

Hold for: Faison, Brown, Fletcher + Brough

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)

AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR COMMON PROPERTIES IN
EMERALD CHASE SUBDIVISION
AND PROVISIONS OF EMERALD
CHASE HOMEOWNERS ASSOCIATION

THIS AMENDMENT to Declaration of Covenants, Conditions
and Restrictions for Common Properties in Emerald Chase
Subdivision and Provisions of Emerald Chase Homeowners
Association, made and entered into this 11 day of December,
1987 by RAVEN RIDGE ASSOCIATES, a North Carolina General
Partnership ("Declarant");

W I T N E S S E T H:

WHEREAS, Declarant has filed a Declaration of
Covenants, Conditions and Restrictions for Common Properties in
Emerald Chase Subdivision and Provisions of Emerald Chase
Homeowners Association (the "Declaration") said Declaration
being recorded on January 22, 1986 in Book 3643, Page 464, Wake
County Registry; and

WHEREAS, the Declaration has been amended by prior
amendments recorded in Book 3716, Page 394; rerecorded in Book
3734, Page 60; Book 3744, Page 785; Book 3926, Page 320; Book
3946, Page 826; Book 4057, Page 424; Book 4118, Page 158; and
Book 4127, Page 263, Wake County Registry, and the Declarant

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WAKE COUNTY
NORTH CAROLINA

desires to incorporate all such amendments into this document for ease of reading and interpretation; and

WHEREAS, Declarant desires to further amend said Declaration as permitted by Section 1 of Article XI of the Declaration to provide for the inclusion of condominiums in the development of the Subdivision; and

WHEREAS, all procedures and steps to amend said Declaration have been taken by the appropriate persons and entities;

NOW, THEREFORE, BE IT RESOLVED, that the Declaration and all prior amendments thereto shall be restated and incorporated into this single document and this Amendment and the contents herein shall supercede and replace all prior such documents and, in accordance therewith, the Declaration shall now read in its entirety as follows:

This Declaration of Covenants for Common Properties, made as of the date hereof by RAVEN RIDGE ASSOCIATES, a North Carolina General Partnership (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of the certain real property located in Wake County, North Carolina, and more particularly described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Declarant desires to create certain recreational facilities more particularly described as Common Properties for the benefit of the residents of Emerald Chase Subdivision; and

WHEREAS, Declarant desires to provide for the preservation of the value, amenities and conceptual intent of Emerald Chase Subdivision for the maintenance of Common Properties as described herein, and accordingly desires to subject the real property described in Exhibit A hereto, together with such additions as may hereafter be made, to the covenants, restrictions, easements, affirmative obligations, charges, and liens, as hereinafter set forth, each and all of which is hereby declared to be for the benefit of said property and each and every owner of any and all parts thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities of Emerald Chase Subdivision to create an agency to which shall be

delegated and assigned the power and authority of maintaining and administering the Common Properties as defined herein and administering and enforcing the covenants and restrictions governing said Common Properties, and collecting and disbursing all assessments and charges necessary for such activities; and

WHEREAS, Declarant has caused or will later cause to be incorporated under the laws of the State of North Carolina as a nonprofit corporation, Emerald Chase Homeowners Association, for the purpose of exercising the functions described above, and which are hereinafter more fully set forth.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, Declarant declares that the real property described in Exhibit A attached hereto and incorporated herein, and such additions thereto as may hereafter be made, is and shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth (sometimes referred to as the "Covenants"), and said covenants shall run with the land and be binding on all persons claiming under and through Declarant.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to the Emerald Chase Homeowners Association, a North Carolina nonprofit corporation, and its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, or other legal entities, of a fee simple title to any dwelling unit or site which is part of the Properties, including contract sellers, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, as successors or assigns, until and unless such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 3. "Properties" shall mean and refer to that certain real property described in Exhibit A attached hereto and incorporated herein by reference and such additions thereto as may hereafter be brought within the jurisdiction of the Association as subjected to this Declaration or any Supplemental Declaration.

Section 4. "Common Properties" shall mean and refer to those areas of land which are deeded to the Association and

designated in said deed as "Common Properties," and shall include all private streets, all water located outside public right-of-ways and dwelling units or sites, and all sewer lines located outside public right-of-ways, sanitary sewer easements and dwelling units or sites. "Common Properties" shall also mean and refer to those areas of land for which perpetual greenspace easements are granted to the Association. A greenspace easement area shall be an area that shall remain in its natural state and from which no trees, shrubberies or other vegetation shall be removed or cut and in which no gates, fences, or other structures shall be erected (except for underground utility lines) and in which no active recreational activities shall be permitted. "Common Properties" does not include the exterior of attached townhouses or any portion of the condominium known as Wynde Pointe, A Condominium, although the Association will maintain exteriors of attached townhouses pursuant to Article IX hereof and the separate Condominium Association established or to be established for the condominium units will maintain the exteriors of the condominiums and common elements of the condominium and separate assessments will be established pursuant to the terms of all instruments relating to the same. The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated as "Common Properties." All "Common Properties" are to be devoted to and intended for the common use and enjoyment of the Owners, subject to the fee schedules and

operating rules adopted by the Association, and except that the swimming pool(s), tennis courts and related recreational facilities shall be for the exclusive use of the Class A and Class D Members and their families, tenants, contract purchasers and guests.

Section 5. "Site" shall mean and refer to any improved or unimproved parcel of land, regardless of size, shown upon any recorded subdivision map of the Properties, and a site may provide for or contain one or more dwelling units excluding any Common Properties as defined herein.

Section 6. "Dwelling Unit" shall mean a residence containing sleeping facilities for one or more persons and a kitchen. A dwelling unit may be attached to other dwelling units, or may be separated from other dwelling units.

Section 7. "Member" shall mean and refer to all Owners as defined herein.

Section 8. "Declarant" shall mean and refer to Raven Ridge Associates, a North Carolina General Partnership, its successors and assigns, if such successors assigns should acquire more than one undeveloped dwelling unit or site from the Declarant for the purpose of development or if such successors or assigns should acquire more than one dwelling unit or site,

whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure ("successors" includes any lender with respect to loans obtained by Raven Ridge Associates to develop the Properties). In accordance with the foregoing, Plaza Associates, Inc., a North Carolina corporation, upon acquisition of the property described on Exhibit C attached hereto and incorporated herein by this reference, shall become the Declarant relative to such property and the townhouse lots and condominium units created thereon.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Declarant, for so long as it shall be an Owner, and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any dwelling unit or site that is subject by the Covenants to assessment by the Association shall be a Member of the Association; provided, however, that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any dwelling unit or site which is subject to assessment by the Association. Ownership of a dwelling unit or site shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a dwelling unit or site in Emerald Chase Subdivision.

Section 2. Voting Rights. The Association shall have four (4) classes of voting membership.

(a) Class A Members shall be all those Owners, with the exception of the Declarant until its Class C Membership has converted to Class A Membership, that are defined in Section 1 of this Article II who own dwelling units or sites within the attached single-family section of Emerald Chase Subdivision, and they shall be entitled to one vote per attached single-family site or dwelling unit owned. By way of information, it is anticipated that there will be approximately 81 attached single-family dwelling units or sites.

(b) Class B Members shall be all those Owners, with the exception of the Declarant until its Class C Membership has converted to Class B Membership, that are defined in Section 1 of this Article II who own dwelling units or sites within the detached single-family section of Emerald Chase Subdivision, and they shall be entitled to one vote per detached single-family dwelling unit or site owned. By way of information, it is anticipated that there will be approximately 227 detached single-family dwelling units or sites. Declarant reserves the right to have the Properties already subject to this Declaration subdivided into additional detached dwelling units or sites upon receiving appropriate municipal or governmental approvals.

(c) The Class C Member shall be the Declarant. The Class C Member shall be entitled to three (3) Class A votes for each attached dwelling unit or site owned by it, three (3) Class B votes for each detached dwelling unit or site owned by it and three (3) Class D votes for each condominium dwelling unit or site owned by it. The Class C Membership shall cease and be converted to Class A Membership, Class B Membership or Class D Membership depending on the type of dwelling unit or site owned by

Declarant, upon the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A Membership, Class B Membership and the Class D Membership equal the total votes outstanding in the Class C Membership, but provided that the Class C 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 assent of Class A Membership, Class B Membership and Class D Membership, all as provided for in Article XI, Section 5(a); where the total votes outstanding in a particular class of membership exceeds the total votes outstanding in Class C Membership, the Class C votes shall terminate as to that class of membership; or (b) on December 31, 1991. Thereafter, the Declarant may be entitled to one vote per dwelling unit or site owned by it.

(d) Class D Members shall be all those Owners, with the exception of the Declarant until its Class C Membership has been converted to Class D Membership, that are defined in Section 1 of this Article II who own dwelling units or sites within the condominium section of Emerald Chase Subdivision, and they shall be entitled to one vote per condominium dwelling unit or site owned. By way of information, it is anticipated that there will be approximately 60 condominium dwelling units or sites.

Section 3. Voting. The total vote of the Association shall consist of the sum of the votes of the Class A Members, the votes of Class B Members and the votes of the Class D Members. When more than one person holds an interest in any

dwelling unit or site, all such persons shall be Members; and the vote for such dwelling unit or site shall be exercised as they among themselves determine; however, in no event may more than one vote be cast with respect to any one dwelling unit or site owned by Class A, Class B or Class D Members and in no event shall fractional votes be allowed. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more other co-owners is present and objects to such a vote or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote is counted.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of these Covenants and the rules and regulations of the Association, every Member shall have a right and easement of access, ingress, and egress and enjoyment in, over and to the Common Properties and such easement shall be appurtenant to and shall run with the title of every dwelling unit or site, subject to the following restrictions set forth in Section 4 hereof, and except that the swimming pool(s), tennis courts and related recreational facilities to be owned by The Pointe Recreation Association, Inc. shall be for the exclusive

use of the Class A and Class D Members and their families, tenants, contract purchasers and guests.

Section 2. Delegation of Use. Any Member may delegate in accordance with the By-Laws of the Association, his right of enjoyment to the Common Properties and facilities to the members of his family, his tenants, contract purchasers or guests who reside on such Members' dwelling unit or site, subject to the provisions of this Article III.

Section 3. Title to Common Properties. The Declarant hereby covenants, for itself, its successors and assigns that it shall convey the Common Properties designated as such on any recorded subdivision plat of the Properties to the Association in fee simple, free and clear of all liens and encumbrances except utility, storm drainage, sanitary sewer, greenspace and greenway easements and other easements of record, and easements of enjoyment to which the Owners of each dwelling unit or site are entitled to share, on or before the conveyance of the first dwelling unit or site and before the conveyance of the first dwelling unit or site within any addition to the existing Properties authorized by Article XI, Section 5.

Section 4. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties, and the right of such mortgagee of said properties shall be subordinate to the rights of the Members established hereunder; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure; and

(c) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any Member or any tenant of any Member for any period during which any assessment remains unpaid; and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspension for either nonpayment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligations to pay the assessment; and

(d) The right of the Association to limit the number of guests of Members and to charge Members' guests reasonable admission and other fees for the use of the Common Properties and/or facilities therein; and

(e) The right of the Association to give, sell or lease all or any part of the Common Properties to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift, sale or lease shall be effective unless authorized by the vote of two-thirds (2/3) of the vote of each class of Members at a duly called meeting at which a quorum is present and unless approved by the appropriate municipal authority. A true copy of such resolution together with a certificate of the result of the vote taken and a certificate of mailing executed by the

Secretary of the Association thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument affecting the Common Properties, prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the membership; and

(f) The right of individual Members to the exclusive use of parking spaces as provided in this Declaration; and

(g) The right of the Association, through its Board of Directors, to determine the time and manner of use of - the Common Properties by the Members.

Section 5. Parking Rights. Ownership of each single-family attached townhouse or condominium dwelling unit or site shall entitle the Owner thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said dwelling unit or site as reasonably possible, together with the right of ingress and egress in and upon said parking lot. The Association shall permanently assign one of said parking spaces for each condominium dwelling unit or site and attached townhouse site or dwelling unit as near the dwelling to which it is assigned as is reasonably possible. The Association shall regulate the parking of boats, trailers, and other such items on the Common Properties. Declarant hereby reserves the right to establish, during a period of five years from the filing of this Declaration, additional areas of parking as Declarant, in its discretion, may determine to be needed subject to approval by the appropriate municipal authority.

