibility for Maintenance. The maintenance responsibility of the private streets and driveways as shown on the aforesaid recorded map shall rest with the Homeowners Association. In no case shall the Town of Fuquay-Varina be responsible for failing to provide any emergency or regular fire, police, or other public service to the property and/or occupants when the failure is due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, Homeowners Association, or occupants.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots and all reconstruction or extensions of such walls shall be subject to the general rules of law regarding party walls, lateral support in below-ground construction and of liability of property damage due to negligence or willful acts or omissions.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

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 may restore it, and if the other Owners thereafter make use of the wall, they 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 negligent or willful acts or omissions.

Section 4. The owner of any Lot may construct, reconstruct, or extend a party wall in any direction (subject to and within the limitation of architectural control and other limitations of these Covenants) with the right to go upon the adjoining Lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such Owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provisions of this Article an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner that No Contribution is Due.

If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article VII, request of the adjoining property owner or property owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request and without charge; provided however that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina, relating to arbitration as then existing.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the written plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated Committee, fails to approve or disapprove such design and location within thirty (30) days after said written plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces or underground waterproofing. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. The owner of any Lot may, at his election, plant trees, shrubs, flowers and grass in his rear yard, and may also maintain portions or all of his rear yard provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No such maintenance by a lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such owner fails to maintain his rear yard in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one (1) year. The owner of a Lot shall not plant any vegetation in the front yard except with the prior written approval of the Association.

In the event that the need for maintenance or repair or replacement is caused through the willful or negligent act of the Owner, his family, guests, invitees, tenants, contract purchasers or contractors; then in any such event the full cost of such maintenance or repairs or replacement shall be the Owner's sole responsibility and, if not paid by the Owner, added to and become a part of the assessment to which such Lot is subject.

In the event that the need for maintenance or repair or replacement is caused by defects in the original construction on the Lot; or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles, or smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies, then in any such event the cost of such maintenance or repairs or replacement shall be the Homeowners Association's responsibility.

ARTICLE X

USE RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots and Townhomes located thereon by all of the residents thereof and to provide protection for the value of the same, the use of the Lots and Townhomes located thereon shall be restricted to, and shall be only in accordance with, the following provisions:

Section 1. Single-Family Use. All of the Lots shall be restricted exclusively single-family residential use. The term "single-family" shall include one or more related or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this Section 1 shall prohibit: (a) the Declarant from conducting such sales, leasing and promotional activities on any Lot as said Declarant shall determine (including but not limited to, using any Townhome as a model home and sales office); or (b) the owner of any such Townhome from using a portion of the Townhome as an office, provided that such use does not create regular customer or client traffic to and from such Lot and Townhome located thereon and no sign, logo, symbol or nameplate identifying such business is displayed anywhere on such Lot.

Section 2. Prohibited Activities. No noxious or offensive activity shall be conducted

on any Lot. Each owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his property which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other resident or residents of any other Lot.

Section 3. Nuisances. No nuisance shall be permitted to exist upon any Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot, or any portion thereof.

Section 4. Trash; Animals. No portion of any Lot shall be used as a dumping ground for rubbish, trash or garbage, nor shall any trash or garbage be permitted to accumulate upon any Lot. Garbage containers shall be buried or screened on each Lot so that the same shall not be visible from the street or from any part of any other Lot.

No Lot or Townhome located thereon shall be used for keeping or breeding of livestock animals or poultry of any kind, except that a reasonable number of household pets may be kept, provided that they are neither kept for breeding nor maintained for any commercial purpose, and provided that none of such pets are permitted to be a source of annoyance to any other resident or residents of any other Lot.

Section 5. Signs. No sign of any kind or character shall be erected on any portion of any Lot, or displayed to the public on any portion of any Lot, without the prior written consent of the Board of Directors, except for customary name and address signs and one "for sale" sign advertising a Lot for sale. The restriction herein stated shall include the prohibition of placement of any sign within a Townhome in a location from which the same shall be visible from the outside and the placement of any sign in or upon any motor vehicle.

Section 6. Clotheslines. No clothesline shall be erected on any portion of any Lot.

