

Prepared by and hold for:
James S. Warren, Attorney
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Post Office Box 1187
Wake Forest, NC 27588-1187

NORTH CAROLINA
WAKE COUNTY

DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS FOR
TIMBER ESTATES SUBDIVISION,
PHASE II

THIS DECLARATION OF COVENANTS FOR COMMON PROPERTIES, made this
26 day of May, 1998 by GOWER CONSTRUCTION, INC. and DEN-MARK
CONSTRUCTION COMPANY, INC., hereinafter called "Declarants",

W I T N E S S E T H :

WHEREAS, the Declarants are the owners of the real property described in Article I of this Declaration and desires to subject this real property to the Protective Covenants contained herein, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and shall run with said property, and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Declarants hereby declare that the real property described in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the Protective Covenants set forth below.

ARTICLE I

The real property which is, and shall be held, transferred, sold and conveyed subject to the Protective Covenants set forth in the Articles of this Declaration is located in the Township of Youngsville, Franklin County, North Carolina, and is more particularly described as follows:

BEING all of Lots 13 through 45 and 64 through 76 of Timber Estates Subdivision, Phase II, as shown on a map recorded in Book of Maps 1997, Pages 391, 392, and 393, Franklin County Registry.

The real property described in Article I hereof is subjected to the Protective Covenants hereby declared to insure the best use and the most appropriate development and improvements of each lot thereof; to protect the owners of lots against such improper use of surrounding lots as will depreciate the value of their property; to preserve so far as practicable, the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials, to obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and

secure the erection of attractive homes thereon, with appropriate locations thereof on lots; to prevent haphazard and inharmonious improvement of lots; to secure and maintain proper setbacks from streets, and adequate free spaces between structures, and in general to provide adequately for a high type and quality of improvements in said property and thereby to enhance the values of investments made by purchasers of lots therein.

ARTICLE II

The Declarants have entered into Contracts with Wake Electric Membership Corporation and Carolina Power & Light Company for the installation of underground electric cables which required an initial contribution and for the installation of street lighting which will require a continuing monthly payment to Wake Electric Membership Corporation or Carolina Power & Light Company by the owners of each lot. Both the initial contribution and continuing monthly payment to Wake Electric Membership Corporation or Carolina Power & Light Company shall be the sole responsibility of each individual homeowner.

ARTICLE III

No building, wall, fence, swimming pool, or other improvement shall be commenced, erected, or maintained upon any lot, 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 Declarants or by an architectural committee composed of three (3) or more representatives appointed by the Declarants. In the event said Declarants, or their designed committee, fail 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.

ARTICLE IV

1. No lot shall be used except for residential purposes. No building 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 stories and a private garage for not more than three cars.

2. The ground floor area of the main structure exclusive of one-story open porches and garages, shall not be less than 1,000 square feet or the ground floor area of a two-story structure shall not be less than 700 square foot. Variations equal to or less than eight percent (8%) of the required minimum square footage may be approved by the Architectural Committee.

3. No building shall not be located on any lot nearer to the front lot line than twenty (20) feet nor nearer to any side street line than fifteen (15) feet. No building shall be located nearer than ten (10) feet to an interior building unit line. Detached buildings shall be located at least twenty (20) feet apart. The Architectural Committee reserves the right to approve deviations from building line restrictions but in no event shall detached buildings be located less than twenty (20) feet apart.

4. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on Exhibit "A" attached hereto and made a part hereof.

5. No noxious or offensive activity shall be carried upon any lot, nor shall anything be done thereof which may become an annoyance or nuisance to the neighborhood.

6. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

7. No sign of any kind shall be displayed to public view on any lot, provided: one professional sign of not more than one square foot may be placed and one sign not exceeding six square feet advertising this property during the construction and sale period may be utilized.

8. No animals, livestock or poultry of any kind shall be

raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes and further provided they do not constitute a nuisance or annoyance to the neighborhood. No dog pens or dog runs shall be allowed.

9. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

10. All clotheslines, satellite dish, and playground equipment, including, but not limited to, swings, swing sets, merry-go-rounds, play pens, and sandboxes, toys, etc., shall be located in the rear yard of the home and not in the front yard and must be kept in neat order.