ARTICLE IV

COVENANTS FOR ASSESSMENT

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant hereby covenants and agrees, and each Owner of any site or dwelling unit shall, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other means of conveyance, be deemed to covenant and agree, to all the terms and provisions of these Covenants and to pay to the Association:

(1) Annual Assessments or charges;

(2) Special Assessments for the purposes set forth in this Article, such assessments to be fixed, established, and collected from time to time as hereinafter provided. All assessments shall be shared equally by the Owners or Members of each class as they pertain to that class of membership. The Annual and Special Assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the site or dwelling unit against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection therefor as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such site or dwelling unit at the time when the assessment fell due. In the case of co-ownership of a site or dwelling unit, all such co-owners shall be jointly and severally liable for the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote

the recreation, health, safety and welfare of the residents of the Properties and for the improvement, maintenance, and operation of the Common Properties and, with respect to the assessments for the Class A Members, the exteriors of the attached townhouses and the swimming pools, tennis courts and related recreational facilities, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereof, and for the costs of labor, equipment, materials, and management supervision thereof, and with respect to the assessments for Class D Members, the swimming pools, tennis courts and related recreational facilities, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereof, and for the costs of labor, equipment, materials, and management supervision thereof, such costs applicable to Class D Members being shared with the Class A Members in a manner deemed fair by the Board of Directors of the Association. The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

Section 3. Basic and Maximum Annual Assessments. For calendar year 1986, the maximum annual assessment shall be Seven Hundred Sixty-Two Dollars (\$762.00) per dwelling unit or site for Class A Membership, and One Hundred Dollars (\$100.00) per dwelling unit or site for Class B Membership. For calendar year 1987, the maximum annual assessment shall be One Hundred Dollars

(\$100.00) per dwelling unit or site for Class D Membership. After calendar year 1987 , the maximum annual assessment may be increased each calendar year by no more than five percent (5%) above the maximum assessment for the previous calendar year, without the approval of the membership; and further increases shall require the vote of two-thirds (2/3) of the appropriate and affected class of Members voting in person or by proxy, at a meeting duly called for this purpose at which a quorum is present. Class A Members shall be entitled to vote only with respect to annual assessments for Class A Members, and Class B Members shall be entitled to vote only with respect to annual assessments for Class B Members, and Class D Members shall be entitled to vote only with respect to annual assessments for Class D Members. The Board of Directors of the Association shall fix the annual assessment at an amount not in excess of the maximum stated herein. The Board of Directors may, in its discretion, fix the annual assessment for any given year at a lesser amount than the maximum provided herein, but such action shall not constitute a waiver of its right to revert to the full assessment for future years as provided in this Article. The annual assessment for Class B Members shall be reduced by the Board to reflect any taxes paid by Class B Members on the swimming pools, tennis courts and related recreational facilities and the annual assessment for Class A Members and Class D Members shall be appropriately increased, with the aim

that the Class B Members shall not be taxed on the swimming pools, tennis courts and related recreational facilities.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 3 of this Article, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, maintenance or replacement of capital improvements to the Common Properties and, with respect to Class A and Class D Members, a special assessment for construction, repair, maintenance and replacement of swimming pools, tennis courts and related recreational facilities and for Class A Members a special assessment for exterior maintenance of attached townhouses; provided, however, that any such special assessment may be levied only with the vote of two-thirds of the votes of the appropriate and affected class of Members who are voting in person or by proxy, at a meeting duly called for this purpose at which a quorum is present, if said assessment is applicable to only one Class of Membership. The respective classes shall be entitled to vote on only those decisions for which they may be assessed, said areas of assessment being defined in this Article IV.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all

dwelling units and sites within a particular class of membership, except for exempt dwelling units and sites provided in Section 9 hereof and except that, notwithstanding anything within this Declaration to the contrary, the Declarant shall be required to pay only 25% (or such greater percentage as shall be required by VA, HUD or Fannie Mae, as hereinafter defined) of any annual or special assessment levied against any dwelling unit or site owned by it until the issuance of a certificate of occupancy for such dwelling unit or site and except that any builder acquiring more than one dwelling unit or site for the purpose of engaging in the business of constructing a single-family residential building shall be required to pay only 25% (or such greater percentage as shall be required by VA, HUD or Fannie Mae, as hereinafter defined) of any annual or special assessment levied against such dwelling unit or site until the issuance of a certificate of occupancy for such dwelling unit or site. The Board of Directors may permit a builder to defer payment of an assessment until the closing for the sale of the dwelling unit or site to an Owner. The Owners shall then pay 100% of the assessment with the assessment adjusted according to the number of months remaining in the calendar year after the date of closing. Both annual and special assessments relating to the maintenance of the exterior of attached townhouse dwelling units or sites and for the maintenance and repair of swimming pools, tennis courts and related recreational facilities limited to Class A and Class D Members must be fixed

at uniform rates for all attached townhouse dwelling units or sites and at uniform rates for all condominium dwelling units or sites, such rates to differ only to the extent that owners of attached townhouse dwelling units or sites shall be assessed for the exterior maintenance of the same and owners of condominium dwelling units or sites shall not be burdened by assessment for such purposes by this Declaration. In determining the annual and special assessments hereunder relative to the property owned by The Pointe Recreation Association, Inc. (swimming pool, tennis courts and related recreational facilities) the Association shall fully and completely cooperate with The Pointe Recreation Association, Inc. in determining the appropriate amount of assessments applicable thereto.

Section 6. Date of Commencement of Annual Assessments. The annual assessment provided for herein shall commence on the first day of the month following the conveyance of the Common Properties as shown on a recorded subdivision map of the Properties or a portion thereof to the Association. The first such annual assessment shall be adjusted according to the number of months remaining in the first calendar year. The annual assessment for Class A and Class D Members shall be payable on a prorated monthly basis, and the annual assessment for Class B Members shall be payable in full within thirty (30) days after the first day of the month fixed for commencement. The assessments for subsequent years after the first year shall

be payable in the same manner. The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereto, as the remaining number of months in the year bears to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the Properties now subject to assessment at a time other than the beginning of any assessment period. The due date of any special assessment under Section 4 of this Article shall be fixed in the resolution authorizing such special assessment. Proration of any annual or special assessment due to a change in ownership of any kind of any dwelling unit or site during a calendar year shall be the responsibility of those persons involved in such transaction and shall not be the responsibility of the Association.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against all dwelling units or sites for each assessment period and shall, at that time, prepare a roster of the dwelling units or sites and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand, and for a reasonable charge, at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessment. If an annual assessment or any special assessment or any installment thereof is not paid on the date when due, then such assessment shall become delinquent and shall, together with interest therefrom at the rate of six percent (6%) per annum (or if not permitted the highest rate of interest permitted by law) from the due date, and the cost of collection thereof as hereinafter provided, become a charge and continuing lien on the dwelling unit or site and all improvements thereon. If an assessment or any installment thereof is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the dwelling unit or site, and there shall be added to the amount of such assessment the costs of collection, including reasonable attorneys' fees and expenses, and interest as provided above. No Owner may waive or escape

liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his dwelling unit or site. Each Owner, by his acceptance of a deed to a dwelling unit or site, hereby expressly vests in the Association, or its agents or assigns, the right and power to bring all actions against such Owner or Member personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property and such Owner hereby expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in an interest foreclosed at foreclosure and to acquire and hold, lease, mortgage and convey the same and to subordinate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding the nonpayment of the Owner's portion of the premium.

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 or deed of trust

now or hereafter placed upon any dwelling unit or site subject to assessment. Sale or transfer of any dwelling unit or site shall not affect the assessment lien; however, the sale or transfer of any dwelling unit or site pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, provided that the Association has been notified of said foreclosure or proceeding in lieu thereof prior to the date thereof. No sale or transfer shall relieve such dwelling unit or site from liability for any assessments thereafter becoming due or from the lien thereof. No sale or transfer by way of foreclosure shall extinguish the personal obligation to pay the assessment.

Section 10. Exempt Property. The following property, individuals, partnerships and corporations subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

(a) Properties conveyed to public utilities for the purpose of granting utility easements;

(b) All Common Properties as defined herein;

(c) All properties exempt from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemptions; and

(d) All properties dedicated to, and accepted by, a local public authority.

Section 11. Recreation Association. Each Class A and D Member shall also be a member of The Pointe Recreation Association, Inc. and entitled to the benefits of, and subject to the restrictions of, that certain Declaration of Covenants, Conditions and Restrictions for The Pointe Recreation Club recorded in Book 4175, Page 59, Wake County Registry, which is incorporated herein by this reference ("the Recreation Declaration"). Each owner of a lot or condominium unit giving rise to such Class A or D membership, as the case may be, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to be bound by the terms and provisions of the Recreation Declaration. The maximum annual assessment amounts for Class A and D Members set forth in this Article IV, in Section 3 includes the sum of \$ 126.00 which is for the operation and maintenance of the swimming pool, tennis courts and related recreational facilities and accordingly, upon collection thereof, it shall be the responsibility of the Association to promptly pay such amount to The Pointe Recreation Association, Inc.

ARTICLE V

ARCHITECTURAL CONTROL

No building, wall, fence, swimming pool, or other improvements shall be commenced, erected, or maintained upon the Common Properties, nor shall any landscaping be done, nor shall any exterior addition to any such existing structure or change or alteration therein, be made until the plans and specifications therefor showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location, with the 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; and provided further that all decisions under this Section shall be the sole responsibility of Declarant until such time as Declarant shall no longer vote as a Class C Member of the Association and, as to the property described on Exhibit C, Plaza Associates, Inc. shall be deemed the Declarant with the same responsibility relative thereto. Notwithstanding anything contained in the foregoing to the

contrary, the initial plans, specifications, designs, landscaping, buildings, structures, materials and the like to be utilized by Plaza Associates, Inc. in the development and construction of the condominium units and townhouse units upon the property described on Exhibit C shall be fully and completely exempt from the approval process set forth herein and, in accordance therewith, Plaza Associates, Inc. shall have full and complete discretion as to all such matters.

ARTICLE VI

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association, by and through its Board of Directors or its otherwise duly authorized agents, shall have the authority to obtain and shall obtain insurance for officers and directors liability (if available at a reasonable premium), for Workman's Compensation coverage for its employees, and for all insurable improvements on the Common Properties against loss or damage by fire or other hazards, including extended coverage of vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost or repair or reconstruction in the event of damage or destruction from any such hazard. The Association shall also obtain a public liability policy covering the Common Properties, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its

Members or agents with single limits of at least \$500,000 for bodily injury and property damage and \$1,000,000 aggregate for general liability. Premiums for all such insurance contemplated hereunder shall be common expenses of the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction. Any proceeds remaining after such costs of repair or reconstruction to the Common Properties shall be retained by and for the benefit of the Association.

(b) If it is determined that the damage or destruction of Common Properties for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association.

ARTICLE VII

CONDEMNATION

In the event that all or any part of the Common Properties shall be taken (or conveyed in lieu of or under threat of condemnation), the award made for such taking shall be payable to the Association as trustee for Owners, to be disbursed as follows:

(a) If the taking involves the portion of the Common Properties on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining Common Properties to the extent such plans as available in accordance with plans approved by the Board of Directors of the Association.

(b) If the taking does not involve any improvements on the Common Properties or in the event that a decision is made not to repair or restore such improvements, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors may determine.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction in the townhouse section of the homes upon the attached dwelling units or sites and placed on the dividing line between the dwelling units or sites and all reconstruction or extensions of such walls shall constitute party 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. Compliance with Law. All party walls shall conform to the requirements of the North Carolina State Building Code.

Section 3. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall, roof, foundation and formation wall shall be shared by the Owners who make use of the structure in proportion to such use.

Section 4. Destruction by Fire or other Casualty. If a party wall, roof, foundation or foundation wall is destroyed or damaged by fire or other casualty, and all or part of the cost of restoration is not covered by insurance purchased by the Association, any Owner who has used the structure may restore it, and if the other Owners thereof make use of the structure, 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 negligence or willful acts or omissions.

Section 5. Construction, Reconstruction or Extension. The Owners of any attached townhouse dwelling unit or site may construct, reconstruct, or extend a party wall, roof, foundations or foundation wall in any direction (subject to and within the limitations of architectural controls and other limitations of these Covenants) with the right to go upon the adjoining dwelling unit or site 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 dwelling unit or site to as near the same condition which prevailed on or before the commencement of such construction as is reasonably practicable.

Section 6. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who, by his negligence or willful act, causes a party wall, roof, foundation or foundation wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7. Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owners under this Article shall be appurtenant to the land and shall pass to such Owners' successors in title.

Section 8. 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 Owner has a right of contribution as provided in this Article, request the adjoining Owner or Owners or any one of them, to provide a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining Owner to make such certification immediately upon request without charge; provided, however, that where the adjoining Owner claims a right of contribution, the

certification shall contain a recital of the amount claimed. In the event an Owner refused or neglects to do so, it shall be deemed a waiver to proceed against the adjoining Owner. This Section shall apply only to the Class A Members.

Section 9. Arbitration. In the event of any dispute arising under the provisions of this Article, the dispute shall be submitted to the Arbitration Committee appointed by the Board of Directors of the Association, and the decision shall be binding upon the disputing parties.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Properties, the Association shall provided exterior maintenance for each attached townhouse dwelling unit or site. Class A Membership, which is subject to assessment hereunder as follows: Paint, repair, replace, 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 screens for windows or doors. In order to enable the Association to accomplish the foregoing, it is hereby reserved to the Association the right to unobstructed access over and upon each attached townhouse dwelling unit or site and each townhouse at all reasonable times to perform

maintenance as provided in this Article. Upon the prior written consent of the Association, the Owner of any townhouse may 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 townhouse and the remaining yard spaces. No such maintenance by a townhouse Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such Class A 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 an attached townhouse dwelling unit or site shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information for future members of this Association, the Declarant wishes to make it known that it is a part of the original plan of the development to construct a variety of townhouses with a variety of exteriors for the good of the entire subdivision. Some townhouses may require far more maintenance than others because of the type of exterior exposures. Nevertheless, in order to avoid monotony and in order to achieve a harmony of design and textures, all of those persons connected with the conception, design, construction, and financing of this subdivision as originally planned are in

accord in their belief that all members of the Association will be benefited by the variety of exteriors and therefore the Association should provide exterior maintenance and make a uniform rate of charge for Class A Members without regard to actual cost of maintenance of each townhouse dwelling unit or site under construction thereon.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests, or invitees, or his tenants, employees, or contractors or is caused by fire, lightning, thunderstorm, hail, explosion, 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 Policy, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such dwelling unit or site is subject.

The Association shall establish regulations governing the procedures for exterior maintenance. In the event any Owner desires to expend a sum greater than that sum authorized by the Association, he shall advance, prior to the commencement of work, an amount necessary to cover the additional expenses and a lien shall be established against his dwelling unit or site for any deficiency.

ARTICLE X

EASEMENTS

Section 1. Blanket Easement. There is hereby created a blanket easement upon, across, over, and under all of said Properties subject to this Declaration for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephones, cablevision and electricity. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary equipment on said property, and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and under the roofs and exterior walls of said townhouses, condominiums and detached single-family dwellings. An easement is further granted to all police, fire protection, garbage collectors, ambulance, and all similar persons to enter upon the streets and Common Properties in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management companies selected by the Association to enter in or to cross over the Common Properties provided for herein. Notwithstanding anything to the contrary contained in this Section 1, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially approved by the Declarant or thereafter

approved by the Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable documents, Declarant (or the Association after the termination of Class C Membership or in the event the easement crosses property owned by the Association) will have the right and authority to grant such easement on said property without conflicting with the terms hereof. The easement provided for in this Article shall in no way affect other recorded easements on said Properties.

