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PRESENTED
FOR
REGISTRATION

DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR THE
TIMBER RIDGE SUBDIVISION

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KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

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**DECLARATION
OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR THE
TIMBER RIDGE SUBDIVISION**

THIS DECLARATION, made on the date hereinafter set forth by TIMBER RIDGE ASSOCIATES, a North Carolina general partnership, with its principal office located at 2209 Weybridge Drive, Wake County, Raleigh, North Carolina 27615, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in or near the Town of Knightdale, County of Wake, State of North Carolina, which is more particularly described on Exhibit "A" attached hereto;

WHEREAS, it is the desire and intention of Declarant (as defined herein) to impose on that Property described in Exhibit "A" attached hereto restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Property herein described and the future owners thereof; and,

WHEREAS, the Property and any additional property added hereto, shall be comprised of single family residential lots; and

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the title to, the Property, and shall be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the Association as filed with the Secretary of State, State of North Carolina, as the same may be from time to time amended.

Section 2. "Association" shall mean and refer to Timber Ridge Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Board of Directors of the Association.

Section 4. "Bylaws" shall mean the document for governance of the Association as adopted initially by the Board and as amended by the Members.

Section 5. "Common Properties" shall mean all real property, if any is designated by Declarant or the Association, and any improvements constructed thereon, if any, owned by the Association for the common use and enjoyment of the Owners or Members or designated classes of Members of the Association.

Section 6. "Common Expenses" shall mean and include, as applicable:

(a) Expenses for maintenance of any private roads and streets, any rights of way and any amenities as provided in this Declaration;

(b) Expenses of administration, maintenance, repair, or replacement of the Common Properties, if any are designated by Declarant or the Association;

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

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

(e) Ad valorem taxes and public assessment charges lawfully levied against any Common Properties;

(f) The expense of the maintenance of private drainage and utility easements and facilities located therein which are within the boundaries of the Property, cross any Common Properties of the Property and serve both the Property and lands adjacent thereto;

(g) The expense of maintenance of any roads, streets, easements, amenities, taxes or any other expense item associated with any Common Properties not located on the Property and not owned by the Association, but permitted to be used, or enjoyed, by the Members of this Association, by any adjoining landowner, other owners association or other entity pursuant to any cross-easement, cross-access or other agreement by the Association with the adjoining landowner or which maintenance of the other Common Properties, although not subject to any cross agreement, is beneficial to the Association and Lot Owners, as determined by the Board. Such expense shall include, but shall not be limited to, contributions to Parkside Homeowners Association to defray a portion of its common expense used to maintain its common properties;

(h) Any other expenses determined by the Board or approved by the Members to be common expenses of the Association.

Section 7. "Declarant" shall mean and refer to Timber Ridge Associates, a North Carolina general partnership, its successors and assigns, to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as Declarant may impose or any owner of the Property or Lots or remainder of those resulting from the sale of the Property, Lots or the remainder thereof at foreclosure when held by Declarant or its successor to the rights of Declarant, or resulting from the transfer in lieu of foreclosure.

Section 8. "Limited Common Properties" shall mean those portions of the Common Properties, if any, that serve only a single Lot or a limited number of Lots, and which may include, but specifically is not limited to, driveways, walkways, parking areas or areas serving only specified Lots, and such other similar areas as may be designated by a subdivision map of the Property or by the Association.

Section 9. "Lot" shall mean and refer to any plot or Tract of land shown upon any recorded subdivision map of the Property, as such map or maps may be from time to time amended or modified, for detached single-family residential use.

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 11. "Notice" required to be given herein shall be in writing and mailed by U.S. mail, postage prepaid, first class to the address of any Member on the records of the Association or shall be hand delivered to the Member.

Section 12. "Owner" or "Lot 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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 14. "Property" shall mean and refer to that certain real property hereinbefore described on Exhibit "A" hereto attached, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. Declarant's Intention Not To Create Common Properties. It is the intention of the Declarant not to create any Common Properties within the Property. It is the declared purpose of Declarant in imposing this Declaration and creating the attendant Association primarily to provide architectural control over the improvements on the Lots and to provide a vehicle by which the Lot Owners, should they elect to do so, may assess themselves and provide assessment contributions to the Parkside Homeowners Association, Inc. in order to assist that owners association in defraying the expenses of the Parkside Drive entrance signs and entrance areas, which are part of

that association's common properties, but which provide entrance access to the whole Parkside development along Parkside Drive, which drive provides the entrance access to the Timber Ridge subdivision.

