

PHASE I

JULY 28, 1995

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Drawn by & HOLD FOR:
PERRY, PATRICK, FARMER & MICHAEL, P.A. (nc)

000746

PRESENTED
FOR
REGISTRATION

95 JUL 28 AM 10:24

STATE OF NORTH CAROLINA

COUNTY OF WAKE

RESTRICTIVE COVENANTS
FOR WAKE COUNTY

THE POINT AT LEMUEL SUBDIVISION
PHASE 1

H. J. MORRIS CONSTRUCTION, INC., a North Carolina corporation (hereinafter "Declarant"), hereby declares that the Property described on Exhibit A attached hereto and made a part hereof, is and shall hereafter be held, transferred, sold and conveyed subject to the following restrictive covenants, which shall run with the Property, by whomsoever owned, to wit:

1. LAND USE AND BUILDING TYPE. All Lots shall be used for residential purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached, single-family dwelling, not to exceed two and one-half (2 1/2) stories in height, a private garage for not more than three (3) cars, and other out-buildings incidental to residential use of the Lot. Nothing herein shall be deemed to prohibit conversion of a Lot to a street.

2. DWELLING SIZE: The minimum heated square footage of a dwelling may not be less than 1000 square feet.

3. BUILDING SETBACKS; HOUSE LOCATION. No dwelling shall be erected or maintained on any Lot outside of the building envelope shown on the recorded plat of the Property or as otherwise required or permitted by the zoning ordinance of the City of Raleigh. For purposes of these building setback requirements, decks, porches, patios, stoops, eaves, overhangs, bay windows, chimneys, carports and other similar projections shall be deemed to be part of the dwelling only to the extent that the same are deemed to be part of the dwelling under the zoning ordinance of the City of Raleigh as it exists as of the date of issuance of a certificate of occupancy for such dwelling. Any dwelling erected on a Lot other than a corner lot shall face the street on which the Lot abuts. On corner lots, a dwelling may be erected so as to face the intersection of the two streets on which the Lot abuts.

4. FENCES. No fence or wall shall be erected on any Lot closer to any street than the front or side building setback line. Chain-link or other metal fencing is not permitted, except that 2"x4" mesh may be used with split-rail fencing to contain animals within the yard. Any fence or wall installed within the subdivision must meet all requirements of the Raleigh Zoning Ordinance and must be approved as provided in Paragraph 18 of these Covenants. Nothing in this paragraph shall be deemed to

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apply to or regulate retaining walls made necessary by the slope or grade of any Lot or Lots, nor shall anything in this paragraph apply to any fence installed by the Declarant at any entrance to or along any street within the subdivision.

5. TEMPORARY STRUCTURES. No residence of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, basement, shack, tent, garage, barn, or any other building of a similar nature shall be used as a residence on any Lot, either temporarily or permanently.

6. PARKING; DRIVEWAYS AND PARKING PADS; ABANDONED VEHICLES. Vehicles may be parked or stored only on portions of a Lot improved for that purpose, i.e., garage, driveway, carport or parking pad. No unenclosed parking shall be constructed or maintained on any Lot except a paved driveway and an attached paved parking pad, which pad shall be designed for the parking of not more than two (2) vehicles. Any driveway or parking pad constructed upon any Lot shall have either an asphaltic concrete surface, a cement concrete surface, or brick pavers.

No mobile house trailer (whether on or off wheels), vehicle or enclosed body of the type which may be placed on or attached to a vehicle (known generally as "campers"), or commercial vehicle of any kind shall be parked on the street within the subdivision, nor shall any such vehicle be parked or kept on any Lot. Furthermore, no boat or boat trailer shall be parked on the street within the subdivision. A boat and/or boat trailer may be parked or kept on a Lot if it is parked or kept in such a manner that the vehicle is screened from the street. Screening may be either by fence or plantings, but, in any case, the screening must comply with the Raleigh Zoning Ordinance and be approved pursuant to Paragraph 18 of these Covenants. No tractor trailer trucks or cabs shall be parked on any street or Lot within the subdivision.

No vehicle of any type which is abandoned or inoperative shall be stored or kept on any Lot in such manner as to be seen from any other Lot, any street within the subdivision, and no automobiles or mechanical equipment may be dismantled or allowed to accumulate on any Lot.

7. ANIMALS. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except that dogs, cats, or other household pets may be kept or maintained on a Lot provided that they are not kept or maintained for commercial purposes.

8. NUISANCES; BUSINESS ACTIVITY. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No business trade or activity may be conducted on any Lot unless permitted by the City of Raleigh.

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9. SIGNS. Except as otherwise required by the City of Raleigh, no sign of any kind shall be displayed to the public view on any Lot except signs used by Declarant to advertise Lots for sale during the construction and sales period, one sign of not more than ten (10) square feet advertising the property for sale or rent, and signs of not more than ten (10) square feet expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election.

10. ANTENNAS; SATELLITE DISHES OR DISCS. No radio or television transmission or reception towers or antennas shall be erected on a Lot other than a customary television or radio reception antenna, which shall not extend more than ten (10) feet above the top roof ridge of the house. However, a satellite antenna receiver or disc will be permitted on a Lot if: (i) the receiver or disc is not larger than two feet (2') in diameter; (ii) the receiver or disc is located on the side of the house away from the street and within the building set back lines applicable to that Lot; and (iii) the receiver or disc is located or screened in such a way that it cannot be seen from any street within the subdivision. Any such screening must be approved as provided in Paragraph 18 of these Covenants. In no event shall any free-standing transmission or receiving tower be permitted on any Lot.

