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MAIL TO:
SMITH, DEBNAM, WEBBER & PAHL
STATESBORO OFFICE CENTER
P. O. BOX 515
ZEBULON, N. C. 27597.

Drawn By: W. Thurston Debnam, Jr.

NORTH CAROLINA
WAKE COUNTY

DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR COLONIAL HEIGHTS
TOWNHOUSES ASSOCIATION, RECORDED IN
BOOK OF MAPS 1984, PAGE 279,
WAKE COUNTY REGISTRY

THIS DECLARATION, made on the date hereinafter set forth by SUPREME BUILDERS, INC., of Wake County, North Carolina, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property of Wake, State of North Carolina, which is more particularly described as follows:

BEING all of that certain tract of land containing 2.65 acres as shown by map and survey recorded in Book of Maps 1984, Page 279, Wake County Registry.

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

NOW THEREFORE, Declarant hereby declares all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all which are for the purpose of 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 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 COLONIAL HEIGHTS TOWNHOUSES ASSOCIATION, its successors and assigns.

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REGISTERED
KENNETH W. KINGS
REGISTER OF DEEDS
WAKE COUNTY, NC

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

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 City of Raleigh sewer easements which serve the property and not located within townhouse lots.

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 a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to SUPREME BUILDERS, INC., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Common Expense" shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses for maintenance of the townhomes as provided in this Declaration;
- (c) Expenses of the common area and administration, maintenance, repair, or replacement of the Common Areas;

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(d) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;

(e) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase;

(f) Ad valorem taxes and public assessment charges lawfully levied against common areas.

(g) Expenses agreed by the members to be common expenses of the Association.

(h) Unpaid assessments resulting from the purchase of a townhome at a foreclosure sale (such assessment shall be collectible from all members of the Association, including the purchaser at the foreclosure sale, his successors and assigns).

ARTICLE II
SEWER SYSTEM

1. The Declarant shall construct the waste water collection system, and waste water treatment and/or disposal facilities in accordance with the permit and plans and specifications hereafter issued and approved by the North Carolina Environmental Management Commission; and shall thereafter properly operate and maintain such systems and facilities in accordance with applicable permit provisions and law until each system and facilities have been transferred to the Association.

2. The Declarant shall not transfer ownership of the waste water collection system, or the waste water treatment and/or disposal facilities to the Association until they have been inspected and a permit issued to the Association by the North Carolina Environmental Management Commission.

3. When the Association comes into legal existence, the Developer who will be the sole member of the Association, will cause the Association to join in the execution of this agreement before any unit is conveyed to any person, firm or corporation that will become a member of the Association, to assure that the Association will be bound by this agreement

to the same extent as if the Association were presently existing and executing this agreement with the Declarant and the North Carolina Environmental Management Commission. after causing the Association to execute this agreement, the Declarant will return to the North Carolina Environmental Management Commission an executed copy of this agreement. The Association, thereafter will apply for reissuance of the permit to the Association for operation of the system.

4. The Association, after transfer of ownership of the waste water collection system, and waste water treatment and/or disposal facilities to it by the Declarant, shall thereafter properly maintain and operate the waste water collection system and waste water treatment or disposal facilities and appurtenances thereto in conformity with law and the provisions of the permit for construction, operation, repair, and maintenance of the system and facilities hereafter issued by the North Carolina Environmental Management Commission; and in order to provide the necessary funds to carry out such construction, operation, repair and maintenance, the Association shall levy and collect the assessments provided for in its By-Law, including special or additional assessments, and in the event that the sum realized by the levy of such assessments shall not be adequate to maintain and operate the system and facilities as required by law and permit provision, the Association shall take such action as is necessary to secure funds adequate for such purposes.