The references in this Declaration to Common Properties, their uses, repair, maintenance or control, apply only if the Declarant, or later the Association, should establish Common Properties within the Timber Ridge development. To the extent there should be no Common Properties created, then any reference to Common Properties in this Declaration should be ignored.

However, notwithstanding the foregoing statement, Declarant reserves the right to establish Common Properties should it elect to do so, or should such be required by any governmental agency.

Section 2. Owners' Easements of Enjoyment if Common Properties Established. Every Owner shall have a right and easement of enjoyment in and to the Common Properties, if any are established, together with and including the right of access, ingress and egress, both pedestrian and vehicular, on and over the drives, walkways and parking areas of the Common Properties, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and the right to use the Common Properties, if any, 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;

(b) the right of the Association to dedicate, sell, lease or transfer all or any part of the Common Properties, or any interest therein, to any public agency, authority, or utility, or to any other person for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication, sale or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of Members and an instrument of dedication, sale, lease, or transfer properly executed by the Association has been recorded. On such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of Members have approved the dedication, sale, lease or transfer and that certificate may be relied upon by any third party without inquiry and shall be conclusive as to any grantee, its successors or assigns; provided, however, conveyances for general utility purposes, as specified herein, may be made by the Association without consent of the Members. Such two-thirds (2/3) approval may be by a vote at a meeting of Members or by a signed approval;

(c) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties, and the rights of such mortgagee in the Common Properties shall be subordinate to the rights of the Members hereunder;

(d) the right of the Association in accordance with its Articles or Bylaws to impose rules and regulations for the use and enjoyment of the Common Properties, the Lots and improvements thereon, which rules and regulations may further restrict the use of the Common Properties and to create Limited Common Properties.

(e) the right of Owners of Lots on additional lands annexed to the Property initially, or subsequently, to the easements of enjoyment and rights of ingress, egress and access, as specified above, to the initial Property and all lands included in subsequent phases.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property but may not delegate or assign responsibility for the actions of those to whom such right is delegated.

Section 3. Title to the Common Properties. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Properties located within the Property to the Association, free and clear of all encumbrances and liens, other than utility easements or rights of way that may affect the Property, if such Common Properties are established by Declarant, prior to the conveyance of the first Lot, except for encumbrances of utility, service, access, storm drainage and other similar service or utility easements. Similarly, the Declarant will convey to the Association Common Properties, if any, which are a portion of any additional property as the same is annexed in the future at the time of conveyance of the first Lot located on that additional property.

Section 4. TV Antennas, Cablevision, Music. The Association may provide one or more central television or radio antennas for the convenience of the Members and may supply cablevision, and the cost of these may be included in annual or special assessments. The Association may regulate or prohibit the erection of television, radio or other antennas on individual Lots.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every record 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.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A 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; however, the vote for such Lot shall be exercised as they among

themselves determine, or as set forth in the Bylaws, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting is prohibited.

Class B. The Class B Members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned (as further defined in Section 4 of this Article III) including Lots later added pursuant to annexation of additional Property as set forth in the Declaration. The Class B membership shall cease and be converted to Class A membership with one vote for each Lot owned on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A Membership equal the total votes outstanding in Class B membership; but provided, that the Class B membership shall be reinstated if thereafter, and before the time stated in Sub-paragraph (b) below, such additional lands are annexed to the Property with or without the assent of Class A Members on account of the development of such additional lands by the Declarant, all as provided for in Article VI below, or

(b) on December 31, 2001.