11. SWIMMING POOLS. No above-ground swimming pools shall be permitted in the subdivision, except that small, inflatable wading pools shall be permitted.

12. MAILBOXES. No mailbox shall be placed or maintained on any Lot unless the same has been approved in accordance with the provisions of Paragraph 18 of these Covenants.

13. MAINTENANCE OF LOT; CONSTRUCTION. Each owner shall keep his Lot in an orderly condition and shall keep the improvements thereon in a suitable state of repair. In the event that any residence or structure on any Lot is destroyed or partially destroyed by fire, Act of God, or as a result of any other act or thing, the owner of such Lot shall repair the damage and reconstruct the improvement within twelve (12) months after such damage or destruction; provided, however, that if the structure damaged is not part of or attached to the residence constructed on such Lot, the owner may, at his option, either completely remove the damaged structure and landscape area on which the structure stood or repair or reconstruct the structure.

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All construction, landscaping or other work which has been commenced on any Lot shall be continued with reasonable diligence to completion and no partially completed house or other improvement shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. The owner of each Lot shall at all times keep contiguous public streets free from any dirt, mud, garbage, trash or other debris resulting from any such construction on his Lot.

14. CLOTHESLINES. No clothesline may be erected or maintained on any Lot.

15. GARBAGE; UNSIGHTLY STORAGE. All trash and rubbish shall be kept in garbage cans stored behind the house in such a manner as not to be visible from the street upon which the house fronts. No trash, rubbish, stored materials, wrecked or inoperable vehicles, or similar unsightly items shall be allowed to remain on any Lot; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish, and other debris for collection by governmental or other similar garbage and trash removal units. In the event of curbside trash and/or garbage pickup, trash and/or garbage cans may be moved to the street on the night before the scheduled pickup, but all garbage cans must be returned to approved enclosure the night of the scheduled pickup.

16. SEPTIC TANKS; WELLS. No septic tank shall be installed, used or maintained on any Lot. No well shall be installed, used or maintained on any Lot for human domestic water consumption, nor shall any well be connected in any manner whatsoever to the water mains, laterals and piping serving the dwelling, which mains furnish domestic water from sources beyond the boundaries of the Lot.

17. REMOVAL OF TREES. Except in the case of an emergency situation that does not permit any delay, no living tree larger than 6" in diameter at a point measured 3' off the ground shall be removed from any Lot without the approval of the Declarant or, after Declarant has assigned its rights under Paragraph 18 hereof as provided therein, of the assignee of such rights. The foregoing provision shall apply only to Lots which have been occupied pursuant to a certificate of occupancy issued by the City of Raleigh.

18. ARCHITECTURAL CONTROL. No building, fence, wall, driveway, parking pad, mailbox, or other structure shall be commenced, erected, maintained, or altered upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, exterior finishes and colors, and location of the same shall have been submitted to and approved in

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writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant. If the Declarant fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been approved as submitted. Declarant may retain the services of a registered architect or engineer to review plans and specifications submitted pursuant to this Paragraph and shall have the right to charge a reasonable fee, not to exceed \$75.00, for receiving and processing each application. Any approval of plans and specifications by the Declarant shall not constitute or be construed as an approval by the Declarant of the structural stability, design, or quality of any building or improvement, or further constitute or be construed as approval by any governmental entity or to be a substitute for approval by the appropriate governmental agency.

Declarant may, at any time, delegate the review and approval authority contained in this Paragraph 18 to one or more persons or firms, who need not be owners of property within the subdivision, by recording in the Wake County Registry an Assignment Of Declarant's Rights. Such authority may be further delegated by the person(s) or firm(s) so appointed, or their successors, by recording such additional Assignments as are necessary. Any use of the term "Declarant" in this Paragraph 18 shall be deemed to apply to Declarant and, when appropriate, to any person(s) or firm(s) to whom architectural review and approval authority has been delegated. Nothing herein shall be construed to permit interference with the development of the Lots by Declarant in accordance with its general plan of development.

19. EXTERIOR MAINTENANCE. The owner of each Lot shall maintain the grounds and improvements on his Lot, including, but not limited to, plantings, landscaping and lawns, at all times in a neat and attractive manner.

20. EASEMENTS. Easements for the installation, maintenance and repair of utilities and drainage facilities are reserved as shown on the recorded plat. Within such easements, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of the utilities, or which may change the direction of flow or otherwise impede or retard the flow of water through the drainage channels within such easements. Any easements located on a Lot shall be maintained continuously by the owner of such Lot, except for any such improvements for which a public authority or utility company is responsible. Declarant reserves the right to create and impose additional easements or rights-of-way over any unsold Lot or Lots by the recording of appropriate instruments in the Wake County Registry, and such instruments shall not be construed to invalidate any of these covenants.

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Declarant reserves an easement in and right at any time in the future to grant a ten (10) foot right-of-way over, under and along the rear line of each Lot for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful for furnishing electric power, gas, telephone service, cablevision or other utilities, including water, sanitary sewage service and storm drainage facilities. Declarant also reserves an easement in and right at any time in the future to grant a five (5) foot right-of-way over, under and along the side lines of each Lot for the aforementioned purposes.