Section 2. Underground Electrical Services.

(a) Underground, single-phase electrical service shall be available to all the Lots and to the recreational buildings, if any, to be constructed on the Common Properties. The metering equipment shall be located on the exterior surface of the wall at a point to be designated by the utility company. The utility company furnishing the service shall have a two foot priority easement along and centered on the underground electrical power service conductors installed from the utility's company easement to the designated point of service on the dwelling.

(b) For so long as such underground service is maintained, the electric service to each Lot and the recreational buildings, if any, shall be uniform and exclusively of the type known as single-phase 120-140 volt three wire 60 cycle alternating current.

(c) Easements for the underground service may be crossed by the driveways and walkways, provided the Declarant or builder

makes prior arrangements with the utility company furnishing electrical service. Such easements for the underground service shall be kept clear of all other improvements including buildings, patios and/or other pavings other than crossing walkways or driveways and neither Declarant nor any such utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants to shrubbery, trees, flowers, and other improvements of the Owner located on land covered by said easements.

(d) An easement is hereby established for the benefit of all applicable government agencies over all Common Properties and over an area five (5) feet behind the curb line of any street or roadway within this property hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewage, and drainage facilities, fire fighting, law enforcement, garbage collection and the delivery of mail.

Section 3. Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any dwelling is located closer than five (5) feet from its lot line, the Owner thereof shall have a perpetual access easement over the adjoining dwelling unit or site to the extent reasonably necessary to perform repair, maintenance or reconstruction of his dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 4. Greenway - City of Raleigh Approval.

Notwithstanding any other provisions of these Declarations, the Association, Owners, Members, tenants of Members, Members' guest or invitees, or families of Members shall not, within any portion of the Common Properties which is greenway area dedicated to the City of Raleigh (the "City"), without the prior written consent of the City:

- (a) Grant easements of any nature whatsoever;
- (b) Remove any trees or vegetation;
- (c) Erect gates, fences or other structures;
- (d) Place any garbage receptacles;
- (e) Fill or excavate;
- (f) Plant vegetation or otherwise restrict or interfere with the use, maintenance and preservation of said greenway in its natural state, including, without limitation, recreational pursuits such as walking, bicycling and other similar activities by the general public.

It is understood and agreed that within any greenway area, the City may erect trails, trail markers, place litter receptacles, and other convenience facilities and adopt and amend regulations concerning the use of the greenway (including, without limitation, hours of operation), which shall be equally applicable to the general public and the Owners. The Association and Owners may adopt such other regulations

governing the use of the greenway, not inconsistent with those adopted by the City and may enter into such agreements with the City as is deemed appropriate to insure the maintenance and upkeep of the greenway in its natural state, free of litter and unsightly debris.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Duration and Amendments. The covenants 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, the Declarant or the Owner of any dwelling unit or site 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 periods of ten years unless the Association approves a change in the covenants and restrictions. The covenants may be amended at any time if two-thirds (2/3) of the vote at a duly called meeting of the Association at which a quorum is present approves the change; provided, however, that no such amendment shall be effective unless made and recorded sixty (60) days in advance of its effective date and unless written notice of the proposed amendment is sent to every Class A, Class B and Class D Member at least twenty (20) days in

advance of any action taken at a duly called meeting. All amendments to this Declaration must be approved by the Office of the City Attorney of the City. In the event said response has not been made within thirty (30) days after being submitted to the City Attorney, said amendment shall be deemed approved.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as Member upon the Association's membership roll or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any changes of address and it shall be the responsibility of any new Member to immediately notify the Association of the fact of the transfer of ownership.

Section 3. Enforcement. The Association, Declarant or any Owner shall have the right to enforce these Covenants by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant, either to restrain such violation or to recover damages, and against the land and to enforce any lien created by these Covenants, and a failure of the Association or any Owner or by

the Declarant to enforce any covenant herein contained for any period of time shall in no way be deemed to be a waiver or estoppel of the right to enforce such covenant at any time thereafter.

Section 4. Severability. The invalidation, illegality or unenforceability of any one or more of these Covenants, by judgment or court order to otherwise, shall in no way affect any other provisions hereof which are declared to be severable and which shall remain in full force and effect.

Section 5. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Other Additions. Upon approval in writing of the Association pursuant to two-thirds of the vote of each class of members at a duly called meeting at which a quorum is present, the owner of the property other than the Declarant who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may record a Supplementary Declaration of Covenants with respect to the additional property which shall extend the operation and effect of the covenants to such additional property.

(b) City Approval. Any additions pursuant to Section 5(a) above shall be subject to approval of the City.

(c) Mergers. Upon a merger or consolidation of the Association with another association as provided for in the By-Laws of

the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties as one plan. No such merger or consolidation, however, shall effect any revocation, change of or addition to the Covenants established by this Declaration as herein provided.

(d) Additions. Notwithstanding anything herein to the contrary, only that property described on Exhibit B hereto, which is part of the property described on Exhibit A hereto, shall be subject to this Declaration. Thereafter, the Declarant, its successors and assigns, including the Association, shall have the right for sixty (60) months after the recording of this Declaration to bring within the plan and operation of this Declaration, the additional property described on Exhibit A which is not described on Exhibit B at future stages of the development. The additions authorized under this section shall be made by filing of record Supplementary Declarations of Covenant, Conditions and Restrictions with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property. The Supplementary Declarations may contain such additions and modifications of the covenants contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character if any, of the added properties. Any additions pursuant to this Section 5(d) shall be subject to approval of the City. Notwithstanding the foregoing, any of the property described on Exhibit A and made subject hereto as aforesaid prior to the recordation hereof shall be deemed to be included on Exhibit B hereto.

Section 6. City Services. The maintenance responsibility of any private streets and drives shall rest with the Association and, in no case shall the City be responsible for failing to provide any emergency or regular fire, police or other public service to Emerald Chase Subdivision or its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association or the occupants of Emerald Chase Subdivision.

Section 7. Voting. Unless otherwise specific in these Declarations, any vote pursuant to this Declaration shall be at a meeting duly called, written notice of which shall be sent to all members stating the purpose of such meeting, not less than ten (10) days, nor more than fifty (50) days in advance of the meeting. Notice shall be necessary only to those classes of membership which shall be entitled to vote on a particular matter, it being the intention that only Class A Members shall be entitled to receive notice as to meetings on which only Class A Members are entitled to vote, and that only Class D Members shall be entitled to receive notice as to meetings on which only Class D Members are entitled to vote. The foregoing shall equally apply to Class B Members. The presence of members or of proxies duly notarized, entitled to cast sixty percent (60%) of the eligible votes of each class of

membership shall constitute a quorum as to that class, unless a greater quorum is specifically required in these Declarations. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth above. The required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Any action shall be taken by a majority vote of the members of a class present, unless a greater number is specifically required by these Declarations.

Section 8. VA and/or FHA Approvals. As long as there remains a Class C Membership, the following actions will require the prior approval of the Veterans Administration and/or Federal Home Administration: Annexation of additional properties, dedication of Common Properties and amendment of this Declaration.

Section 9. Protective Covenants for Multi-Unit Dwellings. Nothing herein shall affect Declarant's right to establish, from time to time, appropriate specific additional covenants for the development and use of sites for detached dwelling units, single family units or multi-unit sites, including condominiums, in Emerald Chase Subdivision. As to the

condominium to be created by Plaza Associates, Inc. upon a portion of the property on Exhibit C, to be known as Wynde Pointe, A Condominium, in the event it becomes necessary to amend the Declaration of Condominium for Wynde Pointe at any time in the future, such amendment shall not require amendment of this Declaration or the consent and approval of any owners other than those owners of such condominium units as may be created therein.

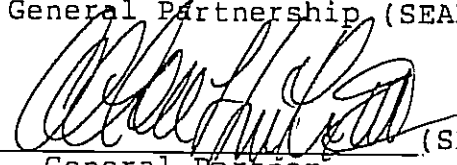
Section 10. Phasing. Notwithstanding anything in the foregoing which could be construed to the contrary, as to the property described on Exhibit C it is expressly understood that Plaza Associates, Inc., as Declarant relative thereto, intends to develop such property on a phased basis, and in accordance with the foregoing, only the property described on Exhibit C which is ^{to constitute} Phases 1 and 2 of Emerald Pointe townhouses and Phase 1 of Wynde Pointe, A Condominium shall be subject to this Amendment as of the recordation hereof; provided, however, the remainder of the property described on Exhibit C may be annexed by Plaza Associates, Inc., as Declarant, without the consent of Members within three (3) years from the date of this Amendment provided that the City of Raleigh, FHA, FNMA or VA, as the case may be, determine that the annexation is in accord with the general plan heretofore approved by them.

The additions authorized under this Section 10 shall be made by filing of record an amendment with respect to the additional property which shall extend the scheme of the

covenants and restrictions of this Amendment to such property; provided, however, as to Wynde Pointe, A Condominium, any amendment to the Declaration of Condominium for Wynde Pointe which annexes in additional property thereto shall be deemed to also extend the scheme of the covenants and restrictions of this Amendment to such property.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal the day and year first above written.

RAVEN RIDGE ASSOCIATES, a North
Carolina General Partnership (SEAL)

By:  (SEAL)
General Partner

NORTH CAROLINA)
)
Wake COUNTY)

I, a Notary Public of the County and State aforesaid, certify that ALton L. Smith, III, a general partner of Raven Ridge Associates, a North Carolina General Partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of said partnership.

Witness my hand and official stamp or seal, this 11
 day of December, 1987.

Gary K. Joiner
 Notary Public

(Notarial Stamp or Seal)

My Commission Expires:

1-5-89

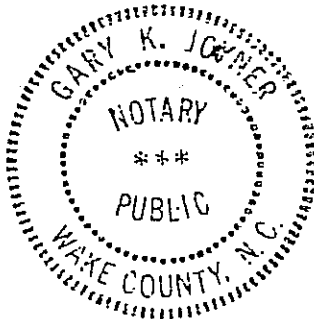


EXHIBIT A

All that property situated in the City of Raleigh, Wake County, North Carolina and shown on plats recorded in Book of Maps 1986, Pages 124, 125, 129, 130, and 131, Wake County Registry.

EXHIBIT B

Being comprised of those properties recorded with the Wake County Registry with the following references:

BM	1986	Page 125
	1986	128
	1986	129; rerecorded 1986-964
	1986	130; rerecorded 1986-965
	1986	131
	1986	636
	1986	637
	1986	666
	1986	667 partial rerecordation
		1986-1584
	1986	668
	1986	1179
	1986	1732
	1986	1733
	1987	36
	1987	37

Exhibit C

Lying and being situate in the City of Raleigh, Wake County, North Carolina and beginning at an existing iron pipe located in the western right-of-way line of Lead Mine Road, said Point of Beginning being designated as a control corner bearing North Carolina coordinates North = 782,243.62 and East = 2,099,679.80 and said Point of Beginning also being the northeast corner of Lot 40, Emerald Chase as shown on Book of Maps 1986, Page 130 and from said Point of Beginning South 83 degrees 6 minutes 51 seconds West 113.62 feet to an existing iron pipe; thence South 64 degrees 33 minutes 38 seconds West 204.86 feet to an existing iron pipe; thence South 73 degrees 31 minutes 46 seconds West 119.92 feet to an existing iron pipe; thence due West a distance of 62 feet to an existing iron pipe, said iron pipe being the northwest corner of Lot 46 of Emerald Chase as shown in Book of Maps 1986, Page 130; thence North 04 degrees 08 minutes 41 seconds East 207.54 feet to an existing iron pipe; thence North 21 degrees 48 minutes 05 seconds East 107.70 feet to an existing iron pipe; thence North 04 degrees 14 minutes 11 seconds East 135.37 feet to an existing iron pipe; thence North 11 degrees 18 minutes 34 seconds East 152.97 feet to an existing iron pipe; thence North 04 degrees 36 minutes 26 seconds East 250.80 feet to an existing iron pipe; thence North 18 degrees 26 minutes 06 seconds East 117.11 feet to a point; thence South 85 degrees 25 minutes 31 seconds East 321.59 feet to a point located in the western right-of-way line of Lead Mine Road; thence traveling along the western right-of-way line of Lead Mine Road in a curve to the right in a southerly direction having a radius of 1,360.74 feet, an arc distance of 71.38 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road in a southerly direction South 05 degrees 15 minutes 56 seconds West 200 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road in a southerly direction in a curve to the left having a radius of 1,865.60 feet, an arc distance of 508.78 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road South 10 degrees 21 minutes 36 seconds East 15.00 feet to the Point of Beginning, and being 7.69 acres, according to plat entitled, "Phase Line Location Emerald Pointe I", dated November, 1985, revised August 24, 1987, prepared by Robert T. Newcomb, III, R.L.S.

A:B3.4

Exhibit C

All that certain tract or parcel of land lying and being in the City of Raleigh, Wake County, North Carolina, more specifically described as follows:

BEGINNING at a point having North Carolina State Plane Coordinates $N(y) = 782,411.19$ and $E(x) = 2,100,220.33$; thence South 02 degrees 40 minutes 06 seconds West 413.86 feet to a point; thence North 61 degrees 39 minutes 07 seconds West 52.00 feet to a point; thence South 53 degrees 58 minutes 31 seconds West 284.75 feet to a point; thence South 01 degrees 54 minutes 33 seconds East 60.03 feet to a point; thence South 86 degrees 44 minutes 53 seconds West 87.35 feet to a point; thence along the eastern right-of-way of Lead Mine Road on a curve to the left having a radius of 2076.68 feet and an arc distance of 166.69 feet to a point; thence North 10 degrees 21 minutes 36 seconds West 84.71 feet to a point; thence South 79 degrees 38 minutes 24 seconds West 2.5 feet to a point; thence North 10 degrees 21 minutes 36 seconds West 238.73 feet to a point; thence along a curve to the right having a radius of 1785.60 feet and an arc distance of 161.77 feet to a point; thence leaving the eastern right-of-way of Lead Mine Road South 87 degrees 26 minutes 00 seconds East 486.86 feet to the point and place of BEGINNING; and containing approximately 5.08 acres according to a survey prepared by Robert T. Newcomb, III, entitled, "Property of A. Hardy Mills, Inc." and dated November, 1985, and being that property as shown on a plat entitled, "EMERALD POINT II", dated September, 1986 and recorded in Book of Maps 1986, Page 1969, Wake County Registry.