Section 3. 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 the Articles and Bylaws of the Association and according to the provisions of Article II, Section 1(b) herein.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges which are Common Expenses, and (2) special assessments for extraordinary maintenance and capital improvements, (3) special assessments for purchase, construction or reconstruction of improvements; and (4) to the appropriate governmental taxing authority, a pro rata share of assessments for public improvement to any Common Properties and public roads if the Association shall default in payment thereof. The annual and special assessments, together with interest and costs, and reasonable attorneys' fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The Association shall also have the authority, through the Board of Directors to establish, fix and levy a special assessment on any Lot to secure the liability of the

Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him within ten (10) days of the due date as established by the Board, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said Owner's Lot as provided herein and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the paying of Common Expenses.

Section 3. Amount of Assessment.

(a) Initial Maximum Assessment. To and including December 31, 1995, the maximum annual assessment shall not exceed Twenty-Four Dollars (\$24.00) per Lot.

(b) Increase by Association. From and after 1 January 1996, the annual assessment effective for any year (including 1996) may be increased effective from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed the greater of ten (10%) percent or the percentage increase reflected in the Consumer Price Index For All Urban Consumers (CPI-U) - South Urban Area Average (1982 - 84 = 100) (published by the U.S. Bureau of Labor Statistics, United States Department of Labor, Washington, D.C.), or such other Index as may succeed that Index, for that twelve-month period ending the immediately preceding October 1.

(c) Increase by Members. From and after 1 January 1996, the annual assessment may be increased by a percentage greater than permitted by this Article by an affirmative vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles.

(d) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of that amount allowed in Subsection (b) without the consent of Members required by Subsection (c) of this Section 3.

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

(f) Declarant Expenses. Until such time as Declarant shall no longer control the Board, Declarant shall pay any Association expenses not otherwise covered by the assessment hereunder.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon any Common Properties, any extraordinary maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Replacement Reserve. Out of the Common Expenses assessment, the Board may create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to any Common Properties which the Association may be obligated to maintain.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all Members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast forty percent (40%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to a minimum seven (7) day and maximum twenty-one (21) day notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. If at a second meeting the requirement of one-half of the required quorum is not met, then in a subsequent meeting the requirement shall be one-fourth (1/4) of the required quorum and successive meetings may be held until a quorum is maintained by successively halving the quorum requirements of the prior meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or other periodic basis established by the Board; provided, however, that the assessment against any Lot that does not contain a finished dwelling shall only be twenty-five percent (25%) of a Lot that does contain a dwelling. A Lot shall cease to enjoy the benefit of the reduced assessment at such time as it is sold by a builder of the dwelling to the consumer-occupant and that sale is closed.

Section 8. Date of Commencement of Annual Assessments; Due Dates; Initial Working Capital. The annual assessments provided for herein shall commence as to each Lot upon the first day of the first month following recording of a plat showing the Lot. All Lots in subsequently annexed properties, similarly, shall be subject to assessment similarly. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty

(30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge if it deems appropriate, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of issuance.

In addition to the regular assessments to be charged and paid hereunder, a purchasing Lot Owner at the closing of the first purchase of a finished dwelling or Living Unit on the Lot to the first occupant thereof, shall pay to the Association a sum equal to two (2) months regular assessment on that Lot as additional working capital of the Association. These amounts need not be segregated, but may be commingled with regular assessment funds. The working capital amount shall be paid by the Lot Owner notwithstanding the fact that Declarant or any other person may have made prior regular assessment payments to the Association on the Lot being sold pursuant to the provisions of the first sentence hereunder.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default, and shall bear interest from the due date at the rate of twelve (12%) percent per annum or the maximum rate permitted by law, whichever is the lesser rate. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time after thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax 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, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Provided, should the priorities set forth above be modified at law, such variation as established by law shall prevail.

Section 11. Exempt Property. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit 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. Responsibility for Maintenance of Private Streets and Driveways. The maintenance responsibility of any private streets and driveways as shown on any subdivision map recorded shall rest with the Association. In no case shall any governmental authority having jurisdiction over the Property be responsible for failing to provide any emergency or regular fire, police, or other public service to the Property and/or occupants when the failure is due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, or Owners.