Section 7. Window Air-Conditioners. No air-conditioner shall be installed in any window of any Townhome, nor shall any air-conditioner be installed on any Townhome on any Lot so that the same protrudes through any exterior wall of such Townhome.

Section 8. Temporary Structures. Subject to the right of the Declarant to promote the sale of Lots, no structure of a temporary character, including, without limitation, any trailer, tent, shack, garage or other building, shall be permitted on any Lot at any time, whether temporarily or permanently, except with the prior written consent of the Board of Directors; provided, however, that temporary structures may be erected or placed upon a Lot for use in connection with the repair or construction of structures upon such Lot.

Section 9. Subdivision of Lots. No Lot may be further subdivided into any smaller Lot.

Section 10. Enforcement by Members. In the event that the Owner of any Lot, or any person who is entitled to occupy any Lot, shall fail to comply with or abide by any restriction set forth in this Article X, then the Owner of any other Lot who is aggrieved by such failure of compliance or abidance shall have the right to proceed at law or in equity to compel such Owner or such occupant to comply therewith and abide thereby. Additionally, any Owner of any Lot who, or whose lessee, shall fail to comply with or abide by any such restriction shall be liable for any damages as may be suffered by any other owner of any Lot as a consequence of such failure.

ARTICLE XI

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm

drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant an establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as fireplaces, overhanging eaves, gutters, downspouts and walls.

An easement is hereby established for the benefit of the Town of Fuquay-Varina over all Common Areas hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities and other utility maintenance as necessary.

ARTICLE XII

INSURANCE AND CASUALTY LOSSES

Section 12.1 Insurance.

(a) Common Area. It shall be the duty of the Association to obtain and maintain in effect at all times:

(i) a policy of casualty insurance on all Townhome Buildings located on the property in an amount of not less than the replacement cost. A Building shall mean the structures erected upon a Lot. Such insurance shall be an amount equal to but not less than one hundred percent (100%) of the full insurable value of the Buildings to the unfinished walls of a Building, including any fixtures, appliances, improvements and alterations that are part

of the Building, on a replacement cost basis exclusive of land, excavation, foundations and other items normally excluded from property policies, and shall insure against such risk and contain such provisions as the Homeowners Association from time to time shall determine.

(ii) a comprehensive policy of public liability insurance in an amount not less than one million dollars.

(iii) a fidelity bond in an amount determined by the Board of Directors

Each such insurance policy shall have such limits of coverage, and provide for such deductibles, as shall be determined by the Board of Directors. During the existence of the Class B membership of the Association, such insurances may be provided by a self-insurance program maintained by the Declarant. Insurance premiums are a Common Expense.

b) Individual Insurance. Each unit owner may obtain insurance, at his own expense, affording personal property, additional living expense, personal liability, and any other coverage obtainable, to the extent and in the amount such lot owner deems necessary to protect his own interest; provided that any such insurance shall contain waivers and shall provide that it is without contribution as against the insurance purchased by the association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the association due to the proration of insurance purchased by a unit owner under this Section, such unit owner shall be liable to the association to the extent of such reduction and shall pay the amount of such reduction to the association upon demand, and assigns the proceeds of his insurance, to the extent of such reduction, to the association.

Section 12.2 Damage and Destruction.

(a) Common Area. All damage that shall occur to any improvements located on any

Common Area on account of any casualty shall be repaired in all events. Such repairs shall be undertaken and completed as soon after the occurrence of any such casualty as is reasonably practicable. All repairs to any improvements located on the Common Area shall be made in accordance with plans and specifications that shall be approved for the same by the Board of Directors of the Association.

(b) Lots. In the event of the occurrence of any damage or destruction by fire or other casualty to any one or more Lot improvements, such damage or destruction shall be repaired or rebuilt in all events. All repair, reconstruction or rebuilding of any improvements on Lots shall be substantially in accordance with the plans and specifications for such damaged or destroyed Lot improvement prior to the occurrence of such damage, or in accordance with such differing plans and specifications as are approved for such purpose by both the owner of the Lot improvement which is to be so repaired, reconstructed or rebuilt, and by the Architectural Control Committee. The work of repairing, reconstructing or rebuilding any damaged or destroyed Lot improvement shall be completed as soon after the occurrence of such damage or destruction as is reasonably practicable at no cost or expense to the Association other than the cost of insurance as described in Section 12.1 above.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or any Owner to enforce any covenant or restriction

herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Mandatory Membership. Membership in the Homeowners Association shall be mandatory for each original purchaser and each successive owner of a residential site.