Declarant reserves, for itself and its successors and assigns, and, after Declarant no longer owns any property within The Point At Lemuel Subdivision (hereinafter the "Subdivision"), for the benefit of the Homeowners Association described in Paragraph 28 of these Covenants, or if no Association is formed, of the homeowners within the Subdivision or any of them (the "Homeowners"), an easement over and across: (i) those portions of Lots 1, 35, 36, 37 and 38 along Litchford Road shown and identified as "10 Slope Easement" and "10' Landscape Easement" on the plat referred to on Exhibit A attached hereto and made a part hereof (hereinafter the "Recorded Plat"); (ii) that portion of the the southwest corner of Lot 1 shown and identified on the Recorded Plat as "Entrance Sign Easement"; (iii) that portion of the northwest corner of Lot 38 shown and identified on the Recorded Plat as "Entrance Sign Easement & Private Storm Drainage Easment"; (iv) that portion of the southwestern corner of Lot 54 shown and identified on the Recorded Plat as "Private 10'x15' Storm Drainage Easment"; (v) that portion of the southeastern corner of Lot 55 shown and identified on the Recorded Plat as "Private 10'x15' Storm Drainage Easment"; (vi) those portions of Lots 29 and 32 along the western line of said Lots shown and identified on the Recorded Plat as "Private 20' Storm Drainage Easment"; and (vii) those portions of Lots 30 and 33 along the eastern line shown and identified on the Recorded Plat as "Private 20' Storm Drainage Easment", for the purpose of installing and maintaining, as appropriate, entrance signage, fences, landscaping, and storm water drainage facilities within the easement areas. No fence, structure, driveway, planting, swing or other object shall be permitted in such area, other than those installed by the Declarant, and no owner of any Lot upon which any such easement lies shall alter or remove any improvements installed by the Declarant on any such easement, without the prior written approval of the Declarant or, after the Declarant no longer owns any property within the Subdivision, of the Association or, if none is formed, of the owners of a majority (i.e., more than 50%) of the lots within the Subdivision.

The Declarant or, as appropriate, the Association or the Homeowners, and their agents, employees, successors and assigns, shall at all times have the right of access upon such easements for the purpose of painting, replacing, landscaping, planting,

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mowing and otherwise maintaining the area within the foregoing easements and the improvements installed thereon or for removing any object placed in the easement area in violation of the provisions of this Paragraph 20.

21. SUBDIVISION OF LOTS. No Lot shall be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded map or plat, except by and with the written consent of the Declarant.

22. UNINTENTIONAL VIOLATIONS. Declarant, or the person(s) or firms to whom the architectural review and approval authority has been delegated pursuant to Paragraph 18 of these Covenants, may, but shall not be obligated to, waive any violation of the designated and approved building setback lines on any Lot, provided that, no waiver may be granted for a violation in excess of 25% of the applicable requirements. No such waiver shall be effective unless the Lot and all structures thereon are in full compliance with the applicable provisions of the Raleigh Zoning Ordinance or a variance has been obtained for such violation. Waivers shall be effective upon recording of same in the Wake County Registry.

23. STREET LIGHTING. Declarant reserves the right to subject the Property to a contract with Carolina Power & Light ("CP&L") for installation of street lighting, which may require continuing monthly payment to CP&L by each residential customer.

24. ENFORCEMENT. Enforcement of these covenants shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant herein and enforcement shall be to either restrain violation and/or to recover damages resulting therefrom.

25. SEVERABILITY. Invalidation of any one or more of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

26. TERM. These covenants shall run and bind the land and all owners thereof for a period of 25 years from the date these covenants are recorded, after which time, they shall be automatically extended for successive periods of ten (10) years unless altered or amended as set forth below. These covenants may be amended during the first twenty-five year period by an instrument signed by the then-owners of not less than ninety percent (90%) of the Lots, and thereafter an instrument signed by then-owners of not less than seventy-five percent (75%) of the Lots.

27. DECLARANT. Nothing contained in these Covenants shall be construed to permit interference with the development of the

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Lots by Declarant so long as said development follows the general plan of development previously approved by the City of Raleigh. The restrictions contained herein shall not be deemed to apply to any sales office, construction trailer, model home, or other temporary improvement installed by or with the approval of Declarant.

28. HOMEOWNERS ASSOCIATION. Declarant shall have and exercise the powers reserved and granted to Declarant by these Covenants until all of the Lots have been sold by the Declarant and the dwelling built on each Lot has received a certificate of occupancy or other similar certificate from the appropriate governmental agency. It is the intent of the Declarant at that time to allow the owners of the Lots within the subdivision to decide whether or not they wish to have a homeowners association for the purpose of maintaining architectural control, maintaining the easements reserved, and otherwise enforcing these Covenants. If at least two-thirds (2/3) of the owners advise the Declarant in writing that they desire to form such an association, then the Declarant, at its cost and expense, will cause a homeowners association (hereinafter the "Association") to be formed. Each owner of a Lot, by accepting his/her deed, acknowledges and agrees that, if an Association is formed, he/she shall be a member of the Association (regardless of whether he/she voted for or against the formation of the Association), and further agrees to execute any and all documents necessary to ensure that his/her Lot is governed by the Association.

If an Association is formed, all powers reserved or granted to the Declarant by these Covenants shall become vested in the Board of Directors of the Association and all references in these Covenants to the "Declarant" shall, to the extent appropriate, be deemed to include or mean the "Association". The Board of Directors of the Association may delegate any or all powers reserved or granted to the Association to such committee(s) at it deems appropriate.

If the owners elect not to form a homeowners association, the provisions of these Covenants reserving or granting powers to the Declarant shall terminate and be of no further force and effect upon termination of Declarant's authority as set in this Paragraph 28.

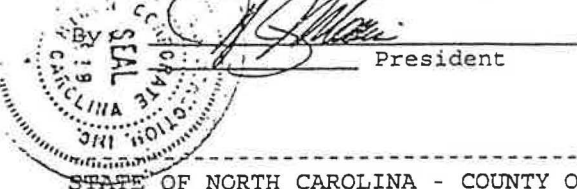
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IN WITNESS WHEREOF, Declarant caused this instrument to be executed as of the 25th day of July, 1995.