Section 13. Association Cooperation. It is recognized that the Property lies immediately south of, and adjoining, the Parkside development. The Parkside Homeowners Association, Inc. maintains the common properties on each side of Parkside Drive, north of the Timber Ridge Development and maintains the entrance signs and entrance areas. Parkside Drive extends below the Parkside development into the Timber Ridge Subdivision.

The Association is authorized and empowered, in addition to maintaining its Common Properties, if any should be created, within the Timber Ridge Subdivision, to contribute all, or a portion, of its assessment funds to the Parkside Homeowners Association, Inc. for contributory support of the common properties located in Parkside, and any such contribution shall be a Common Expense of the Association.

ARTICLE V

ARCHITECTURAL CONTROL

No site preparation (including, but not limited to grading, elevation work, landscaping, sloping or tree work) or initial construction, erection or installation of any improvements, including but not limited to, buildings, fences, signs, walls, bulkheads, screens, landscaping, plantings, equipment, or other structures shall be commenced, erected, placed, altered or maintained upon any lot, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, siding, location and elevations of the proposed improvements, landscaping or plantings shall have been submitted to, and approved in writing by, as to harmony of external design and location in relation to surrounding structures and topography, an Architectural Committee composed of three (3) persons appointed by the Declarant so long as there is a Class B membership, or, if no Class B membership, then appointed by the Board. In the event the Architectural Committee fails to approve such submission made by any

Lot Owner within thirty (30) days after said plans and specifications have been received by the Committee, approval will be deemed to have been denied. Any plans and specifications that contain inaccurate or missing data or information when submitted shall not be deemed to be approved notwithstanding any prior approval by the Committee.

Upon request, the Association, on behalf of the Architectural Committee, shall provide any Owner with a letter stating that any such work, plans and specifications, landscaping or plantings have been approved, and the letter may be relied upon by third parties.

Approval or disapproval by the Architectural Committee of such plans, location or specifications may be based upon any grounds, including purely aesthetic and environmental, which in the sole discretion of the Committee, it shall deem sufficient. Neither the Association, Board, nor the Architectural Committee shall be responsible for any defects in the plans and specifications submitted to it or in any structure erected or improvements made on any Lot.

The Board and the Architectural Committee, or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications.

The Architectural Committee shall have the power to grant, and may allow, variances of, and adjustments of, the restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate neighborhood. Variances and adjustments may be of the height, size, and setback requirements, but shall not be limited thereto. No variance shall be permitted if it violates governmental minimum standards.

In the event of the grant of any variance in the restrictions established herein, the Association on behalf of the Architectural Committee shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval.

Any approvals given by the Architectural Committee shall expire if construction of the dwelling is not beyond that of the foundation within six (6) months of the date of approval.

If the Association shall discontinue the Architectural Committee (1) no further approvals need be obtained by any Lot Owner pursuant to this Article, and any Lot

Owner thereafter shall improve its Lot as the Lot Owner deems appropriate, without such prior approval but not inconsistent with the other Articles of the Declaration, and (2) any improvement located on any Lot shall be deemed approved by the Architectural Committee and any variance of any improvement from any building restrictions prescribed by any applicable covenants shall be deemed approved by the Architectural Committee whether or not a document of variance approval has been recorded unless there shall be pending in the County where the Lot is situated an action against any Lot Owner for enforcement of the provisions of this Declaration or any applicable protective covenants for failure to comply with the provisions of this Article or for having constructed an improvement which violates the building restrictions and a variance shall not have been given, and as to the Lot affected by the action, the result of the action shall be determinative thereof.

Any purchaser of a lot or institution financing a lot shall rely on the foregoing statement.

The Association, so long as there is a Class B membership, shall defer architectural approvals to Declarant unless Declarant has voluntarily relinquished control of the Association. The more specific requirements of any protective covenant applicable to any subdivision on the Property shall prevail.

ARTICLE VI

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property, except as provided in Section 2 of this Article VI, shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 15 days nor more than 30 days in advance of the meeting setting forth the purposes of the meeting. The presence of Members or of proxies entitled to cast forty percent (40%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to a notice requirement of a minimum of seven (7) days and a maximum of twenty-one (21) days and the required quorum shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat. Subsequent meetings may be held reducing the quorum requirement by one-half at each meeting until a quorum is attained.