A:B3.5

CONSENT TO AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COMMON PROPERTIES AND EMERALD CHASE
SUBDIVISION AND PROVISIONS OF EMERALD CHASE
HOMEOWNERS' ASSOCIATION

The undersigned members of Emerald Chase Homeowners' Association hereby waive notice of the meeting of Emerald Chase Homeowners' Association held on December 8, 1987 and hereby consent to the foregoing Amendments to the Declaration by setting their hands and seals hereto as of the 1st day of December, 1987.

CLASS A MEMBERS

<u>Name</u>	<u>Address</u>
<u>W. S. Brantley</u> (SEAL)	1423 Quarter Point Raleigh, N.C. 27615
<u>W. S. Brantley</u> (SEAL)	1409 Quarter PT Raleigh NC 27615
<u>W. S. Brantley</u> (SEAL)	1408 Quarter Point Raleigh NC
<u>W. S. Brantley</u> (SEAL)	1429 Quarter Point Raleigh NC 27615
<u>W. S. Brantley</u> (SEAL)	
<u>Paul W. Horton</u> (SEAL)	1404 Quarter Point Raleigh NC 27615
<u>Yvonne C. Green</u> (SEAL)	1433 Quarter Point, Raleigh, NC 27615
<u>James A. Wooten</u> (SEAL)	1427 Quarter Point, Raleigh, NC 27615
<u>David M. Johnston</u> (SEAL)	1434 QUARTER POINT, RALEIGH, NC. 27615
<u>Fred D. Hutchison</u> (SEAL)	
<u>Treasurer for 1st</u> (SEAL)	11 units
<u>Federal Savings Loan Assn</u> (SEAL)	
<u>J. Michael W. Hill</u> (SEAL)	
<u>By J. Michael W. Hill</u> (SEAL)	
(SEAL)	
(SEAL)	
(SEAL)	
(SEAL)	

Address

JOHN A. KEEFEY (SEAL)

THOMAS E. HAMPTON

GARLAND R. AVENT (SEAL)

Thomas E. Deuser

JOSEPH L. MCKINNON

Do not SEAL

(SEAL)

Proctor (SEAL)

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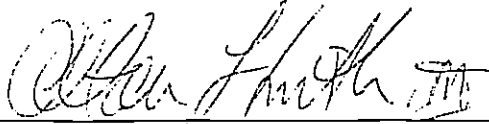
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CLASS C. MEMBERSHIP

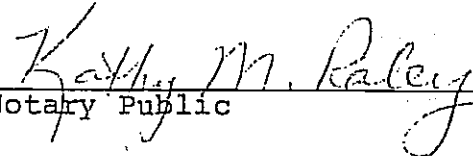
RAVEN RIDGE ASSOCIATES,
a North Carolina General Partnership (SEAL)

BY:  (SEAL)
Alton L. Smith, III,
General Partner

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that Alton L. Smith, III, General Partner of Raven Ridge Associates, a North Carolina General Partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 17th day of December, 1987.


Notary Public

My commission expires:

2-2-91

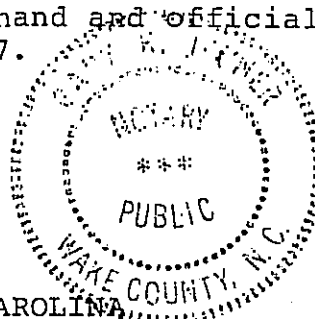


STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that John A. Keeley, H. S. Bradshaw, Jr., Brent T. Miller, Raphael A. Levin, Deborah Y. McCann, Paul W. Horton, Linda C. Gray, James A. Westbrook, III, David M. Johnston, J. Douglas Wheeler, Thomas E. Hamilton, Garland R. Avent, Thomas E. Denser, and Joseph L. McKinnon personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this 11 day of December, 1987.

My comm. exp:
1-5-89



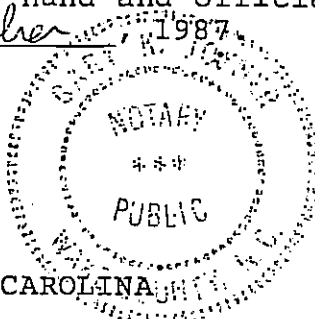
Gary K. Joyner
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that Richard Strom, President of the Carolina Division of Pulte Home Corporation, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 11 day of December, 1987.

My comm. exp:
1-5-89



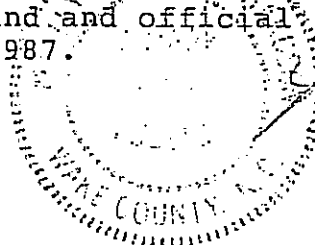
Gary K. Joyner
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Marilyn M. Richardson, a Notary Public of the county and state aforesaid, certify that Gary K. Joyner, Attorney-in-Fact for Dominion Homes, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 11 day of December, 1987.

My comm. exp:
4-25-88

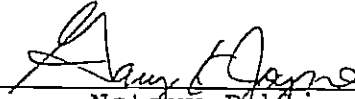


Marilyn M. Richardson
Notary Public

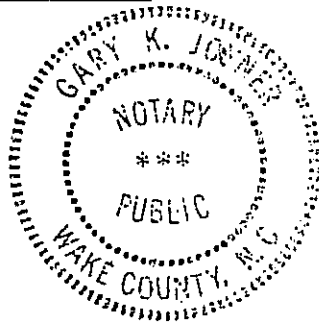
NORTH CAROLINA
WAKE COUNTY

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that before me this day personally appeared Fred D. Hutchison, Trustee for First Federal Savings & Loan Association of Raleigh, and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 17 day of December, 1987.


Notary Public

My comm. exp: 1-5-89



RESOLUTION OF MEMBERS OF
EMERALD CHASE HOMEOWNERS ASSOCIATION

The undersigned, non-profit corporation, for the purpose of amending the Declaration of Covenants, Conditions and Restrictions for Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association (the "Declaration") in accordance with the procedure set forth in Article XI, Section 1 of the "Declaration of Covenants, Conditions and Restrictions of Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association" recorded in Book 3643, Page 464, and subsequently amended in Book 3716, Page 394; Book 3734, Page 60; Book 3744, Page 785; Book 3926, Page 320, Wake County Registry, hereby sets forth:

1. At a reconvened special meeting of the members of the corporation held on the 8th day of December, 1987, the following resolution was adopted:

RESOLVED, that the Amendment to the Declaration be and hereby is authorized and approved.

2. The Homeowners Association has members with voting rights. A quorum was present at the meeting held on the above date, and the said resolution was approved by two-thirds of the members of each class of members.
3. Notice of the meeting of the members of the Homeowners Association was mailed to the members at least twenty days but not more than fifty days before the meeting in accordance with the By-Laws of the Homeowners Association.

IN WITNESS WHEREOF, the corporation has caused this document to be executed in its name by its President and Secretary this 17th day of December, 1987.

EMERALD CHASE HOMEOWNERS ASSOCIATION

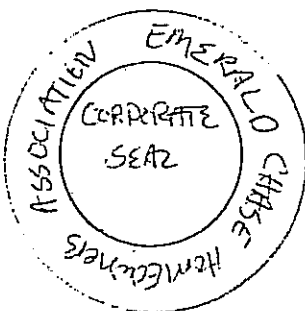
ATTEST:

Sheila Ann Stains-Ramp
Sheila Ann Stains-Ramp
Secretary

By:

Alton L. Smith, III
Alton L. Smith, III, President

(Corporate Seal)



NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the county and state aforesaid, certify that Sheila Ann Stains-Ramp, personally came before me this day and acknowledged that she is Secretary of Emerald Chase Homeowners Association, 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 her as its Secretary.

WITNESS my hand and notarial seal this 17th day of December, 1987.

My comm. exp: 2-2-91

Kathy M. Raley
Notary Public



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate S of

Mary K. Forner
Kathy M. Raley
Marilyn M. Richardson

Notar(y)(ies) 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

By P. Anne Redd
Asst./Deputy Register of Deeds

Prepared by and return to:
William W. Bunch, III
BROWN & BUNCH
4900 Falls of Neuse Road, Suite 210
Raleigh, North Carolina 27609

STATE OF NORTH CAROLINA

COUNTY OF WAKE

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COMMON PROPERTIES IN EMERALD CHASE SUBDIVISION
AND PROVISIONS OF EMERALD CHASE HOMEOWNERS ASSOCIATION

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COMMON PROPERTIES IN EMERALD CHASE SUBDIVISION AND PROVISIONS OF EMERALD CHASE HOMEOWNERS ASSOCIATION ("Amendment") is made this the 7th day of November, 1991 by Emerald Chase Homeowners Association, a North Carolina non-profit corporation ("the Association");

WITNESSETH THAT:

WHEREAS, that certain document entitled "Amendment to Declaration of Covenants, Conditions and Restrictions for Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association" was filed of record in Book 4174, Page 913, Wake County Registry ("the Declaration"); and,

WHEREAS, Article XI, Section 7 of the Declaration sets forth the procedure for the conduct of any vote pursuant to the Declaration and the requirements and procedures relative thereto, including the quorum requirements therefor; and,

WHEREAS, the Members of the Association have approved an amendment to the Declaration which changes the quorum requirement previously set forth in the Declaration as sixty percent (60%) of the eligible votes of each class of membership to ten percent (10%) of each class of membership; and

WHEREAS, the purpose of this Amendment is to evidence such amendment to the Declaration and to give record notice thereof;

NOW, THEREFORE, BE IT RESOLVED that the Declaration is hereby amended in accordance with the terms and provisions expressly set forth herein as follows:

1. Amendment to Declaration. The Declaration is hereby amended such that Article XI, Section 7 is hereby deleted in full and in lieu thereof a new provision is inserted as follows:

"Section 7. Voting. Unless otherwise specifically set forth in this Declaration, any vote pursuant to this Declaration shall be at a meeting duly called, written notice of which shall be sent to all members stating the purpose of such meeting, not less than ten (10) days, nor more than fifty (50) days in advance of the meeting. Notice shall be necessary only to those classes of membership which shall be entitled to vote on a particular matter, it being the intention that only Class A Members shall be entitled to receive notice as to meetings on which only Class A Members are entitled to vote, and that only Class D Members shall be entitled to receive notice as to meetings on which only Class D Members are entitled to vote. The foregoing shall equally apply to Class B Members. The presence of members or of proxies duly notarized, entitled to cast ten percent (10%) of the eligible votes of each class of membership shall constitute a quorum as to that class, unless a greater quorum is specifically required in this Declaration. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth above. The required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Any action shall be taken by a majority vote of the members of a class present, unless a greater number is specifically required by this Declaration."

The sole effect of the foregoing amendment shall be to reduce the quorum requirement as previously set forth in the Declaration to the quorum requirement as set forth in the foregoing.

2. Definitions. All of the definitions contained in Article I of the Declaration shall have the same meanings set forth therein when used in this Amendment, subject to the amendments expressly contained herein.

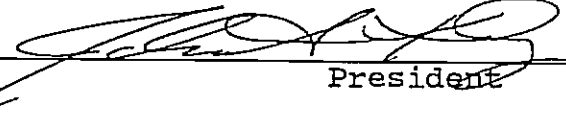
3. Procedure for Amendment. This Amendment to the Declaration is accomplished in strict accordance with the provisions therefor set forth in Article XI, Section 1 of the Declaration, in that all requirements set forth therein were

satisfied, including the fact that this Amendment was approved by the Office of the City Attorney of Raleigh and by a vote of at least two-thirds (2/3) of the vote at a duly called meeting of the Association at which a quorum was present.

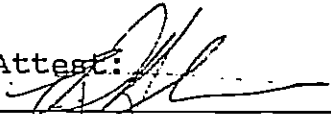
IN WITNESS WHEREOF, the Association has caused this Amendment to be executed as of the date and year first above written.

Emerald Chase Homeowners Association,
a North Carolina non-profit corporation

(Corporate Seal)

By: 

President

Attest: 

Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that Rich Stevenson, personally came before me this day and acknowledged that he is Secretary of Emerald Chase Homeowners Association, a North Carolina non-profit 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 as its Secretary. Witness my hand and official stamp or seal, this the 7th day of November, 1991.

My Commission Expires: 4-15-95

Cornel W. Lemly
Notary Public

(SEAL)

C:BB1.5

Hold for: Faison, Brown, Fletcher & Brough

0000055

BK 174 PG 0875

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR
EMERALD CHASE SUBDIVISION

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)

KNOW ALL MEN BY
THESE PRESENTS

07 DEC 1987

RECORDED

THIS AMENDMENT to Declaration of Covenants, Conditions
and Restrictions for Emerald Chase Subdivision entered into this
11 day of December, 1987 by RAVEN RIDGE ASSOCIATES, a
North Carolina General Partnership ("Declarant");

W I T N E S S E T H:

WHEREAS, Declarant has filed a Declaration of
Covenants, Conditions and Restrictions for Emerald Chase
Subdivision (the "Declaration") said Declaration being recorded
on January 22, 1986 in Book 3643, Page 479, Wake County
Registry; and

WHEREAS, the Declaration has been amended by prior
amendments recorded in Book 3716, Page 390; Book 3777, Page 398;
Book 3852, Page 225; Book 4068, Page 602; and Book 4075, Page
221, Wake County Registry, and the Declarant desires to
incorporate all such amendments into this document for ease of
reading and interpretation; and

WHEREAS, Declarant desires to further amend said Declaration as permitted by Section 3.13 of Article III of the Declaration to provide for the inclusion of condominiums in the development of the Subdivision; and

WHEREAS, Plaza Associates, Inc. has or will acquire title to the portion of the properties described on Exhibit A hereto and accordingly, shall be deemed Declarant relative thereto; and

WHEREAS, all procedures and steps to amend said Declaration have been taken by the appropriate persons or entities;

NOW, THEREFORE, BE IT RESOLVED, that the Declaration and all prior amendments thereto shall be restated and incorporated into this single document and this Amendment and the contents herein shall supercede and replace all prior such documents and, in accordance therewith, the Declaration shall now read in its entirety as follows:

THAT RAVEN RIDGE ASSOCIATES, a North Carolina General Partnership (the "Declarant"), originally the Declarant relative to all that certain tract of land platted and described as Emerald Chase Subdivision, located within Wake County, North Carolina, according to the plats thereof recorded in Book of Maps 1986, Pages 124, 125, 129, 130 and 131 of the Office of the

Register of Deeds of Wake County (the "County"), North Carolina (said subdivision being referred collectively to as the "Subdivision" and the plats being collectively referred to as the "Plat").