H. J. MORRIS CONSTRUCTION, INC.,
a North Carolina corporation

(Corporate Seal)

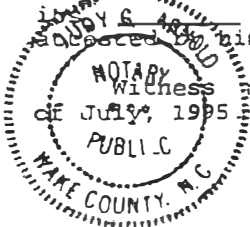


ATTEST:

Laura K. Howell
Assistant Secretary

STATE OF NORTH CAROLINA - COUNTY OF WAKE:

I, Judy H. Arnold, a Notary Public for said County and State, certify that Laura K. Howell, personally came before me and acknowledged that he/she is Assistant Secretary of H. MORRIS CONSTRUCTION, INC., a North Carolina corporation, and that, by authority duly given and as the act and deed of the corporation, the foregoing instrument was signed in its name by J. H. Morris President, sealed with its corporate seal, and Laura K. Howell him/her as its Assistant Secretary.



Witness my hand and official stamp or seal, this the 25th day of July, 1995.

Judy H. Arnold
Notary Public
My commission expires: 5/1/2000

STATE OF NORTH CAROLINA -- COUNTY OF WAKE:

The foregoing certificate of Judy H. Arnold, Notary Public, is certified to be correct and this instrument are duly registered at the d 11/1/95 the Book and Page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

By: Barbara Ellison
Deputy/Assistant Register of Deeds

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EXHIBIT A

THE POINT AT LEMUEL
Phase 1

Lying and being in the City of Raleigh, Neuse Township, Wake County, North Carolina, and being more particularly described as follows:

BEING all of the real property, containing 7.65 acres, more or less, shown on that certain plat entitled "PHASE 1, THE POINT AT LEMUEL SUBDIVISION", recorded in Book of Maps 1995, Page 912, Wake County Registry, which property includes Lots 1-5, 27-42 and 50-58, inclusive, in THE POINT AT LEMUEL SUBDIVISION, PHASE 1, as shown on the aforementioned recorded plat, to which plat reference is hereby made for a more particular description of same.

PHASE II

JANUARY 20, 1997

PRESENTED BK 7302 PG 0490
FOR
REGISTRATION

Drawn by & HOLD FOR:

PERRY, PATRICK FARMER & MICHAUX, PA (nc)
000054 37 JUL 21 AM 9:45

STATE OF NORTH CAROLINA

COUNTY OF WAKE

LAURA H. RIDDICK
REGISTER OF DEEDS
WAKE COUNTY
RESTRICTIVE COVENANTS
FOR
THE POINT AT LEMUEL SUBDIVISION
PHASE II

H. J. MORRIS CONSTRUCTION, INC., a North Carolina corporation (hereinafter "Declarant"), and St. Lawrence Homes, Inc., a North Carolina corporation (hereinafter "St. Lawrence"), as owner of several Lots within the Property, hereby declare that the Property described on Exhibit A attached hereto and made a part hereof, is and shall hereafter be held, transferred, sold and conveyed subject to the following restrictive covenants, which shall run with the Property, by whomsoever owned, to wit:

1. LAND USE AND BUILDING TYPE. All Lots shall be used for residential purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached, single-family dwelling, not to exceed two and one-half (2 1/2) stories in height, a private garage for not more than three (3) cars, and other out-buildings incidental to residential use of the Lot. Nothing herein shall be deemed to prohibit conversion of a Lot to a street.

2. DWELLING SIZE. The minimum heated square footage of a dwelling may not be less than 1000 square feet.

3. BUILDING SETBACKS; HOUSE LOCATION. No dwelling shall be erected or maintained on any Lot outside of the building envelope shown on the recorded plat of the Property or as otherwise required or permitted by the zoning ordinance of the City of Raleigh. For purposes of these building setback requirements, decks, porches, patios, stoops, eaves, overhangs, bay windows, chimneys, carports and other similar projections shall be deemed to be part of the dwelling only to the extent that the same are deemed to be part of the dwelling under the zoning ordinance of the City of Raleigh as it exists as of the date of issuance of a certificate of occupancy for such dwelling. Any dwelling erected on a Lot other than a corner lot shall face the street on which the Lot abuts. On corner lots, a dwelling may be erected so as to face the intersection of the two streets on which the Lot abuts.

4. FENCES. No fence or wall shall be erected on any Lot closer to any street than the front or side building setback line. Chain-link or other metal fencing is not permitted, except that 2"x4" mesh may be used with split-rail fencing to contain animals within the yard. Any fence or wall installed within the subdivision must meet all requirements of the Raleigh Zoning Ordinance and must be approved as provided in Paragraph 18 of these Covenants. Nothing in this paragraph shall be deemed to

apply to or regulate retaining walls made necessary by the slope or grade of any Lot or Lots, nor shall anything in this paragraph apply to any fence installed by the Declarant at any entrance to or along any street within the subdivision.

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18. ARCHITECTURAL CONTROL. No building, fence, wall, driveway, parking pad, mailbox, or other structure shall be commenced, erected, maintained, or altered upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, exterior finishes and colors, and location of the same shall have been submitted to and approved in

writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant. If the Declarant fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been approved as submitted. Declarant may retain the services of a registered architect or engineer to review plans and specifications submitted pursuant to this Paragraph and shall have the right to charge a reasonable fee, not to exceed \$75.00, for receiving and processing each application. Any approval of plans and specifications by the Declarant shall not constitute or be construed as an approval by the Declarant of the structural stability, design, or quality of any building or improvement, or further constitute or be construed as approval by any governmental entity or to be a substitute for approval by the appropriate governmental agency.