11. No inoperable or unlicensed motor vehicles shall be parked on any lot or dedicated subdivision street for more than thirty (30) days, the purpose of this restriction being to prohibit any junk cars being located in the subdivision.

12. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 25 years from the date these covenants are recorded, after which time such covenants shall be automatically extended for 10 years, unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

13. Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenants, either to restrain violation or to recover damages.

14. Invalidation of any 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.

ARTICLE V

1. 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 Declarants, or the owner of any land subject to this Declaration, their respective legal representative, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded after which time all covenants shall be automatically extended for successive periods of ten (10) years unless two-thirds (2/3) of the Board of Directors of the Homeowners' Association at a duly called meeting approves a change in the covenants and restrictions. The covenants may be amended at any time if two-thirds (2/3) of the Board of Directors of the Homeowners' Association approves the proposed amendment.

2. 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; provided, that any notice called for herein may be hand carried and deposited in the mailbox of an owner in lieu of 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 date of the transfer of ownership.

3. Enforcement of these Covenants shall be 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 violation or to recover damages, and against the land and to enforce any lien created by these Covenants, and failure by the Association or any owner or the Company to enforce any Covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

4. Should any Covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase, or term

of this Declaration be declared to be void, or unenforceable, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed the day and year first above written.

GOWER CONSTRUCTION, INC.
Terry J. Massey
 V. President

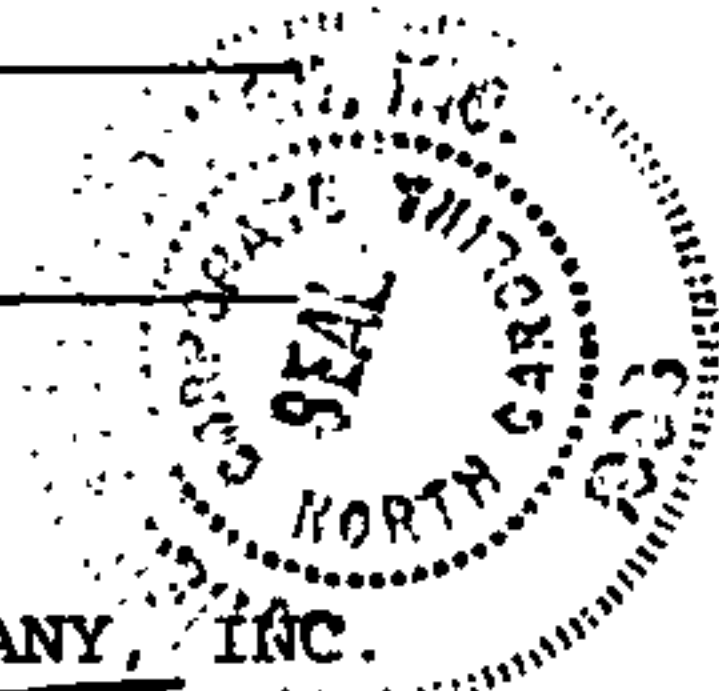
Shoukang Hedrick
 Secretary



DEN-MARK CONSTRUCTION COMPANY, INC.