Declarant has subdivided or intends to subdivide the property into single-family lots, townhouse lots and condominium units.

Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of establishing a general scheme for the development of all of the lots in the Subdivision and for the purpose of enhancing and protecting the value, attractiveness and desirability of said lots and which shall run with the land and be binding on all parties having or acquiring any right, title or interest in the property or any part thereof, and which shall inure to the benefit of each owner thereof.

ARTICLE I

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 1.1 Residential Use. All lots shall be used for single-family residential purposes only. No building shall

be erected, altered, placed or permitted to remain on any lot (excepting a lot platted for condominiums) other than one (1) single-family residence per lot, which residence may not exceed two (2) stories in height, and a private garage as provided below; provided, however, that such restriction shall not prohibit the maintenance and occupancy by any builder or its agents of any model home or condominium unit.

Section 1.2 Single-Family Use. Each residence may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than two unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 1.3 Garage Required. Each residence having a minimum floor area (as defined in Section 1.7) of 1420 square feet or less (other than an attached townhouse or condominium unit) shall have a private garage suitable for parking not less than two (2) or more than three (3) standard size automobiles, which garage shall conform in design and materials with the main structure. All required garages shall be front or side entry; provided, however, that garage locations may vary, with the written approval of the Committee (as hereinafter defined).

Section 1.4 Restrictions on Resubdivision. None of the lots, once subdivided by the Declarant, shall be subdivided into small lots.

Section 1.5 Driveways. All driveways relative to the single family detached lots shall be surfaced with concrete, asphalt or similar substance approved by the Committee.

Section 1.6 Uses Specifically Prohibited.

(a) No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a lot only in places which are not visible from any street on which the lot fronts) shall be permitted on any lot except that the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given lot during construction of a residence. No building material of any kind or character shall be placed or stored upon the property until the owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the lot upon which the improvements are to be erected.

(b) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public or private street in the Subdivision, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless completely concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity. The restrictions contained herein relative to public streets shall be limited to owners, their tenants and guests.

(c) Trucks with tonnage in excess of one ton and any vehicle with painted advertisement shall not be permitted to park overnight within the Subdivision except those used by a builder during the construction of improvements.

(d) No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Subdivision at any time.

(e) No vehicles or similar equipment shall be parked or stored in an area visible from any street except passenger

automobiles, passenger vans, motorcycles, pick-up trucks and pick-up trucks with attached bed campers that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of North Carolina.

(f) No structure of a temporary character, such as a trailer, basement, tent, shack, barn or other out-building shall be used on any property at any time as a dwelling house; provided, however, that any builder may maintain and occupy model houses and condominium units, sales offices and construction trailers during the construction period.

(g) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in the Subdivision, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Subdivision. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted within the Subdivision.

(h) No animals, livestock or poultry of any kind shall be raised, bred or kept on any property in the Subdivision except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family.

Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowl, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety of the community. No more than four (4) pets will be permitted on each lot. Pets must be restrained or confined on the homeowner's back lot inside a fenced area or within the house or condominium unit. It is the pet owner's responsibility to keep the lot clean and free of pet debris. All animals must be properly tagged for identification.

(i) No lot or other area in the Subdivision shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on lots during construction so long as construction progresses without undue delay.

(j) No individual water supply system shall be permitted in the Subdivision.

(k) No individual sewage disposal system shall be permitted in the Subdivision.

(l) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied by any owner, tenant or other person prior to the erection of a residence.

(m) No air conditioning apparatus shall be installed on the ground in front of a residence. No air conditioning apparatus shall be attached to any front wall or window of a residence. No evaporative cooler shall be installed on the front wall or window of a residence.

(n) Except with the written permission of the Committee, no antennas, discs or other equipment for receiving or sending sound or video messages shall be permitted in this Subdivision except antennas for AM or FM radio reception and UHF and VHF television reception. All antennas shall be located inside the attic of the main residential structure except that, with the written permission of the Committee, one (1) antenna may be permitted to be attached to the roof of the main residential structure and to extend above said roof a maximum of

five (5) feet and one satellite disc or other instrument or structure may be placed in the backyard so long as it is completely screened from view from any street, alley, park or other public area; provided, however, no such satellite disc or other such instrument or structure shall be permitted on any townhouse lot or on any portion of the condominium known as Wynde Pointe.

(o) No lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken within the Subdivision, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales office until such builder's last residence in the Subdivision is sold. Nothing in this subparagraph shall prohibit an owner's use of a residence for quite, inoffensive activities such as tutoring or giving art lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowner's use and enjoyment of their residences and yards.

(p) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and six

(6) feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten (10) feet from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(q) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any lot, it being the intention that only new construction be placed and erected thereon.

(r) Within easements on each lot, no structures, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels.

(s) The general grading, slope and drainage plan of a lot may not be altered without the approval of the City and other appropriate agencies having authority to grant such approval.

(t) Except for unit identification signs required by local ordinance, no sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than five (5) square feet placed in the yard of a detached single-family lot or placed in a window for an attached townhouse or condominium unit advertising the property for rent or sale, or signs used by a builder to advertise the property during the construction and sales period. Declarant or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal; provided, however, as to the property described on Exhibit A attached hereto and incorporated herein by this reference, which is to be developed as townhouse lots (Tract 1) and condominium units (Tract 2), Plaza Associates, Inc., which shall be the developer thereof and deemed Declarant relative thereto, shall have the full right, license, easement and privilege to place, erect, and maintain such signs as it deems necessary in its sole discretion for so long as it shall offer townhouse lots and condominium units therein for sale to prospective purchasers.

(u) The drying of clothes in full public view is prohibited. The owners and occupants of any lots at the intersections of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to full public view shall construct a drying yard or other suitable enclosure to screen from public view the equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

(v) Except within fireplaces in the main residential dwelling and except for outdoor cooking, no burning of anything shall be permitted within the Subdivision.

(w) No lot fronting on Strickland Road shall obtain any direct access from or to such street, without the approval of the City.

Section 1.7 Minimum Floor Area. The total air conditioned living area of the main residential structure, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than 1,420 square feet for a detached dwelling, 750 square feet for an attached townhouse, 750 square feet for a one-bedroom condominium, 900 square feet for a two-bedroom condominium or the minimum habitable floor area as specified by the City, whichever is the greater.

Section 1.8 Side Line and Front Line Setback

Restrictions. No dwelling shall be located on any lot nearer to the front lot line or nearer to the side lot line than the minimum setback lines shown on any recorded plat or as required by the City. In any event, no building (other than an attached townhouse or condominium) shall be located on any lot nearer than twenty (20) feet to the right-of-way of a public street or thirty (30) feet to the centerline of a private street, nor further than forty (40) feet from the front lot line or nearer than five (5) feet to any side lot line (interior lot line), except that structures on corner lots shall be no nearer than ten (10) feet to the side property line adjoining the street. For the purposes of these covenants, eaves and steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

Section 1.9 Waiver of Set-Back Requirements. The Architectural Committee may for good cause waive a minor violation of the set-back requirements provided for in Section 1.8. This waiver shall be in writing and recorded in the Wake County Registry. A document executed by the Architectural Committee shall be, when recorded, conclusive evidence that the requirements of this paragraph have been complied with. For the purposes of this section, any violation which does not exceed 10 percent shall be considered a minor violation. In addition,

with the written approval of the Committee, any building may be located further back from the front property line of a lot than provided above, where, in the opinion of the Committee, the proposed location of the building will add to the appearance and value of the lot and will not substantially detract from the appearance of the adjoining lots. This waiver shall be in writing and recorded in the Wake County Registry."

Section 1.10 Fences and Walls. Any fence or wall relative to any single family detached lot must be constructed of masonry, brick, wood or other material approved by the Committee. No fence or wall shall be permitted to extend nearer to any street than the back building line of any residence. Fences or walls erected by Declarant shall become the property of the owner of the lot on which the same are erected and, as such, shall be maintained and repaired by such owner except as provided in Article III. No portion of any fence shall extend eight (8) feet in height. No fences or walls shall be permitted to be constructed upon the property described on Exhibit A except upon the written consent of Plaza Associates, Inc. in accordance with Article II, Section 2.1.

Section 1.11 Sidewalks. All sidewalks shall conform to the City, FHA and VA specifications and regulations.

Section 1.12 Mailboxes. Mailboxes shall be constructed of a material and design approved by the Committee.

ARTICLE II

ARCHITECTURAL CONTROL

Section 2.1 Appointment. Declarant shall designate and appoint an Architectural Control Committee (hereinafter called the "Committee") composed of three (3) individuals, each generally familiar with the residential and community development design matters and knowledgeable about Declarant's concern for a high level of taste and design standards within the Subdivision; provided, however, as to the property described on Exhibit A hereto, Declarant does hereby unconditionally assign its right to appoint such Committee relative to the property on Exhibit A to Plaza Associates, Inc., which shall have the same right of appointment relative to such property as Declarant shall have for the remainder of the subdivision and, in accordance therewith, there shall be two (2) such Committees, one for the property on Exhibit A and one for the remainder of the subdivision. Each such Committee shall adhere to the provisions set forth hereinafter. The Committee shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Subdivision consistent with this Declaration.

Section 2.2 Successors. In the event of the death, resignation or removal by Declarant of any member of the Committee pertaining to the subdivision other than the property

on Exhibit A, the Board of Directors of Emerald Chase Homeowners Association (the "Association") shall appoint a successor member. Upon the termination of Declarant's Class C membership in the Association, the term of office of all members of the Committee appointed by Declarant shall cease, and all members shall thereafter be appointed by the Board of Directors of the Association. No member of the Committee shall be entitled to compensation for, or be liable for claims, causes of action or damages arising out of services performed pursuant to this Declaration. As to the Committee as it pertains to the property on Exhibit A, in the event of the death, resignation or removal of any member of such Committee for so long as Declarant's (Plaza Associates, Inc.) Class C membership in the Association shall remain in effect, Declarant shall retain the right to appoint a successor.

Section 2.3 Authority. No landscaping shall be undertaken and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by a majority of the members of the Committee as to:

(a) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, proper facing of main elevation with respect to nearby streets;

(b) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other lots in the Subdivision; and

(c) the other standards set forth within this Declaration (and any amendments hereto) or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

The Committee is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more lot owners or the general value of lots in the Subdivision. In considering the harmony of external design between existing structures and the proposed building being erected, placed or altered, the Committee shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans.

Section 2.4 Procedure for Approval. Final plans and specifications shall be submitted in duplicate by certified mail to the Committee. The plans and specifications shall show the nature, kind, shape, height, materials and locations of all landscaping and improvements. The documents shall specify any

requested variance from the setback lines, garage location or any other requirement set forth in this Declaration. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans shall be marked "Approved", signed by a majority of the Committee and returned to the lot owner or his designated representative. If disapproved by the Committee, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a majority of the Committee. Any modification of the approved set of plans and specifications must again be submitted to the Committee for its approval. The Committee's approval or disapproval, as required herein, shall be in writing. In no event shall the Committee give verbal approval of any plans. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Article shall be deemed to have been completed. In case of a dispute about whether the Committee responded within such time period, the person submitting the plans shall have the burden of establishing that the Committee received the plans. The

Committee's receipt of the plans may be established by a signed certified mail receipt.

Section 2.5 Standards. The Committee shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built in the Subdivision. The Committee shall also have the authority to require a minimum 5-12 foot roof slope, to specify that chimney flues be covered with brick or masonry or wood, to prohibit the use of light-weight composition roof material, to require that the colors of roofing materials be earth tones, to require the use of anodized aluminum divided light windows, and generally to require that any plans meet the standards of the existing improvements of neighboring lots. The Committee may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 2.6 Liability of Committee. The members of the Committee shall have no liability for decisions made by the Committee so long as such decisions are made in good faith and are not arbitrary or capricious. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the owner of the lot to which the

improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to lot lines, building lines, easements or any other issue.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on any now or hereafter recorded plats for the Subdivision. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residences. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. By acceptance of a deed to any lot, the owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clear condition any easement which may traverse a portion of the lot.

Section 3.2 Recorded Plat. All dedications, limitations, restrictions and reservations shown on any recorded or hereafter recorded plats for the Subdivision are incorporated

herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Declarant, conveying lots in the Subdivision, whether specifically referred to therein or not.

Section 3.3 Lot Maintenance. The owner and occupant of each lot shall cultivate an attractive ground cover or grass on all yards visible from the street, shall maintain the yards in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street. No owner shall permit weeds or grass to grow to a height of greater than six inches (6") upon his property. No foundation planting, shrub or other vegetation near the house shall be allowed to grow above the bottom of any window. Upon failure of any owner to maintain any lot, Declarant or its assigns may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgment, and the owner of such property shall be obligated, when presented with an itemized statement, to reimburse Declarant for the cost of such work. This provision, however, shall in no manner be construed to create a lien in favor of any party on any property for the cost of such work or the reimbursement for such work.

Section 3.4 Maintenance of Improvements. Subject to the provisions of the Declaration of Covenants, Conditions and Restrictions for Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association and any other declarations before or hereafter recorded for condominiums or townhouses, each lot owner shall maintain the exterior of all buildings, fences, walls and other improvements on his lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner.