Section 2. If prior to December 31, 2001 the Declarant should develop additional land within the boundaries of that property described on Exhibit "B" attached hereto, or such other lands as Declarant may hereafter acquire contiguous thereto, such land may be annexed by the Declarant without the consent of Members; and, in doing so, Declarant may file and record such amendments to this Declaration

as are necessary without the consent of the Members in order to subject such additional lands to the terms of this Declaration and the jurisdiction of the Association.

Section 3. Annexation of additional lands shall be accomplished by recording in the Office of the Register of Deeds in the county in which the Property is located, a Declaration of Annexation, duly executed by the Declarant, if the Declarant has the right to annex pursuant to Section 2 above, (and by the Association if pursuant to Section 1 above), describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Property on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation except any local governmental authority if required by its ordinances.

Section 4. Subsequent to recordation of the Declaration of Annexation by the Declarant, and prior to the conveyance of the first Lot therein, the Declarant shall deliver to the Association one or more deeds conveying any Common Properties within the lands annexed as such Common Properties is developed.

ARTICLE VII

EASEMENTS

Section 1. Utility Easements. All of the Property, including Lots and Common Properties, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Properties conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property without approval of the membership as provided in the Articles and this Declaration.

Section 2. Easement for the Benefit of Governmental Authorities. An easement is hereby established for the benefit of any governmental authority having jurisdiction over the Property, or other governmental agency, over all Common Properties for the setting, removing and reading of water meters (which shall be separate for each Lot), maintaining and replacing water, sewage and drainage facilities, for police protection, fire fighting and garbage collection and the rendering of such other services as are appropriate and necessary for the use and enjoyment of the Property. In no case shall the governmental authority or other responsible agency, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Property or to any of 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, the Owners or occupants. All conveyances of any portion of the Property shall be subject to these limitations on the governmental authorities responsibilities.

Section 3. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Properties, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

Section 4. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot that endangers any building, life or any portion of the Common Properties.

Section 5. Declarant Easement. If any encroachment shall occur subsequent to subjecting the Property to this Declaration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding utilities, grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

Section 6. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot that endangers any building or any portion of the Common Elements.

ARTICLE VIII

INSURANCE

Section 1. Insurance to be Maintained by the Association. The following insurance coverage shall be maintained in full force and effect by the Association:

(a) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association.

(b) All liability insurance shall contain cross-liability endorsements to cover liability of the Owners as a group to an individual Owner.

(c) Such other insurance coverage as it may determine to be desirable and necessary, including fire and hazard insurance covering all improvements located on the Common Properties.

(d) Fidelity bonds for those officers or employees having control over Association funds.

(e) Other insurance which is by law required, such as workmen's compensation.

Section 2. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged ratably to Owners as an assessment according to the applicable provisions of this Declaration.

Section 3. Insurance Beneficiaries. All such insurance policies shall be purchased by the Association for the benefit of the Association and the Owners.

ARTICLE IX

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Rights Reserved to Institutional Lenders. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, Department of Veterans Affairs, Federal Housing Authority, Federal National Mortgage Association and other mortgage lenders and guarantors and insurers of such first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

A. To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.

B. To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

C. To be given notice of default in the payment of assessments by any Owner of a Lot encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing to the Association.

D. To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours, and to obtain copies thereof.

E. To be given notice by the Association of any substantial damage to any part of the Common Properties.

F. To be given notice by the Association if any portion of the Common Properties, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Whenever any Institutional Lender, guarantor or insurer desires the benefits of the provisions of this section requiring notice to be given or to be furnished a financial statement, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

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. General Amendments. 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 by the Members by an instrument signed by not less than sixty-six and two-thirds percent (66 2/3%) of the Lot Owners.

Section 4. Amendments Permitted Without Membership Approval. The following amendments may be effected by the Declarant, or the Board, as the case may be, without consent of the Members:

(A) Prior to the sale of the first Lot, this Declaration may be amended by the Declarant.

(B) Declarant may amend this Declaration to annex additional lands as specified in Article VI, Section 2 herein.