5. In order to assure that there shall be funds readily available to repair or re-construct the waste water collection system, waste water treatment and/or disposal facilities, in the event of severe damages or destruction, the Association shall create, maintain and use the contingency funds as provided in its By-Laws. The Association in its duly filed By-Laws, shall identify the entire wastewater treatment, collection and disposal system as a common area which will receive the highest priority for expenditures by the Association except for Federal, State and local

taxes, and insurance.

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6. If a waste water collection system or waste water treatment and/or disposal facility provided by and city, town, village, county, water and sewer authorities, or other unit of government shall hereinafter become available to serve the Colonial Heights Townhouses Association townhouse properties, the owner of the waste water collection system, and waste water treatment and/or disposal facilities or any portion thereof, serving the townhouses, whether it be the Association or the Declarant, shall take such action as is necessary to cause the existing and future waste waters of the townhouse to be accepted and discharged into said governmental systems; and shall convey or transfer as much of the townhouse wastewater collection system and waste water treatment and/or disposal facilities and such necessary easements as the governmental unit may require as a condition of accepting the townhouses waste water.

7. The Association, recognizing that it would be contrary to the public interest and the public interest and the public health, safety and welfare to enter into voluntary dissolution without having made adequate provision for the continued proper maintenance, repair and operation of its waste water collection system and waste water treatment and/or disposal facilities, shall not enter into voluntary dissolution without first having transferred its system and facilities to some person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission by the issuance of a permit.

8. The Association shall not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation and maintenance of its waste water collection system and waste water treatment and/or disposal facilities until it has first secured the written approval of the North Carolina Environmental Management Commission.

ARTICLE III
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 merely 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 this Subdivision.

ARTICLE IV
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 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 interest required for membership by Article II. When more than one person holds an 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 be allowed.

Class B. The Class B members shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which he holds interest required for membership by Article III, provided that the

Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership.

(b) On December 31, 1967.

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, walkways and parking areas and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) The right of the Association to limit the number of guests of members;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(c) The right of the Association, in accordance with its Articles and By-Laws, 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;

(d) 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 any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules

and regulations;

(e) 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 cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer and unless written notice of the proposed action is sent to every member not less than 30 days nor more than 60 days in advance; and

(f) 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 By-Laws, 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.

Section 4. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of not less than two 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. The Association shall permanently assign one vehicular parking space for each dwelling, such space to be as near the

dwelling to which it is assigned as if reasonably possible. The Association may regulate the parking of boats, trailers, and other such items on the Common Area. Boats, campers, trailers, and commercial vehicles shall be parked only in the Common Area in spaces designated by the Association.

Section 5. TV Antennas, Cablevision, and Piped-In-Music. The Association may, in its discretion, provide one or more central television antennas for the convenience of the members and may supply piped-in-music and/or cablevision and the cost of these may be included in annual or special assessments. The Association may regulate or prohibit the erection of television antennas and satellite dishes on individual lots.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges for common expenses; and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. All assessments relating to Common Areas and the maintenance of the exterior shall be shared equally by the owners of each Lot. The 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 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. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the beautification of the Properties, recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of those homes situated upon the Properties. The Homeowners Association shall be responsible for the payment of premiums for liability insurance, payment of local ad valorem taxes on Common Areas, payment of assessments for public and private capital improvements made to or for the benefit of the Common Areas and maintenance of recreational and other facilities located on the Common Areas. The Homeowners Association shall be responsible for the payment of premiums of fire and extended coverage insurance on any capital improvement located on the Common Areas and belonging to the Association in an amount equal to the full insurable value of said capital improvement.

Section 3. Basis and Maximum Annual Assessment. Until December 31, 1984, the maximum annual assessment shall be Three Hundred, Thirty Dollars and No/100ths, (\$330.00) per lot.

(a) From and after December 31, 1984, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership, provided the increase is not more than five (5%) above the maximum assessment for the previous year.

(b) From and after December 31, 1984, the maximum annual assessment may be increased above five (5%) by a vote of two-thirds (2/3) 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 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

(c) After consideration of the current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximums.