Declarant may, at any time, delegate the review and approval authority contained in this Paragraph 18 to one or more persons or firms, who need not be owners of property within the subdivision, by recording in the Wake County Registry an Assignment Of Declarant's Rights. Such authority may be further delegated by the person(s) or firm(s) so appointed, or their successors, by recording such additional Assignments as are necessary. Any use of the term "Declarant" in this Paragraph 18 shall be deemed to apply to Declarant and, when appropriate, to any person(s) or firm(s) to whom architectural review and approval authority has been delegated. Nothing herein shall be construed to permit interference with the development of the Lots by Declarant in accordance with its general plan of development.

19. EXTERIOR MAINTENANCE. The owner of each Lot shall maintain the grounds and improvements on his Lot, including, but not limited to, plantings, landscaping and lawns, at all times in a neat and attractive manner.

20. EASEMENTS. Easements for the installation, maintenance and repair of utilities and drainage facilities are reserved as shown on the recorded plat. Within such easements, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of the utilities, or which may change the direction of flow or otherwise impede or retard the flow of water through the drainage channels within such easements. Any easements located on a Lot shall be maintained continuously by the owner of such Lot, except for any such improvements for which a public authority or utility company is responsible. Declarant reserves the right to create and impose additional easements or rights-of-way over any unsold Lot or Lots by the recording of appropriate instruments in the Wake County Registry, and such instruments shall not be construed to invalidate any of these covenants.

Declarant reserves an easement in and right at any time in the future to grant a ten (10) foot right-of-way over, under and along the rear line of each Lot for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful for furnishing electric power, gas, telephone service, cablevision or other utilities, including water, sanitary sewage service and storm drainage facilities. Declarant also reserves an easement in and right at any time in the future to grant a five (5) foot right-of-way over, under and along the side lines of each Lot for the aforementioned purposes.

Declarant reserves, for itself and its successors and assigns, and, after Declarant no longer owns any property within The Point At Lemuel Subdivision (hereinafter the "Subdivision"), for the benefit of the Homeowners Association described in Paragraph 28 of these Covenants, or if no Association is formed, of the homeowners within the Subdivision or any of them (the "Homeowners"), an easement over and across: (i) that portion of Lot 18 designated as a private storm drainage easement; and, (ii) those portions of Lot 21 and 22 designated as a 30 foot private storm drainage easement, for the purpose of installing and maintaining, as appropriate storm water drainage facilities within the easement areas. No fence, structure, driveway, planting, swing or other object shall be permitted in such area, other than those installed by the Declarant, and no owner of any Lot upon which any such easement lies shall alter or remove any improvements installed by the Declarant on any such easement, without the prior written approval of the Declarant or, after the Declarant no longer owns any property within the Subdivision, of the Association or, if none is formed, of the owners of a majority (i.e., more than 50%) of the lots within the Subdivision.

The Declarant or, as appropriate, the Association or the Homeowners, and their agents, employees, successors and assigns, shall at all times have the right of access upon such easements for the purpose of maintaining the area within the foregoing easements and the improvements installed thereon or for removing any object placed in the easement area in violation of the provisions of this Paragraph 20.

21. SUBDIVISION OF LOTS. No Lot shall be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded map or plat, except by and with the written consent of the Declarant.

22. UNINTENTIONAL VIOLATIONS. Declarant, or the person(s) or firms to whom the architectural review and approval authority has been delegated pursuant to Paragraph 18 of these Covenants, may, but shall not be obligated to, waive any violation of the designated and approved building setback lines on any Lot, provided that, no waiver may be granted for a violation in excess of 25% of the applicable requirements. No such waiver shall be

effective unless the Lot and all structures thereon are in full compliance with the applicable provisions of the Raleigh Zoning Ordinance or a variance has been obtained for such violation. Waivers shall be effective upon recording of same in the Wake County Registry.

23. STREET LIGHTING. Declarant reserves the right to subject the Property to a contract with Carolina Power & Light ("CP&L") for installation of street lighting, which may require continuing monthly payment to CP&L by each residential customer.

24. ENFORCEMENT. Enforcement of these covenants shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant herein and enforcement shall be to either restrain violation and/or to recover damages resulting therefrom.

25. SEVERABILITY. Invalidation of any one or more of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

26. TERM. These covenants shall run and bind the land and all owners thereof for a period of 25 years from the date these covenants are recorded, after which time, they shall be automatically extended for successive periods of ten (10) years unless altered or amended as set forth below. These covenants may be amended during the first twenty-five year period by an instrument signed by the then-owners of not less than ninety percent (90%) of the Lots, and thereafter an instrument signed by then-owners of not less than seventy-five percent (75%) of the Lots.

27. DECLARANT: Nothing contained in these Covenants shall be construed to permit interference with the development of the Lots by Declarant so long as said development follows the general plan of development previously approved by the City of Raleigh. The restrictions contained herein shall not be deemed to apply to any sales office, construction trailer, model home, or other temporary improvement installed by or with the approval of Declarant.

28. HOMEOWNERS ASSOCIATION. Declarant shall have and exercise the powers reserved and granted to Declarant by these Covenants until all of the Lots have been sold by the Declarant and the dwelling built on each Lot has received a certificate of occupancy or other similar certificate from the appropriate governmental agency. It is the intent of the Declarant at that time to allow the owners of the Lots within the subdivision to decide whether or not they wish to have a homeowners association for the purpose of maintaining architectural control, maintaining the easements reserved, and otherwise enforcing these Covenants. If at least two-thirds (2/3) of the owners advise the Declarant in

Board of Directors of the Association and the Association Covenants to the "Declarant" shall, to the extent appropriate, be deemed to include or mean the "Association". The Board of Directors of the Association may may delegate any or all powers reserved or granted to the Association to such committee(s) at it deems appropriate.