(C) The Board may amend this Declaration to correct any obvious error or inconsistency in drafting, typing or reproduction.

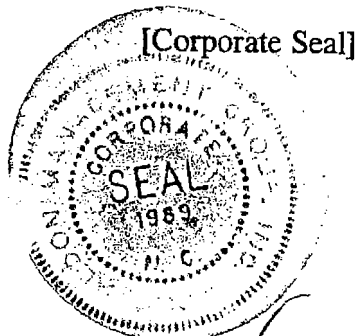
Section 5. Governmental Authority Amendments. No amendment which would change or delete any provision herein required by any governmental authority shall become effective until submitted to and approved by that authority; provided,

however, if that authority fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with.

Section 6. FHA/VA Approval. As long as there is a Class B membership, and if Declarant determines to qualify this Property for Federal Housing Administration or the U. S. Department of Veterans Affairs approval, the following actions will require the prior written approval of the Federal Housing Administration or the U. S. Department of Veterans Affairs: Annexation of additional property, dedication of Common Properties, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7. Recordation. No amendment shall be effective until recorded in the County in which the Property is situate.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 9th day of August, 1994.



[Corporate Seal]

TIMBER RIDGE ASSOCIATES (SEAL)

By: ALDON MANAGEMENT GROUP, INC., a general partner

By: *Donald F. Fraley*

Name: DONALD F. FRALEY

Title: — President

Affest:

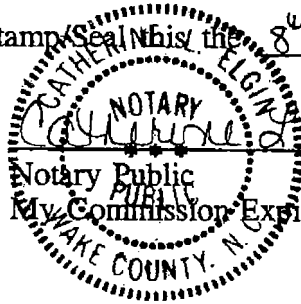
Laharak Fraley
Asst. Secretary

STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, the undersigned Notary Public, certify that DEBORAH FRALEY personally came before me this day and acknowledged that she is ASST Secretary of Aldon Management Group, Inc., a North Carolina corporation, a general partner of Timber Ridge Associates, 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 DEBORAH FRALEY as its ASST Secretary, all for and on behalf of the partnership.

Witness my hand and Notarial Stamp (Seal) this the 8th day of August, 1994.



Catherine L. Elgin
My Commission Expires: 12-1-96

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate _____ of _____

Catherine L. Elgin
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 Meta W. Harris
Asst./Deputy Register of Deeds

EXHIBIT "A"

Description

Being all of that property shown on that plat entitled "Final Plat For Phase 1, Timber Ridge", dated March 1, 1994 and recorded in Book of Maps 1994, page 1088, Wake County Registry.

EXHIBIT "B"

Description

BEGINNING at an iron pipe located on the western right of way line of Parkside Drive, said iron marking the southeast corner of that property owned (now or formerly) by JAG, Inc. containing the Woods of Parkside development; thence southeasterly along the western right of way line of Parkside Drive on a curve to the left, said curve having a radius of 753.29 feet and a chord bearing and distance of South 28°43'20" East 396.57 feet, an arc distance of 401.30 feet to an iron pin; thence crossing Parkside Drive North 57°42'24" East 61.38 feet to an iron pin; thence along the southern property line of Lots 29 through 37 of Trailwood Subdivision the following courses and distances: (1) North 57°42'24" East 257.03 feet to an iron pipe, (2) North 64°28'39" East 71.69 feet to an iron pipe, (3) North 77°36'00" East 79.63 feet to an iron pipe, (4) North 84°23'02" East 84.47 feet to an iron pipe, and (5) North 89°05'49" East 294 feet to an iron pipe located in the western property line of that property owned (now or formerly) by Henry Knight; thence along the western property line of the Knight property South 01°39'46" East 1130.89 feet to an iron pipe; thence North 35°48'28" West 106.90 feet to an iron pipe located in a corner of that property owned by the Town of Knightdale; thence along the property line of the Knightdale property the following courses and distances: (1) North 35°48'28" West 414.02 feet to an iron pipe, (2) South 54°07'28" West 676.02 feet to an iron pipe, and (3) South 02°11'39" East 144.32 feet to an iron pipe; thence along a northern property line of that property owned (now or formerly) by William Faison South 57°42'05" West 983.55 feet to an existing iron pipe in the corner of the Faison property with that property owned (now or formerly) by Sara Robertson; thence along the eastern property line of the Robertson property North 01°45'11" West 954.02 feet to an existing iron pipe located in a common corner of the Robertson property and that property owned (now or formerly) by James Suggs; thence along a southern property line of the Suggs property North 88°44'17" East 181.63 feet to an iron pipe; thence along an eastern property line of the Suggs property North 01°46'09" West 807.00 feet to an iron pipe, the southwestern corner of that property owned (now or formerly) by JAG, Inc.; thence along the southern property line of the JAG, Inc. property North 76°46'06" East 552.53 feet to an iron pipe located on the western right of way line of Parkside Drive, the point and place of BEGINNING and containing approximately 42.99 acres, and being all of Tract 1 as shown on that survey plat entitled, "Timber Ridge, Property of Aldon Management, Town of Knightdale, Wake Co., North Carolina" dated December 10, 1993 and prepared by C. G. Bagley, P.A., R.E., specific reference to which is hereby made.