Section 4. 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 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The amount of the proposed special assessment need not be stated.

Section 5. 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 6. Quorum for Any Action Authorized Under Section 3(b) and Section 4. At the first meeting called, as provided in Section 3(b) and Section 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) 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 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. 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 the 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 certificate in writing signed by an officer of the association setting forth whether the assessment on a specified Lot have 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 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment 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 percent (8) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner as real estate deeds of trust may be foreclosed in the State of North Carolina, and interest, costs, and reasonable attorney's fees incurred in connection with such action or foreclosure 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. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. 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 a decree of foreclosure under such mortgage or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments thereof which 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, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or first deed of trust.

Section 10. 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 11. 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 City of Raleigh 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, and, to the extent not

inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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 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 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.

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. 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 is caused through the willful or negligent act of the owner, his family or guest, or invitees, contract purchasers and independent contractors of owner or tenants of the owner, or if caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles, and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each Lot and the Common Areas.

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

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. The Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenience use and enjoyment of the Properties.

In the event that any structure erected principally on any Lot shall encroach upon any Common Area or upon any other Lot for any reason not caused by the purposeful act of this Declarant or other Owner or agents of such Lot, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist; and, in the event that any

portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

An easement is hereby established for the benefit of the City of Raleigh 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, the fighting of fires and collection of garbage.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall 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 anyone 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 original purchaser and each successive purchaser 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, or the owner of any Lot subject to this Declaration, their 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 period 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 percent (90%) of the lots, and thereafter by an instrument signed by the Owners of seventy-five percent (75%) of the lots. Amendments shall not become effective until approved by the City of Raleigh or until the City of Raleigh, after 20 days notice, fails to comment on the amendment.

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 30 days do the following:

(a) 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 or members and shall not be required to cause any title to any Lot to be examined.)

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,
CONDITIONS AND RESTRICTIONS OF CLEMENS HEIGHTS TIMBERLARKS
CYBARIAN, INC/HEIGHTS TIMBERLARKS ASSOCIATION

BY:
President

ATTEST:

Secretary

(c) Immediately, and within thirty (30) days cause the amendment to be recorded in Wake County Registry.

All amendments shall be effective from the date 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 Colonial Heights Townhouses Association.

Section 6. VA/FHA/FEMA Approval. As long as there is a 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 amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7. Rights of Noteholders. Any institutional 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 90 days following the end of its fiscal year, and (c) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings.

Section 8. Prior Consent of Noteholders. The prior written approval of the institutional holders of first mortgages on sixty percent (60%) of the lots will be required for the following:

(a) Abandonment or termination of the duties and responsibilities of the Association, or

(b) Effectuation of any decision by the Association to terminate professional management and assume self-management.

Section 10. Association Management. Any Management Agreement for the Association will be terminable by the Association for cause upon 30 days written notice thereof and the term of such agreement may not exceed one year, renewable by the parties for successive one-year periods.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 19 day of July, 1984.

SUPREME BUILDERS, INC.

BY: Harold Glenn Carroll Jr.

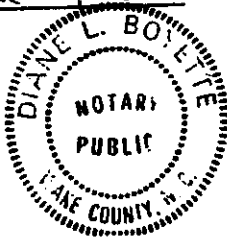
ATTEST
Jean K. Carroll
Secretary

State of North Carolina
County of Wake

I, a Notary Public of the County and State aforesaid, certify that Jean K. Carroll, personally came before me this day and acknowledged that he/she is the Secretary of Supreme Builders, Inc., a North Carolina corporation, 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 him/her as its Secretary.

Witness my hand and notarial seal, this the 19th day of July, 1984.
My Commission Expires: March 22, 1985

Diane L. Boyette
Notary Public



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NORTH CAROLINA - WAKE COUNTY
The foregoing certificate of Diane L. Boyette

Notary Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

Kenneth C. Wilkins
Reg./Deputy Register of Deeds