If the owners elect not to form a homeowners association, the provisions of these Covenants reserving or granting powers to the Declarant shall terminate and be of no further force and effect upon termination of Declarant's authority as set in this Paragraph 28.

29. WETLANDS RESTRICTIONS. Portions of Lots 21-26, inclusive, have been determined to meet the requirements for designation as a regulatory wetland. Any subsequent fill or alteration of this wetland shall conform to the requirements of state wetlands rules adopted by the State of North Carolina in force at the time of the proposed alteration. The intent of this restriction is to prevent additional wetland fill, so the owners of these Lots should not assume that a future application for fill will be approved. This restriction is intended to insure continued compliance with with the wetland rules adopted by the State of North Carolina and therefore benefits and may be enforced by the State of North Carolina. This restriction is to run with the land and shall be binding on all persons or entities claiming any interest in these Lots.

IN WITNESS WHEREOF, Declarant and St. Lawrence Homes, Inc. have caused this instrument to be executed as of the 20th day of December, 1996.

January, 1997 *(Hm)*

H. J. MORRIS CONSTRUCTION, INC.,
a North Carolina corporation

By: *[Signature]* President

(Corporate Seal)

ATTEST:

[Signature]
Assistant Secretary



Witness my hand and official stamp or seal, this the 20th day
~~December, 1996.~~
January, 1997 (ru)
Notary Public
My commission expires 3/26/2000

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BK 7302PG0499

ST. LAWRENCE HOMES, INC.,
a North Carolina corporation

By: _____

President

(Corporate Seal)

ATTEST:

Assistant Secretary

STATE OF NORTH CAROLINA - COUNTY OF WAKE:

I, the undersigned, a Notary Public for said County and State, certify that Laura B. Gilasgon, personally came before me this day and acknowledged that he/she is Secretary of ST. LAWRENCE HOMES, INC., a North Carolina corporation, and that, by authority duly given and as the act and deed of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him/her as its Assistant Secretary.

Witness my hand and official stamp or seal, this the 20th day of ~~December~~, 1996.
January

Notary Public

My commission expires: 9-30-2001

TERESA L. WHEELER

NOTARY PUBLIC

WAKE COUNTY, N.C.

My Commission Expires September 30, 2001

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate _____ of _____

Teresa L. Wheeler
Ronny L. Lloyd
Notar(y)(les) 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.

LAURA M. RIDGICK, Register of Deeds

By _____

Asst./Deputy Register of Deeds

OK 7302PG0500

EXHIBIT A

THE POINT AT LEMUEL
Phase II

Lying and being in the City of Raleigh, Neuse Township, Wake County, North Carolina, and being more particularly described as follows:

BEING all of the real property, containing 7.24 acres, more or less, shown on that certain plat entitled "PHASE II, THE POINT AT LEMUEL SUBDIVISION", recorded in Book of Maps 1996, Page 1073, Wake County Registry, which property includes Lots 6-26 and 43-49, inclusive, in THE POINT AT LEMUEL SUBDIVISION, PHASE II, as shown on the aforementioned recorded plat, to which plat reference is hereby made for a more particular description of same.

STATE OF NORTH CAROLINA



745913
C
Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
THE POINT AT LEMUEL HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 20th day of April, 1999.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 20th day of April, 1999.



Elaine F. Marshall

Secretary of State

DECLARATION OF COVENANTS

APRIL 20, 1999

Hold For: BK 8306 PG 1947

PRESENTED
FOR

PREPARED BY: W. THURSTON DEBNAM, JR.

Box 182

REGISTRATION

MAIL TO: W. THURSTON DEBNAM, JR., P.O. BOX 6268, RALEIGH, NC 27611

000738

99 MAY -4 PM 3:17

NORTH CAROLINA

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE POINT AT LEMUEL SUBDIVISION
WAKE COUNTY

WAKE COUNTY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 20 day of April, 1999, between H. J. MORRIS CONSTRUCTION, INC., a North Carolina corporation (hereinafter called "Declarant") and all parties hereafter acquiring any of the described property.

WITNESSETH:

WHEREAS, Declarant was the owner of all lots within a subdivision in the County of Wake, State of North Carolina, known as The Point at Lemuel Subdivision;

WHEREAS; the Restrictive Covenants for the Point at Lemuel Subdivision, Phases I and II recorded in Book 6610, Page 130, and Book 7302, Page 490 (collectively "the Covenants"), provide for the formation of a homeowner's association in Paragraph 28. Said Covenants provide that at least 2/3 of the owners must advise the Declarant in writing of their desire to form such an association;

WHEREAS, said requirements set out in Paragraph 28 of the Covenants have been fulfilled, and it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the property in Wake County; and for the continued maintenance

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and operation of such recreational and common area.

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1. The property which shall be held, used, transferred, sold, conveyed and occupied subject to this Declaration is located in Wake County, North Carolina, and is more particularly described on Exhibit A attached hereto and incorporated herein by reference. The Declarant hereby subjects the property, more particularly described on Exhibit A attached hereto and incorporated hereby by reference, to this Declaration and the jurisdiction of the Association and any additions thereto. No additional properties may be subjected to this Declaration without the consent of the City of Raleigh.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Point at Lemuel Homeowners Association, Inc.; its successors and assigns.