Mark E. Sandy
 President

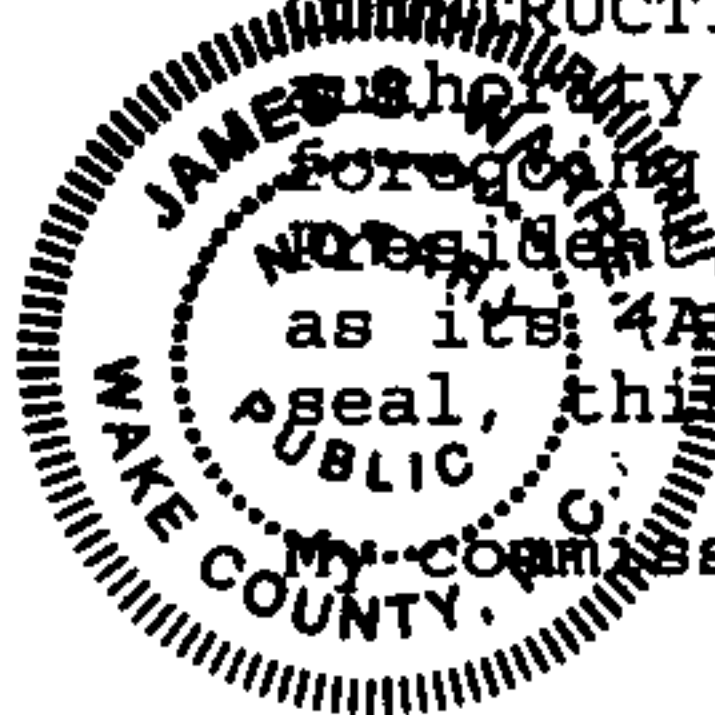
Mark E. Sandy
 Secretary



NORTH CAROLINA

Wake COUNTY

I, a Notary Public of the County and State aforesaid, certify that Shoukang Hedrick, personally came before me this day and acknowledged that (s)he is (Asst.) Secretary of GOWER CONSTRUCTION, INC. a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (Vice) President, sealed with its corporate seal and attested by him/her as its (Asst.) Secretary. Witness my hand and official stamp or seal, this 26 day of March, 1998.



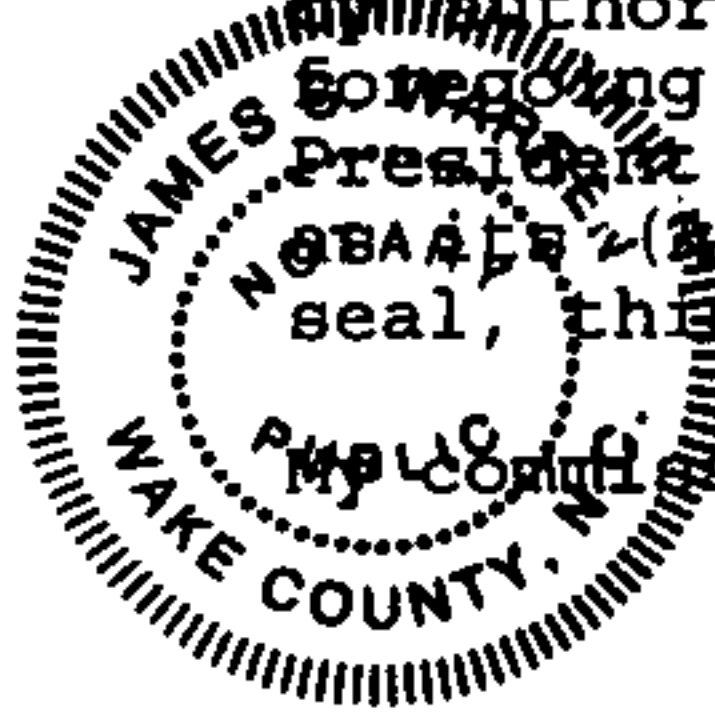
My commission expires: 10-2-2000

James S. Warren
 NOTARY PUBLIC

NORTH CAROLINA

Wake COUNTY

I, a Notary Public of the County and State aforesaid, certify that Mark E. Sandy, personally came before me this day and acknowledged that (s)he is (Asst.) Secretary of DEN-MARK CONSTRUCTION COMPANY, INC. a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (Vice) President, sealed with its corporate seal and attested by him/her as its (Asst.) Secretary. Witness my hand and official stamp or seal, this 26 day of March, 1998.



My commission expires: 10-2-2000

James S. Warren
 NOTARY PUBLIC

STATE OF NORTH CAROLINA, FRANKLIN COUNTY
 The foregoing certificate(s) of James S. Warren, A

Notary (ies) Public,

is/are certified to be correct.

This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Franklin County, N.C. in Book 1106, Page(s) 831-837

This 10th day of June, A.D., 19 98, at 1:20 clock P.M.

KAY S. HUNT, REGISTER OF DEEDS

By: Shoukang Hedrick Asst. Deputy Register of Deeds