Prepared by and return to:
Charles B. Morris, Jr.
Manning, Fulton & Skinner, P.A.
P. O. Box 20389
Raleigh, North Carolina 27619

BK6235PG0787

PRESENTED
FOR
REGISTRATION

STATE OF NORTH CAROLINA

PROTECTIVE COVENANTS FOR

COUNTY OF WAKE

000346

TIMBER RIDGE SUBDIVISION

94 AUG - 9 PM 1:15

KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

THESE PROTECTIVE COVENANTS, made this 9th day of August, 1994 by
TIMBER RIDGE ASSOCIATES, a North Carolina general partnership (hereinafter
"Declarant").

WITNESSETH:

Declarant hereby declares that the following described real property, of which it is owner, located in Wake County, North Carolina, is and shall be held, transferred, sold and conveyed, subject to the protective covenants hereinafter set forth:

All of those lots shown on that map entitled Timber Ridge, Knightdale, North Carolina, as shown on map recorded in Book of Maps 1994, page 1088, Wake County Registry.

1. Preamble. The above described lots, which are subject to these Protective Covenants, and any other lots which hereinafter may be subjected to these Protective Covenants (collectively called the "Lots"), are being developed by Declarant.

2. Purpose. The Lots are hereby made subject to these Protective Covenants for the purpose of insuring appropriate development and improvement of Timber Ridge Subdivision (the "Subdivision") and each Lot therein, as reflected upon any map of any portion of the Subdivision duly recorded in the Wake County Registry, in order to maintain the value of the Subdivision and all Lots, to preserve, as far as practicable, the natural beauty of the Subdivision, and to secure and maintain desired setbacks from streets and adequate free space between structures.

3. Resubdivision. No Lot may be resubdivided so as to produce a greater number of Lots than shown on any recorded map of any portion of the Subdivision. More than one Lot may be used as one building site, provided that Declarant shall have the right, as specifically reserved in Paragraph 16 hereof, to make such relocation of easements as it determines necessary by reason of such use.

4. Erosion Control. During land development and throughout construction, the owner of each Lot ("Owner") and all persons engaged in the development of, and construction upon, a Lot shall take such action as may be required to control, inhibit or prevent land erosion, the sedimentation of streams, and impoundments resulting from erosion. Each Owner shall maintain his Lot in such manner as to prevent the erosion of soil into any other area. If an Owner does not maintain his Lot as herein provided, then Declarant may have the required work done, and the costs thus incurred by Declarant shall be paid by the Owner of the Lot to the Declarant upon demand therefor. Declarant shall have the right of entry upon each Lot as necessary to perform such work or cause such work to be performed.

5. Architectural Approval. No site preparation, construction, erection or installation of any structures, facilities or other improvements shall be undertaken on any Lot until the plans and specifications therefor have been submitted to the Architectural Committee (the "Committee") of the Timber Ridge Homeowners Association, Inc. (the "Association") and the Committee has given written approval of the work to be performed thereunder, all pursuant to the provisions of that Declaration of Covenants, Conditions, Easements and Restrictions of Timber Ridge Subdivision recorded in Book 6336, page 766, Wake County Registry (Declaration").