Section 2. "Common Area" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration. Common Areas shall be defined and bounded on the plat(s) as "Common Areas" or "Common Open Space". Common Areas in each phase shall be conveyed to the Association in accordance with Article III,

Section 3 prior to deeding the first Lot in the phase. Common Areas shall specifically include but shall not be limited to: (a) all water lines and sewer lines which serve the Properties and are located outside of any public street right-of-way or any City of Raleigh utility easement (excluding those lines serving a single Lot); and (b) all storm drainage pipes which serve the Properties that are located outside of any public street right-of-way, (excluding those pipes serving a single Lot); and (c) open space identified on recording plats.

Section 3. "Common Expense" shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expense of the Common Area and administration, maintenance, repair, or replacement of the Common Areas;
- (c) Expenses declared to be Common Expenses by the provisions of this Declaration or the By-laws;
- (d) Hazard, liability, or such other insurance premiums as the Declaration or the By-laws may require the Association to purchase;
- (e) Ad valorem taxes and public assessment charges lawfully levied against Common Areas;
- (f) Expenses agreed by the Members to be Common Expenses of the Association.
- (g) Utilities used in connection with the Common Areas.

Section 4: "Declarant" shall mean and refer to H. J. MORRIS CONSTRUCTION, INC., a North Carolina corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the Common Area. Detached single family

Lots shall be used to construct detached single family dwellings.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to that certain real property hereinbefore described in Exhibit A, and such additions thereto as may hereafter be made subject to the provisions of this Declaration.

ARTICLE III

PROPERTY RIGHTS

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

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

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

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the Members has been recorded.

(d) The right of the Association to limit the number of guests of Members;

(e) The right of the Association, with the assent of two-thirds (2/3) of all Members, and in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the Members and the Association hereunder;

(f) The right of the Association to adopt, publish and enforce rules and regulations as provided in Article III.

(g) The right of the Association to exchange Common Area in accordance with the Raleigh City Code.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property, but such delegate shall be subject to the limitations of subsections (a) through (g) of Section 1 above.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except utility and storm drainage easements, prior to the conveyance of the first Lot of each phase of development.

Section 4. Parking. The Association may regulate the parking of boats, trailers and other such items on the Common Area.

Section 5. TV Antennas and Cablevision. The Association may provide one or more central

television antennas for the convenience of the Members and may supply cablevision and the cost of these may be included in annual or special assessments as a Common Expense. The Association may regulate or prohibit the erection of television antennas and satellite dishes on individual Lots, in accordance with FCC regulations.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Membership in the Association as defined hereinabove shall be mandatory for each original Lot Owner and each successive Owner of a Lot.

Section 2. The Association shall have one class of voting membership. Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. 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 determine, but in no event shall more than one vote be cast with respect to any Lot, and in no event shall fractional votes be allowed.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be

a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the acquisition, improvement and maintenance of the Common Areas, including the maintenance, repair and reconstruction of driveways, walks and parking areas situated on the Common Area, maintenance and upkeep of storm sewer pipes and impoundment structures, the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance of Common Areas and maintenance and landscaping of the of the Common Areas, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments levied against the Common Area, the payment of Common Expenses, the procurement and maintenance of insurance in accordance with this Declaration or bylaws, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving and any other expense for which the Association is responsible, and such other needs as may arise.

Section 3. Reserves. The Association shall establish and maintain an adequate reserve fund or funds for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular or special assessments for Common Expense for the

Owners of the kind of Lots that require the reserve fund or funds.

Section 4. Maximum Annual Assessment. The maximum annual assessment for detached single family Lots shall be Three Hundred and No/100 Dollars (\$300.00) per Lot. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger of consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(a) From and after January 1 of the year immediately following the creation of the Association, the maximum annual assessments may be increased effective January 1 of each year without a vote of membership by up to 10% of the previous year's assessment.

(b) From and after January 1 of the year immediately following the creation of the Association, the maximum annual assessment for Lots may be increased above the increase permitted in Section 4(a) above by a vote of two-thirds (2/3) of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5. Special Assessments for Capital Improvements. In addition to the assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for any Action authorized under Sections 4 and 5. Written

Notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. Provided, however, that the assessment for Lots owned by Declarant for which no certificate of occupancy has been issued shall be twenty-five percent (25%) of the regular assessments for other Lots.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. Such annual assessments shall be paid ratably on a monthly basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated therein.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. Foreclosure is to be in the same manner as that of Deeds of Trust, foreclosed under power of sale under Chapter 45 of the North Carolina General Statutes. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the Owner for said deficiency.

Section 10. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to such mortgage 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. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Working capital Fund. At the time of closing of the sale of each Lot by the Declarant, a sum equal to at least two months assessment for each Lot shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to

insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE VI

ARCHITECTURAL CONTROL

(a) No dwelling building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said completed 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.

(b) No trailer, tent, shack, barn or other building shall be erected or placed on any Lot covered by these covenant. No detached garage shall at any time be used for human habitation temporarily or permanently.

(c) No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Except for unit identification numbers required by the City of Raleigh, no billboards shall be erected or maintained on the premises. No more than one sign not larger than five square feet in size is to be placed on any lot; only for sale or for rent signs are permitted. No trade materials or inventories

may be stored upon the premises and no trucks or tractors may be stored on the premises. No business activity or trade of any kind whatsoever, which shall include but not be limited to the use of any residence as a doctor's office or professional office of any kind, a fraternity house, a rooming house, a boarding house, an antique shop or gift shop shall be carried on upon any Lot.