Section 3.5 Mortgages. It is expressly provided that the breach of any of the foregoing conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to lots acquired by foreclosure, trustee's sales or otherwise, as to any breach occurring after such acquisition of title.

Section 3.6 Term. The foregoing covenants and restrictions shall run with and bind the land and shall remain in full force and effect for a term of thirty (30) years after

this Declaration is recorded. They shall be automatically extended for successive periods of ten (10) years unless amended as provided herein.

Section 3.7 Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

Section 3.8 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Subdivision, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Subdivision. This instrument, when executed, shall be filed of record in the deed records of the County so that each and every owner or purchaser of any portion of the Subdivision is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 3.9 Enforcement. The owner of any lot in the Subdivision shall have the easement and right to have each and

all of the foregoing restrictions, conditions and covenants herein faithfully carried out and performed with reference to each and every lot in the Subdivision, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof, it being the intention hereby to attach to each lot in the Subdivision, without reference to when it was sold, the right and easement to have such restrictions, conditions and covenants strictly complied with, such right to exist with the owner of each lot and to apply to all other lots in the Subdivision whether owned by the undersigned, its successors and assigns, or others. Failure by any owner, including Declarant, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3.10 Definition of "Owner". As used herein, the term "owner" shall refer to the record owner, whether one or more persons or entities (including contract sellers), of the fee simple title to a lot on which there is or will be built a single-family residence or of the fee simple title to a condominium unit, but not including those having an interest merely as security for the performance of an obligation. Any reference herein to "lot" or "lots" shall include single-family detached dwellings and lots, attached townhouses and condominium units.

Section 3.11 Other Authorities. If other authorities, such as the City, impose more demanding, expensive or restrictive requirements than those set forth herein, the requirements of such authorities shall be complied with. Other authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements herein.

Section 3.12 Addresses. Any notices or correspondences to an owner of a lot shall be addressed to the street address of the lot. Any notices or correspondence to the Committee shall be addressed to the address shown opposite the signature of Declarant below or to such other address as is specified by the Committee pursuant to an instrument recorded in the deed records of the County.

Section 3.13 Amendment. At any time, the owners of the legal title to seventy-five percent (75%) of the lots within the Subdivision (as shown by the County records) may amend the covenants, conditions and restrictions set forth herein by recording an instrument containing such amendment(s), except that, for the five (5) years following the recording of this Declaration, no such amendment shall be valid or effective without the joinder of Declarant and Plaza Associates, Inc.; provided, however, Section 1.6(t) and Article II may only be amended with the consent of the owners of legal title to

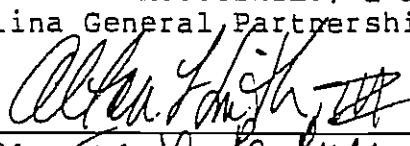
seventy-five percent (75%) of the lots and condominium units created within the property described on Exhibit A. It is acknowledged, understood and agreed that Plaza Associates, Inc. intends to create a condominium upon a portion of the property on Exhibit A, to be known as Wynde Pointe, A Condominium. In the event it shall become necessary to amend the Declaration of Condominium for Wynde Pointe at any time in the future, such amendment shall not require amendment of this Declaration or the consent and approval of any owners other than those owners of such condominium units as may be created therein.

Section 3.14 VA or FHA Approval. As long as there remains a Class C membership, the following actions will require the prior approval of the Veterans Administration and/or Federal Housing Administration: Annexation of additional properties, dedication of Common Properties and amendment of this Declaration.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal as of the day and year first above written.

Address:
Suite 210
7320 Six Forks Road
Raleigh, North Carolina
27609

RAVEN RIDGE ASSOCIATES, a North
Carolina General Partnership (SEAL)

By:  (SEAL)
Title: Gen'l Partner

STATE OF NORTH CAROLINA)
COUNTY OF Wake)

I, Gary K. Joyner, a Notary Public of said County and State, do hereby certify that Alton L. Smith, III, a general partner of Raven Ridge Associates, a North Carolina General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 11 day of December, 1987.

Gary K. Joyner
Notary Public

(Notarial Seal)

My Commission Expires:

1-5-89

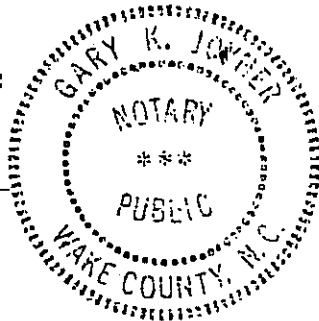


Exhibit A (Tract 1)

Lying and being situate in the City of Raleigh, Wake County, North Carolina and beginning at an existing iron pipe located in the western right-of-way line of Lead Mine Road, said Point of Beginning being designated as a control corner bearing North Carolina coordinates North = 782,243.62 and East = 2,099,679.80 and said Point of Beginning also being the northeast corner of Lot 40, Emerald Chase as shown on Book of Maps 1986, Page 130 and from said Point of Beginning South 83 degrees 6 minutes 51 seconds West 113.62 feet to an existing iron pipe; thence South 64 degrees 33 minutes 38 seconds West 204.86 feet to an existing iron pipe; thence South 73 degrees 31 minutes 46 seconds West 119.92 feet to an existing iron pipe; thence due West a distance of 62 feet to an existing iron pipe, said iron pipe being the northwest corner of Lot 46 of Emerald Chase as shown in Book of Maps 1986, Page 130; thence North 04 degrees 08 minutes 41 seconds East 207.54 feet to an existing iron pipe; thence North 21 degrees 48 minutes 05 seconds East 107.70 feet to an existing iron pipe; thence North 04 degrees 14 minutes 11 seconds East 135.37 feet to an existing iron pipe; thence North 11 degrees 18 minutes 34 seconds East 152.97 feet to an existing iron pipe; thence North 04 degrees 36 minutes 26 seconds East 250.80 feet to an existing iron pipe; thence North 18 degrees 26 minutes 06 seconds East 117.11 feet to a point; thence South 85 degrees 25 minutes 31 seconds East 321.59 feet to a point located in the western right-of-way line of Lead Mine Road; thence traveling along the western right-of-way line of Lead Mine Road in a curve to the right in a southerly direction having a radius of 1,360.74 feet, an arc distance of 71.38 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road in a southerly direction South 05 degrees 15 minutes 56 seconds West 200 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road in a southerly direction in a curve to the left having a radius of 1,865.60 feet, an arc distance of 508.78 feet to an existing iron pipe; thence continuing along the western right-of-way line of Lead Mine Road South 10 degrees 21 minutes 36 seconds East 15.00 feet to the Point of Beginning, and being 7.69 acres, according to plat entitled, "Phase Line Location Emerald Pointe I", dated November, 1985, revised August 24, 1987, prepared by Robert T. Newcomb, III, R.L.S.

Exhibit A (Tract 2)

All that certain tract or parcel of land lying and being in the City of Raleigh, Wake County, North Carolina, more specifically described as follows:

BEGINNING at a point having North Carolina State Plane Coordinates $N(y) = 782,411.19$ and $E(x) = 2,100,220.33$; thence South 02 degrees 40 minutes 06 seconds West 413.86 feet to a point; thence North 61 degrees 39 minutes 07 seconds West 52.00 feet to a point; thence South 53 degrees 58 minutes 31 seconds West 284.75 feet to a point; thence South 01 degrees 54 minutes 33 seconds East 60.03 feet to a point; thence South 86 degrees 44 minutes 53 seconds West 87.35 feet to a point; thence along the eastern right-of-way of Lead Mine Road on a curve to the left having a radius of 2076.68 feet and an arc distance of 166.69 feet to a point; thence North 10 degrees 21 minutes 36 seconds West 84.71 feet to a point; thence South 79 degrees 38 minutes 24 seconds West 2.5 feet to a point; thence North 10 degrees 21 minutes 36 seconds West 238.73 feet to a point; thence along a curve to the right having a radius of 1785.60 feet and an arc distance of 161.77 feet to a point; thence leaving the eastern right-of-way of Lead Mine Road South 87 degrees 26 minutes 00 seconds East 486.86 feet to the point and place of BEGINNING; and containing approximately 5.08 acres according to a survey prepared by Robert T. Newcomb, III, entitled, "Property of A. Hardy Mills, Inc." and dated November, 1985, and being that property as shown on a plat entitled, "EMERALD POINT II", dated September, 1986 and recorded in Book of Maps 1986, Page 1969, Wake County Registry.

A:B3.5

CONSENT TO AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EMERALD CHASE

Class "A" Members

Name	Address
(SEAL) John A. Keeley	8304 Grey Abbey NC 27615
(SEAL) H.C. Bradshaw Jr.	1423 Quarter Pt. Raleigh, N.C. 27615
(SEAL) Robert Miller	1409 Quarter Pt Raleigh NC 27615
(SEAL)	
Peter P. A. Swann Jr.	(SEAL) 1429 Quarter Point Raleigh NC 27615
Nicholas J. McConrue	(SEAL) 1400 Quarter Point Raleigh NC
Paul W. Horton	(SEAL) 1404 Quarter Point Ral NC 27615
Hinder C. Gray	(SEAL) 1433 Quarter Point, Raleigh, NC 27615
(SEAL)	1427 Quarter Point, Raleigh, NC 27615
(SEAL) David M. Johnston	1434 QUARTER POINT, RALEIGH, NC 27615
(SEAL)	
Fred D. Hutchison, Trustee First Federal Savings and Loan Association of Raleigh	(SEAL) 11 Unit Lots
By: J. L. K. White	(SEAL)
By: J. M. White	(SEAL)
(SEAL)	
(SEAL)	
(SEAL)	

Class "A" Member (Townhomes)

NameAddress

Leath Hill (SEAL) 1426 Quarter Point Rd NE 27615

Patricia Hill (SEAL) 1426 Quarter Point Rd NE 27615

Frank Hill (SEAL) 1420 Quarter Point Rd NE 27615

Leath Hill (SEAL) 1426 Quarter Point Rd NE 27615

Elmer C. Hill (SEAL) 1439 Quarter Point Rd NE 27615

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

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(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

Class "B"

Name	Address
<u>[Signature]</u> (SEAL)	John H. Keeley 8304 Grey Abbey Pl.
<u>[Signature]</u> (SEAL)	8301 Grey Abbey Place
THOMAS E. HAMILTON	
<u>[Signature]</u> (SEAL)	Linda I. Hamilton (same)
<u>[Signature]</u> (SEAL)	8309 Grey Abbey Place
GARLAND R. AVENT	
<u>[Signature]</u> (SEAL)	
Thomas E. Denser	
<u>[Signature]</u> (SEAL)	1404 Amberton Court
Thomas E. Denser	
<u>[Signature]</u> (SEAL)	
<u>[Signature]</u> (SEAL)	1421 Hillbrow Lane
Joseph L. McKinnon	
<u>[Signature]</u> (SEAL)	
Putte Home Corporation	
<u>[Signature]</u> (SEAL)	27 lots
<u>[Signature]</u> (SEAL)	
<u>[Signature]</u> (SEAL)	
President of Carolina Division	
Attorney-in-Fact	
<u>[Signature]</u> (SEAL)	
Dominion Homes	
<u>[Signature]</u> (SEAL)	11 lots
By <u>[Signature]</u> (SEAL)	
Attorney-in-Fact	
<u>[Signature]</u> (SEAL)	
MARK WARREN	
<u>[Signature]</u> (SEAL)	1400 AMBERTON CT.
<u>[Signature]</u> (SEAL)	
J. J. Ruelley	
<u>[Signature]</u> (SEAL)	1401 Bridgeport Dr.
W. J. LEONARD	
<u>[Signature]</u> (SEAL)	1410 Amberton Ct.
<u>[Signature]</u> (SEAL)	
W. J. Wimmer	
<u>[Signature]</u> (SEAL)	1333 Bridgeport
<u>[Signature]</u> (SEAL)	" "
<u>[Signature]</u> (SEAL)	
W. J. Batten	
<u>[Signature]</u> (SEAL)	1313 BRIDGEPORT DR
MARK BOLTON	
<u>[Signature]</u> (SEAL)	
<u>[Signature]</u> (SEAL)	1317 BRIDGEPORT DR.
<u>[Signature]</u> (SEAL)	
<u>[Signature]</u> (SEAL)	1424 Amberton Ct.

Class "B" Member (Single Family)

Name	Address
<u>Robert R. (SEAL)</u>	Lot 19 - 8513 Zim Family Place
<u>Tracy R. (SEAL)</u>	Lot 24 Cataraugus
<u>24 (SEAL)</u>	8516 Zim Family Place, Malaga, P.R.
<u>William A. (SEAL)</u>	8516 Zim Family Place
<u>John T. (SEAL)</u>	8601 Zim Family Pl.
<u>William C. (SEAL)</u>	8601 Zim Family Pl.
<u>David H. (SEAL)</u>	1337 Bridgeport Dr.
<u>JANE P. RUFFIN</u>	
<u>JANE P. RUFFIN (SEAL)</u>	1337 Bridgeport Dr.
<u>MARY J. LEONARD (SEAL)</u>	1420 Union St.
<u>Carl (SEAL)</u>	1317 Bridgeport + Dr.
<u>MATRIUA Keeloy (SEAL)</u>	8317 Grey Abbey Pl.
<u>Robert M. (SEAL)</u>	8317 Grey Abbey Pl.
<u>Robert M. (SEAL)</u>	8313 Grey Abbey Pl.
<u>RICHARD STEVENSON (SEAL)</u>	1300 Bridgeport Dr.
<u>Nannie Stevenson (SEAL)</u>	1300 Bridgeport Drive
<u>SHIRLEY HERBERT-MARSH (SEAL)</u>	1325 Bridgeport Drive
<u>WILLIAM M. WATSON (SEAL)</u>	8408 GREY ABBEY PL.
<u>LISA R. WATSON (SEAL)</u>	
<u>Everette Williams (SEAL)</u>	8305 GREY ABBEY PLACE
<u>MARGARET Williams (SEAL)</u>	8305 GREY ABBEY PLACE

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

CLASS C. MEMBERSHIP

RAVEN RIDGE ASSOCIATES,
a North Carolina General Partnership (SEAL)

BY: *Alton L. Smith, III* (SEAL)
Alton L. Smith, III,
General Partner

103 Lots

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, *Kathy M. Riley* ~~Gary K. Joyner~~, a Notary Public of the county and state aforesaid, certify that Alton L. Smith, III, General Partner of Raven Ridge Associates, a North Carolina General Partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 17th day of December, 1987.