Section 4. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association and by the owner of any Lot subject to this Declaration, his respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than the Owners of ninety (90%) percent of the Lots, and thereafter by an instrument signed by not less than the Owners of seventy-five (75%) percent of the Lots.

Section 5. If any amendment to these covenants, conditions and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days do the following:

Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined).

Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,
CONDITIONS AND RESTRICTIONS OF TOWNES AT BUCKHAVEN

By authority of the Board of Directors, TOWNES AT BUCKHAVEN Homeowners Association, Inc., hereby certifies that the foregoing instrument has been duly executed by the Owners of _____ percent of the Lots of TOWNES AT BUCKHAVEN Townhomes and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of TOWNES AT BUCKHAVEN Townhomes.

TOWNES AT BUCKHAVEN HOMEOWNERS ASSOCIATION, INC.

By: _____

Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Wake County Registry.

All amendments shall be effective from the day of recordation in the Wake County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of this Association. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded, and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in TOWNES AT BUCKHAVEN Townhouses.

Section 6. VA/FHA/FNAM Approval. As long as there is Class B membership, the following actions will require the prior approval of the Veterans Administration, Federal Housing Administration, and the Federal National Mortgage Association: annexation of additional properties, dedication of Common Area and the amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7. Rights of First Mortgage Holders. Any institution holder of a first mortgage on a unit in the project will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, and ©) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings.

Section 8. Association Management. Any Management Agreement for the Association will be terminable by the Association for cause upon thirty (30) days written notice thereof and the term of such agreement may not exceed one (1) year, renewable by the parties for successive one-year periods.

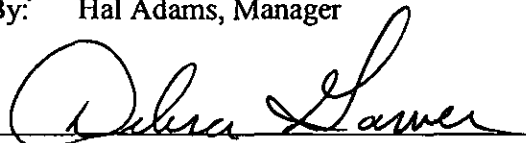
Section 9. Progress Energy. The developer reserves the right to subject the real property in this subdivision to a contract with Progress Energy for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting, which will require a continuing monthly payment to Carolina Power & Light by the owner of each building.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this instrument this the 13 day of Sept 2006, and the other parties hereinabove designated have joined in the execution of the same as of the dates of the notarization of their signatures.

BILL CLARK HOMES OF RALEIGH, LLC



By: Hal Adams, Manager



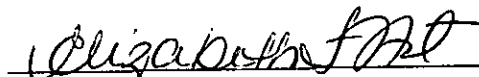
By: Debra Garver, Manager

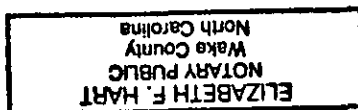
STATE OF NORTH CAROLINA, WAKE COUNTY

I, Elizabeth F. Hart, a Notary Public of Wake County North Carolina, certify that Hal Adams and Debra Garver, Managers of Bill Clark Homes of Raleigh, LLC, personally came before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 13th day of September, 2006

My Commission Expires: 6-18-07


Notary Public

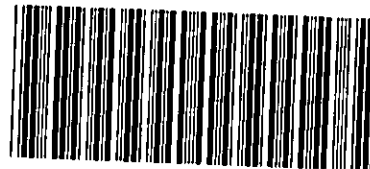


ATTACHMENT

BEING all of that parcel shown as "Phase 1B Trace" on Annexation Plat entitled "Woodchase Phase 1B Tract and Future Development Tract Survey for the Town of Fuquay-Varina" and recorded in Book of Maps 2000, Page 2289, Wake County Registry.

Exhibit "A"

BEING all of that parcel shown as "Phase 1B Tract" on Annexation Plat entitled "Woodchase Phase 1B Tract and Future Development Tract Survey for the Town of Fuquay-Varina" and recorded in Book of Maps 2000, Page 2289, Wake County Registry.



BOOK:012166 PAGE:01553 - 01579

**Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.**



**Wake County Register of Deeds
Laura M. Riddick
Register of Deeds**

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