ARTICLE VII

INSURANCE

Section 1. Insurance coverage on the Property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies covering the Common Areas shall be purchased by the Association for the benefit of the Association and the Members. All insurance policies covering Single Family Lots shall be owned by the individual Owners thereof and shall be fully paid by such owners.

(b) Coverage. All buildings and improvements upon the Common Areas and all personal property included in the Common Areas shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement,

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, and

(iii) Such policies shall contain clauses providing for waiver of subrogation.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to single Owner. There shall also be obtained

such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense and charged to the Owners as an assessment according to the provisions above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Members. The sole duty of the Association shall be to receive such proceeds as are paid and to hold the same for the purposes stated herein or stated in the By-laws.

All policies shall be written with a company authorized to do business in North Carolina.

By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) and structures constructed thereon. Each Owner further covenants and agrees that in the event of a partial loss or damage (defined as cost of repair less than 50% of the current tax value), resulting in less than total destruction (defined as cost of repair valued at greater than or equal to 50% of the current tax value) of structures comprising his Lot, the Owner shall proceed, within 60 days of the casualty, to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs or repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner, within 45 days of the casualty, shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide Standard.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish, and endorse reasonable rules and regulations concerning the use and enjoyment of the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

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

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

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

ARTICLE IX

EASEMENTS

Section 1. All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking area, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the conveyance of the individual lots to Owners and the Common Area to the Association; and the Association shall have the power and

authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant, contractors, and its agents and employees an easement and right of ingress, egress and regress across all Common Areas, now or hereafter owned by the Association, for the purpose of construction of improvements and development of the Properties; provided, that all the Common Areas shall be restored to as near the condition as that which prevailed prior to the use of the easement as is reasonably practicable.

Section 2. All Lots shall be subject to easements for the encroachments constructed on adjacent Lots and Common Areas to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.

Section 3. An easement is hereby established over the Common Areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water and sewer facilities, electrical telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 4. 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 lot 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. No fence, wall or landscaping shall be installed in said easement which will interfere with the rights of the adjoining Lot Owner.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Amendments shall not become effective until approved by the City Attorney for the City of Raleigh or his or her deputy or until, after 20 days written notice, the City Attorney fails to comment on the amendment.

Section 4: -If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within 30 days do the following:

- (a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (For this purpose, the board may rely on its roster of

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

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO
CONDITIONS AND RESTRICTIONS OF THE POINT AT LEMUEL
HOMEOWNERS ASSOCIATION, INC.

THE POINT AT LEMUEL HOMEOWNERS ASSOCIATION, INC.

President

ATTEST:

Secretary

Section 5. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract at any time after providing 45 days written notice without justification or penalty after transfer of management by Declarant to the Association.

Section 6. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will,

upon written request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the note securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy, all the above upon request of mortgage holder.

Section 7. Cluster Unit Development. The real property described in Exhibit A attached hereto is a part of a cluster unit development approved by the City of Raleigh in which residential density transfers are permitted: therefore, even though some lots may appear to contain enough land area to construct additional dwelling units or create additional lots, prior density transfers approved within the cluster unit development may, in fact, preclude City of Raleigh approval of additional dwellings or further subdividing of lots.

Section 8. Additional Property. Neither the Declarant nor any Lot Owner shall have the right to add additional real property to the cluster unit development, to add dwelling units, to add Common Areas, to change unit types within the cluster, to reallocate units within the cluster, or to withdraw real estate from the cluster unit development.

ARTICLE XI

ELECTRICAL SERVICE

Declarant reserves the right to subject the above described Property to a contract with Carolina Power and Light company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by either the Association, the Owners or both within said Property.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this Declaration to be executed by its members this 22 day of April, 1999.

H. J. MORRIS CONSTRUCTION, INC.

BY: 

President

ATTEST: 

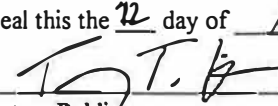
Secretary

Corporate Seal

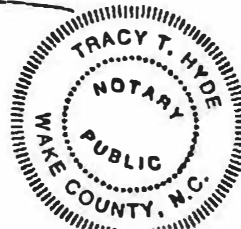
NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, certify that W. Thurston DeLeon personally appeared before me this day and acknowledged that he is the Secretary of H. J. MORRIS CONSTRUCTION, INC., a North Carolina corporation, and that by authority duly given and as an act of said corporation, the foregoing instrument was signed in its name by its President, attested by its Secretary.

Witness my hand and official stamp or seal this 22 day of April, 1999.

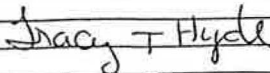

 Notary Public

My Commission Expires: 12-21-2002



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of _____



Notary Public

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

LAURA M. RIDDICK, Register of Deeds

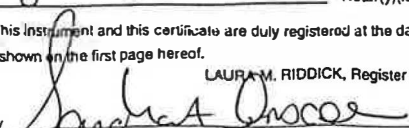
By 

EXHIBIT A

Lying and being in the City of Raleigh, Neuse Township, Wake County, North Carolina, and being more particularly described as follows:

Tract 1

BEING all of the real property, containing 7.65 acres, more or less, shown on that certain plat entitled "Phase I, The Point At Lemuel Subdivision", recorded in Book of Maps 1995, Page 912, Wake County Registry, which property includes Lots 1-5, 27-42, and 50-58, inclusive.

Tract 2

BEING all of the real property, containing 7.24 acres, more or less, shown on that certain plat entitled "Phase II, The Point At Lemuel Subdivision", recorded in Book of Maps 1996, Page 1073, Wake County Registry, which property includes Lots 6-26 and 43-49, inclusive.