Kathy M. Riley
Notary Public

My commission expires:

2-2-91

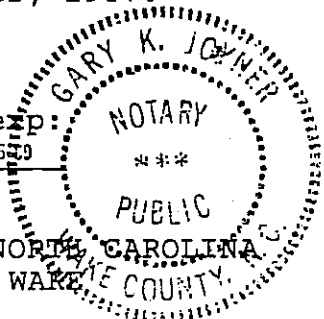


STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that John A. Keeley, H. S. Bradshaw, Jr., Brent T. Miller, Raphael A. Levin, Deborah Y. McCann, Paul W. Horton, Linda C. Gray, James A. Westbrook, III, David M. Johnston, J. Douglas Wheeler, Thomas E. Hamilton, Garland R. Avent, Thomas E. Denser, Joseph L. McKinnon, Linda J. Hamilton, Mark Warden, Janet H. Warden, I. Turlik, William Leonard, Terry Wimmer, Sherry Wimmer, Mark Bolton, Paul Colburn, Carol Colburn, Barry L. Pryor, Rita Pryor, Kenneth Rose, Terry W. Rose, William J. Martin, Therese A. Martin, Walter L. Barton, Joann C. Barton, David H. Ruffin, Jane P. Ruffin, Mary J. Leonard, Patricia Keeley, Rich Mason, Roberta Mason, Richard Stevenson, Nannie Stevenson, Shirley Hebert-Marcus, William M. Watson, III, Lisa R. Watson, Everette Williams, Jr., Margaret Williams, Fred David Zaytoun, Edwin C. Parks, Shirley J. Holt, Nanette N. Uzzell, and Patricia Dale Newton personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this 28 day of December, 1987.

My comm. exp: 1-5-89
My Commission Expires 1-5-89



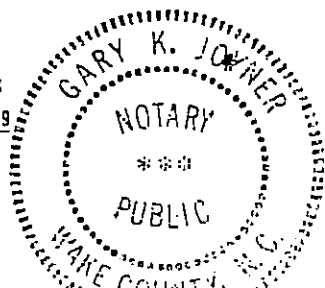
Gary K. Joyner
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that Richard Strom, Attorney-in-Fact for Pulte Home Corporation, personally appeared before me this day and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of Pulte Home Corporation, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of the Register of Deeds of Wake County, North Carolina, on the 22nd day of August, 1986, in Book 3306, Page 29, and that this instrument granted him power of attorney; that the said Richard Strom acknowledged the due execution of the foregoing instrument for the purposes therein expressed for and in behalf of the said Pulte Home Corporation.

WITNESS my hand and official stamp or seal this 28 day of December, 1987.

My comm. exp: 1-5-89
My Commission Expires 1-5-89



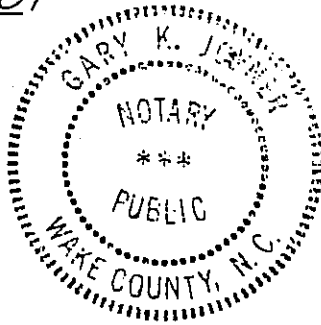
Gary K. Joyner
Notary Public

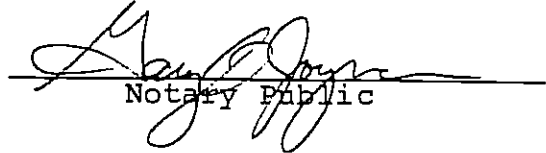
NORTH CAROLINA
WAKE COUNTY

I, Gary K. Joyner, a Notary Public of the county and state aforesaid, certify that before me this day personally appeared Fred D. Hutchison, Trustee for First Federal Savings & Loan Association of Raleigh, and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this 17 day of December, 1987.

My comm. exp: 1-5-89




Notary Public

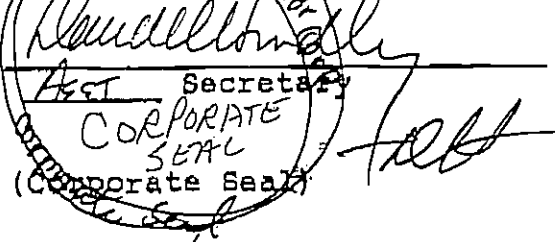
CONSENT TO AMENDMENT
TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR EMERALD CHASE

The undersigned owner of 11 lots in Emerald Chase Subdivision, hereby waives notice of the meeting of the Emerald Chase Homeowners Association held on December 1, 1987, and reconvened on December 8, 1987 and hereby consents to the foregoing Amendments to the Declarations by setting its hand and seal hereto as of the 28th day of December, 1987.

THE BORROR CORPORATION
d/b/a DOMINION HOMES

By: David S. Brown
Vice President

ATTEST:



NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that DAVID D. HUNDLEY personally came before me this day and acknowledged that he he is Asst Secretary of The Borrer Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him as its Asst Secretary.

WITNESS my hand and official stamp or seal this 28th day of December, 1987.

David F. Branch
Notary Public

My Commission Expires _____

Hold: James R. Rogers, III

BK5995PG0841

PRESENTED
FOR
REGISTRATION

STATE OF NORTH CAROLINA
COUNTY OF WAKE

000515

94 FEB -4 PM 3:42

SUPPLEMENTARY DECLARATION FOR EMERALD CHASE HOMEOWNERS
ASSOCIATION -
REGISTER OF DEEDS
WAKE COUNTY

This Supplementary Declaration of Covenants, Conditions and Restrictions for Emerald Chase Homeowners Association, made and entered into this 20th day of December, 1993, by Envirometrics, Inc. a North Carolina corporation, D/B/A Life Style Builders and Developers and Ali Reza Gholizadeh and wife, Neta L. Gholizadeh and Emerald Chase Homeowners Association (hereinafter "Association");

WITNESSETH:

WHEREAS, the original Declarant, Raven Ridge Associates, a North Carolina General Partnership, filed a Declaration of Covenants, Conditions and Restriction for Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association, which document was recorded on January 22, 1986, in Book 3643, Page 464 of the Wake County Registry; and

WHEREAS, the original Declaration of Covenants, Conditions and Restrictions was amended by amendments recorded in Book 3716, Page 394; recorded in Book 3734, Page 60; Book 3744, Page 785; Book 3926, Page 320; Book 3946, Page 826; Book 4057, Page 424; Book 4118, Page 158; and Book 4127, Page 263, of the Wake County Registry; and

WHEREAS, the original Declarant again amended its previously amended Declarations in a manner that all prior amendments were restated and incorporated into a single document to supersede and replace all prior such documents, which document was recorded in Book 4174, Page 913 of the Wake County Registry (hereinafter, "Amended Declaration"); and

WHEREAS, Article XI, Section 5(a) of the Amended Declaration recorded in Book 4174, Page 913 provided that upon approval in writing of the Association pursuant to two-thirds (2/3) of the vote of each class of members at a duly called meeting at which a quorum is present, the owner of property other than the Declarant who desires to add it to the plan the covenants and to subject it to the jurisdiction of the Association, may record a Supplementary Declaration of Covenants with respect to the additional property which shall extend the operation and effect of the covenants to such additional property, and

WHEREAS, Envirometrics, Inc., a North Carolina corporation, D/B/A Life Style Builders and Developers and Ali Reza Gholizadeh and wife, Neta L. Gholizadeh are the owners of the property described in "Exhibit A", which is attached hereto and incorporated by reference herein.

WHEREAS, Envirometrics, Inc. desires to develop such property as Emerald Downs, in accordance with the general plan of development for Emerald Downs; and,

NOW, THEREFORE, BE IT RESOLVED that Emerald Chase Homeowners Association, Envirometrics, Inc., D/B/A/ Life Style Builders and Developers and Ali Reza Gholizadeh are hereby allowed to file a Declaration of Annexation of the property described in Exhibit A attached hereto by filing said Declaration to annex in accordance with the terms and provisions expressly set forth herein as follows:

1. Annexation to Declaration. Any and all rights, privileges, duties, responsibilities and obligations conferred upon Plaza Associates, Inc., as Declarant with respect to the property set forth on Exhibit A hereto by virtue of the provisions expressly set forth in the Declaration shall be hereby conferred upon Envirometrics, Inc., D/B/A Life Style Builders and Developers and Ali Reza Gholizadeh for the purpose of developing same in accordance with the general plan of development for Emerald Downs as contemplated by the Declaration and Emerald Chase Homeowners Association is hereby authorized to annex the property described in Exhibit A attached hereto into the Emerald Chase Homeowners Association as provided in Book 4174, Page 913, Wake County Registry.

2. Definitions. All of the definitions contained in Article I of the Declaration shall have the same meanings set forth therein when used in this Amendment, subject to the amendments expressly contained herein.

3. Procedure for Amendment. This Authorization to Annexation was accomplished in strict accordance with the provisions therefore set forth in Article XI, Section 5 of the Declaration, in that all requirements set forth therein were satisfied, including the fact that this amendment was approved by the Office of the City Attorney of Raleigh and by a vote of at least two-thirds (2/3) of each class of member entitled to vote at a duly called meeting of the Association at which a quorum was present.

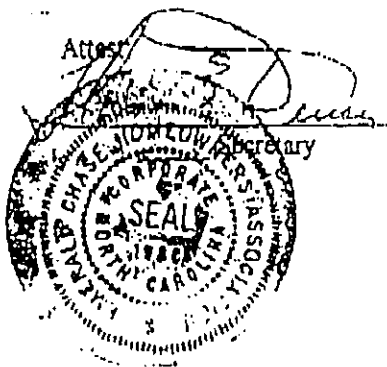
IN WITNESS WHEREOF, the Association has caused this Annexation Agreement to be executed as of the date and year first above written.

Emerald Chase Homeowners Association,
a North Carolina non-profit corporation

By: _____

President

(Corporate Seal)



BK5995PG0843

Envirometrica, Inc. D/B/A Life Style
Builders and Developers

By: Samak Zharan
President

Ali Reza Gholizadeh (SEAL)
Ali Reza Gholizadeh

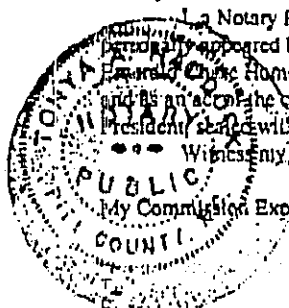
Neta L. Gholizadeh (SEAL)
Neta L. Gholizadeh



State of North Carolina
County of Wake

I, a Notary Public of Pitt County, North Carolina, certify that Thomas E. Dancy personally appeared before me this day and acknowledged that he is Secretary of Envirometrica, Inc. D/B/A Life Style Builders and Developers, a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.
Witness my hand and official stamp or seal, this 20th day of December, 1993.

My Commission Expires: August 18, 1997

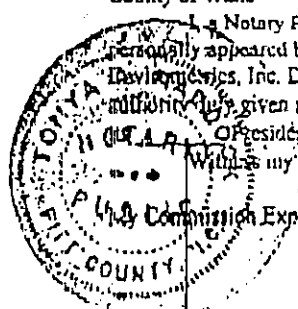


Thomas E. Dancy
Notary Public

State of North Carolina
County of Wake

I, a Notary Public of Pitt County, North Carolina, certify that Paquel Kharan personally appeared before me this day and acknowledged that she is Secretary of Envirometrica, Inc. D/B/A Life Style Builders and Developers, a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.
Witness my hand and official stamp or seal, this 20th day of December, 1993.

My Commission Expires: August 18, 1997



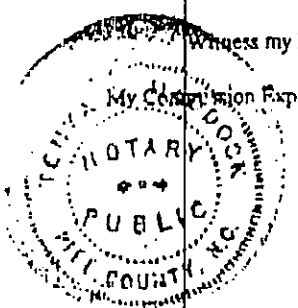
Paquel Kharan
Notary Public

State of North Carolina
County of Wake

I, Thomas E. Dancy a Notary Public of Pitt County, North Carolina, certify that Ali Reza Gholizadeh and wife, Neta L. Gholizadeh personally came before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 20th day of December, 1993

My Commission Expires: August 18, 1997



Thomas E. Dancy
Notary Public

WHEREAS, Envirometrics, Inc. desires to develop such property as Emerald Downs, in accordance with the general plan of development for Emerald Downs; and,

NOW, THEREFORE, BE IT RESOLVED that Emerald Chase Homeowners Association, Envirometrics, Inc., D/B/A/ Life Style Builders and Developers and Ali Reza Gholizadeh are hereby allowed to file a Declaration of Annexation of the property described in Exhibit A attached hereto by filing said Declaration to annex in accordance with the terms and provisions expressly set forth herein as follows:

1. Annexation to Declaration. Any and all rights, privileges, duties, responsibilities and obligations conferred upon Plaza Associates, Inc., as Declarant with respect to the property set forth on Exhibit A hereto by virtue of the provisions expressly set forth in the Declaration shall be hereby conferred upon Envirometrics, Inc., D/B/A/ Life Style Builders and Developers and Ali Reza Gholizadeh for the purpose of developing same in accordance with the general plan of development for Emerald Downs as contemplated by the Declaration and Emerald Chase Homeowners Association is hereby authorized to annex the property described in Exhibit A attached hereto into the Emerald Chase Homeowners Association as provided in Book 4174, Page 913, Wake County Registry.

2. Definitions. All of the definitions contained in Article I of the Declaration shall have the same meanings set forth therein when used in this Amendment, subject to the amendments expressly contained herein.

3. Procedure for Amendment. This Authorization to Annexation was accomplished in strict accordance with the provisions therefore set forth in Article XI, Section 5 of the Declaration, in that all requirements set forth therein were satisfied, including the fact that this amendment was approved by the Office of the City Attorney of Raleigh and by a vote of at least two-thirds (2/3) of each class of member entitled to vote at a duly called meeting of the Association at which a quorum was present.

IN WITNESS WHEREOF, the Association has caused this Annexation Agreement to be executed as of the date and year first above written.

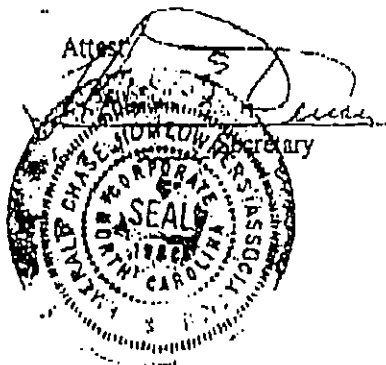
Emerald Chase Homeowners Association,
a North Carolina non-profit corporation

By: _____

President

(Corporate Seal)

Attest: _____



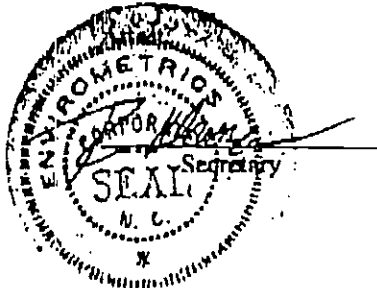
BK5995PG0843

Envirometrica, Inc. D/B/A Life Style
Builders and Developers

By: Samuel Shaw
President

Ali Reza Gholizadeh (SEAL)
Ali Reza Gholizadeh

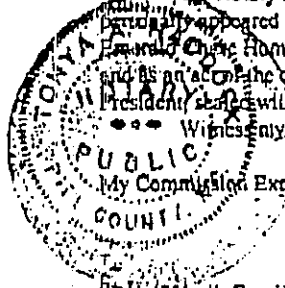
Neta L. Gholizadeh (SEAL)
Neta L. Gholizadeh



State of North Carolina
County of Wake

I, a Notary Public of Pitt County, North Carolina, certify that Thomas E. Dancy personally appeared before me this day and acknowledged that he is Secretary of Envirometrica, Inc. D/B/A Life Style Builders and Developers, a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.
Witness my hand and official stamp or seal, this 20th day of December, 1993.

My Commission Expires: August 18, 1997

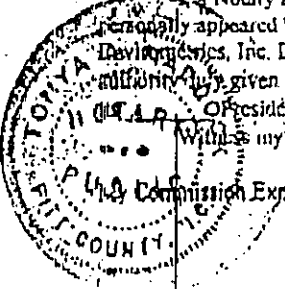


Thomas E. Dancy
Notary Public

State of North Carolina
County of Wake

I, a Notary Public of Pitt County, North Carolina, certify that Paquel Kboram personally appeared before me this day and acknowledged that she is Secretary of Envirometrica, Inc. D/B/A Life Style Builders and Developers, a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.
Witness my hand and official stamp or seal, this 20th day of December, 1993.

My Commission Expires: August 18, 1997



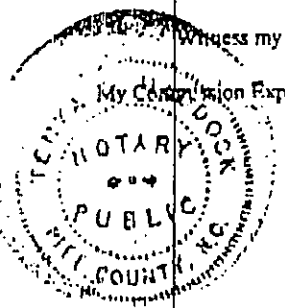
Paquel Kboram
Notary Public

State of North Carolina
County of Wake

I, Thomas E. Dancy a Notary Public of Pitt County, North Carolina, certify that Ali Reza Gholizadeh and wife, Neta L. Gholizadeh personally came before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 20th day of December, 1993

My Commission Expires: August 18, 1997



Thomas E. Dancy
Notary Public

BK5995PG0844

Approval By City of Raleigh

The undersigned official of the City of Raleigh hereby certifies that the foregoing Supplemental Declaration of Covenants, Conditions and Restrictions has been submitted to the City and has been approved as submitted.

This 28th day of January, 1994.

CITY OF RALEIGH

By: Ira J. Botvinick
City Attorney

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Marva A. Watkins, a Notary Public, do hereby certify that Ira J. Botvinick, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

This the 28th day of January, 1994.
(SEAL)

My Commission Expires: WAKE COUNTY

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate is of Marva A. Watkins

Notary Public

(Not 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

By: P. Anne Reed
Deputy Register of Deeds

BX5231 PG0731

Exhibit A

lying and being situate in the City of Raleigh, Wake County, North Carolina and beginning at an existing iron pipe located in the western right of way line of Lead Mine Road, said Point of Beginning being designated as a control corner bearing North Carolina Coordinates North (y) = 782,243.62 and East (x) = 27,099,679.80 and said Point of Beginning also being the northeast corner of Lot 40, Emerald Chase as shown on Book of Maps 1986, Page 130 and from said Point of Beginning, South 83 degrees 6 minutes 51 seconds West 113.62 feet to an existing iron pipe; thence South 64 degrees 33 minutes 38 seconds West 204.86 feet to an existing iron pipe; thence South 73 degrees 31 minutes 46 seconds West 119.92 feet to an existing iron pipe; thence due West a distance of 62 feet to an existing iron pipe, said iron pipe being the northwest corner of Lot 46 of Emerald Chase as shown in Book of Maps 1986, Page 130; thence North 04 degrees 08 minutes 41 seconds East 207.54 feet to an existing iron pipe; thence North 21 degrees 48 minutes 03 seconds East 107.70 feet to an existing iron pipe; thence North 04 degrees 14 minutes 11 seconds East 135.37 feet to an existing iron pipe; thence North 11 degrees 18 minutes 36 seconds East 71.97 feet to a point; thence South 85 degrees 25 minutes 34 seconds East 200.00 feet to a point; thence North 47 degrees 07 minutes 20 seconds East 232.93 feet to an iron pipe located in the western margin of the right of way of Lead Mine Road; thence with and along the western margin of the right of way of Lead Mine Road along a curve to the left having a radius of 1865.60 feet, an arc distance of 500.78 feet to an iron pipe; thence South 10 degrees 21 minutes 36 seconds East 15.00 feet to an iron pipe, the Point and Place of Beginning, containing 44.48 acres and being designated as Phase 3, on that certain unrecorded plat of survey entitled, "Phase Line Location, Emerald Point II", prepared by Robert R. Newcomb, III, RLS, dated November 1985, and revised August 24, 1987 to add the phase line which creates the line of division between the foregoing Phase 3 and Phase 2, to which unrecorded plat of survey reference is hereby made for a more accurate description.

A:05.3

93-02-07

PRESENTED
FOR
REGISTRATION

ARTICLES OF INCORPORATION
OF

JAN 22 12 08 PM '86

KENNETH R. WILKINS
REGISTERED CLERK
WAKE COUNTY, NC

EMERALD CHASE HOMEOWNERS ASSOCIATION
A NONPROFIT CORPORATION

DOCUMENT #3738
DATE 01/22/86 TIME
FILED
THAD EURE
SECRETARY OF STATE
NORTH CAROLINA

The undersigned natural person of the age of 18 years or more, acting as incorporator for the purpose of creating a nonprofit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, and entitled "NonProfit Corporation Act," and the several amendments thereto, does hereby set forth:

1. The name of the corporation is EMERALD CHASE HOMEOWNERS ASSOCIATION, hereinafter called the "Association."
2. The period of duration of the corporation shall be perpetual.
3. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed are to provide for management, maintenance, preservation and architectural control of Association property to include residential Lots and Common Area within that certain tract of property described as Emerald Chase Subdivision (as more fully described in the Declaration hereinafter referred to) and said other properties as may be annexed thereto, and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association.
4. The Association shall have the following general powers and any others impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Common Properties in Emerald Chase Subdivision and Provisions of Emerald Chase Homeowners Association, hereinafter called the "Declaration", applicable to the Association and its property, and recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated specifically herein by reference as if fully herein set out;

(b) To fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, but specifically not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with affairs of the Association, subject to approval by the appropriate municipal authority;

(d) To borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility or other nonprofit corporation for such purposes and subject to such conditions as may be agreed to by the members and subject to approval by the appropriate municipal authority. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) To participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes or annex additional residential property and Common Area, to the extent permitted by law and provided that any such merger or consolidation or any such annexation that requires the vote of members pursuant to the Declaration shall have the assent of two-thirds (2/3) of each class of members;

(g) To have and to exercise any and all powers, rights, and privileges which a corporation organized under the NonProfit Corporation Act of the State of North Carolina (Chapter 55A of the North Carolina General Statutes) by law may now or hereafter have or exercise.

This Association is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of the Association or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or member of the Association, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess membership dues, fees, or assessments as permitted without

violation of the requirements of Section 528 of the Internal Revenue Code of 1954 and its related regulations), except that reasonable compensation may be paid for services rendered to or for the Association affecting one or more of its purposes. In the event of the liquidation or dissolution of the Association, either voluntary or involuntary, no member, director or officer of the Association or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association from any source, after the payment of all debts and obligations of the Association, shall be used or distributed exclusively to an appropriate public agency to be used for purposes similar to those stated in this Section 3 or to an entity or entities whose purposes are substantially similar to those set forth in this Section 3 and within the intentment of Section 528 of the Internal Revenue Code of 1954 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding, the Association shall not possess or exercise any power or authority either expressly, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1954 as amended and the regulations thereunder, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

In order to properly prosecute the objects and purposes set forth, the Association shall have all the powers vested in nonprofit corporations by the laws of the State of North Carolina, Chapter 55A, Section 15, and other laws relating to nonprofit corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future.

5. The Declarant (as defined in the Declaration) and its successors and assigns, for as long as it shall be a record owner of a fee simple title to any lot within the Emerald Chase Subdivision (hereinafter referred to as a "Lot") and every person or entity which is a record owner of a fee or undivided fee interest in any Lot (hereinafter "Owner"), including contract sellers, shall be a member of the Association. Ownership of such Lot shall be the sole qualification for membership and no Owner shall have more than one membership. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Board of Directors may make reasonable rules relating to proof of ownership of a Lot in Emerald Chase Subdivision.

6. The Association shall have three classes of voting memberships:

Class A. Class A members shall be those Owners, with the exception of the Declarant until its Class C membership has converted to Class A membership, who own Lots within the attached single family section of Emerald Chase Subdivision, and shall be entitled to one vote for each Lot owned in which they hold the interest required for Class A membership.

Class B. Class B members shall be those Owners, with the exception of the Declarant until its Class C membership has converted to Class B membership, who own Lots within the detached

single family section of Emerald Chase Subdivision, and shall be entitled to one vote for each Lot owned in which they hold the interest required for Class B membership.

Class C. The Class C member shall be the Declarant, and it shall be entitled to three (3) votes for each Lot owned by it, whether the same be a Class A or Class B Lot. The Class C membership shall cease and be converted to Class A membership or Class B membership, depending on the type of Lots owned by Declarant, upon the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A membership and Class B membership equal the total votes outstanding in the Class C membership, but provided that the Class C 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 assent of Class A membership and Class B membership, all as provided for in the Declarations; where the total votes outstanding in a particular class of membership exceeds the total votes outstanding in Class C membership, the Class C votes shall terminate as to that class of membership; or (b) on December 31, 1988. Thereafter, the Declarant may be entitled to one vote per Lot owned by it.

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, and no fractional vote may be cast with respect to any Lot. 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 for any period during which any assessment of a member remains unpaid.

7. The directors of the Association shall be elected by the members in the manner provided in the Bylaws of the Association.

8. The address of the initial registered office of the Association in the State of North Carolina is Suite 200, 7320 Six Forks Road, Raleigh, Wake County, North Carolina 27609; and the name of the initial registered agent at such address is Alton L. Smith, III.

9. The affairs of this Association shall be managed by a Board of Directors of not less than three (3) nor more than nine (9) directors, who need not be members of the Association... The number of directors shall be determined from time to time by resolution of the members.

After the lapse of all of the Class C membership as provided herein, a majority of the Board of Directors shall be members. Any vacancies on the Board not filled by the members shall be treated as vacancies to be filled by and in the discretion of the Board. At such time as the Board is enlarged, the number of directors shall be enlarged to give each class an equal number of directors. Only those members within a particular class shall be entitled to nominate or elect a director for that class. All directors shall serve until their successors have been duly elected and qualified.

10. The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the persons who are to serve as directors until the first meeting of the Association or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Alton L. Smith, III	7320 Six Forks Road Suite 210 Raleigh, North Carolina 27609
Donald F. Walston	7320 Six Forks Road Suite 200 Raleigh, North Carolina 27609
Cathy W. Lemly	7320 Six Forks Road Suite 210 Raleigh, North Carolina 27609

11. The name and address of the incorporator are:

Fred D. Hutchison, Esq.
Moore, Van Allen, Allen & Thigpen
Post Office Box 26507
200 West Morgan Street
Raleigh, North Carolina 27611

12. The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association first shall be dedicated to an appropriate public agency, subject to the provisions in Section 3, to be used for purposes similar to those for which this Association was created. In the event that such offer of dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization, subject to the provisions of Section 3, to be devoted to such similar purposes.

13. Except as herein provided, any amendment to these Articles shall require the assent of members or proxies entitled to cast two-thirds (2/3)

the entire vote of the membership... These Articles may be amended by the Declarant prior to conversion of Class C to Class A or Class B membership, and, after such conversion, by the Board of Directors of the Association without the consent of the members, to the extent necessary and only to the extent necessary, to achieve or maintain the tax-exempt status of the Association.

14. As long as there is a Class C membership, the following actions will require the prior approval of the Federal Housing Administration, the Veterans Administration or the Federal National Mortgage Association if the Lots are eligible for loans from such organizations: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, and dissolution and amendment of these Articles.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto set his hand this the 16th day of January, 1986.

Fred D. Hutchison

(SEAL)

Fred D. Hutchison

NORTH CAROLINA --

WAKE COUNTY

I, R. Kane Light, a Notary Public of the aforesaid County and State do hereby certify that Fred D. Hutchison, personally appeared before this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 21st day of January, 1986.

R. Kane Light

Notary Public

My Commission Expires:

July 10, 1989