6. Grading and Filling. No grading, filling or other alteration to the topography or elevation of any Lot shall be undertaken without the prior written approval of the Committee.

7. Removal of Trees. No tree having a trunk diameter exceeding six (6) inches at four (4) feet above ground level, or other vegetation, except weeds, deadwood, underbrush or grass, may be cut or removed from any Lot without the prior written approval of the Committee unless the tree is dead, diseased, poses an imminent threat or danger to persons or property, or is in an approved actual building site or driveway location.

8. Removal of Vegetation from Common Area. No Owner, other than Declarant, shall injure, cut or remove, or suffer or cause to be injured, cut or removed, any trees, shrubs, flowers, or other vegetation from any Common Properties, as defined in the Declaration, without the prior permission of Association.

9. Existing and Additional Improvements. Following the initial construction and installation of improvements, no exterior alteration or modification thereof (other than normal maintenance and repairs), and no construction, erection or installation or any additional new structures, facilities or other improvements shall be undertaken without the prior written consent of the Committee.

10. Signs. No sign, billboard or poster shall be erected, placed, exhibited or maintained on any Lot except with the prior approval of the Committee, unless in conformity with the size, design and format, and for such time period, as is, or may be, established from time to time by the Committee, and in compliance with local ordinances.

11. Setbacks. No building, including garages, shall be located on any Lot less than thirty (30) feet from the front street right of way line, less than eight (8) feet from any side Lot line, or less than twenty (20) feet from any rear Lot line.

12. Minimum Size of Residence, etc. No two-story or split-level residential structure having a minimum area of less than twelve hundred (1200) square feet of finished, heated, living area, and no one-story residential structure having a minimum area of less than eleven hundred (1100) square feet of finished, heated, living area, both living areas exclusive of subsurface areas, porches, basements and garages, shall be erected on any Lot. No building shall exceed two and one-half stories or thirty (30) feet in height, whichever is greater. In the event of any question of interpretation of

this paragraph, the interpretation placed thereon by the Committee shall be binding upon all parties.

13. Fences. No fence, wall, hedge or mass planting shall be permitted, except with the prior approval of the Committee.

14. Parking. Adequate off-street parking shall be provided by each Owner for the parking of automobiles and other vehicles owned or controlled by such Owner, members of the Owner's family and employees of the Owner. No truck, mobile home, recreational vehicle, tractor, commercial vehicle, trailer or camper may be stored or parked upon any Lot overnight, unless enclosed in a garage or otherwise concealed from view from all other Lots, any streets or other portion of the Subdivision.

15. Utility Connections. All telephone, electric, cable television and other utility lines and connections located on a Lot shall be located underground. No communication tower, television tower or satellite dish shall be erected on any Lot except with the prior approval of the Committee.

16. Easement Reserved. Declarant, for itself and its successors and assigns, hereby reserves a perpetual easement, privilege and right, including the right of entry, for installation and maintenance of utility, community or cable television antenna systems and drainage purposes; (a) on, in and under a ten (10) foot wide strip along the rear line of each Lot, (b) on, in and under a five (5) foot wide strip along the side Lot lines of each Lot, and (c) as otherwise shown on each recorded map of a portion of the Subdivision. In the event that more than one Lot is used as a building site, as provided in Paragraph 3 hereof, or in the event Declarant, in its sole discretion, deems it necessary and appropriate, Declarant shall have the right unto itself and its designated successors and assigns, to relocate, remove and/or reestablish the easements provided for herein, or the easements provided on any recorded map of a portion of the Subdivision, which easements may be located on, in and under a Lot or combination of Lots utilized as one building site, provided such relocation does not materially interfere with the use thereof.

17. Rights Exclusive. All rights herein created for, held by, or reserved to Declarant shall belong exclusively to Declarant and to such persons, firms or corporations to whom they are expressly assigned by Declarant, including the Association described in the Declaration, and none of them shall be deemed transferred to the purchaser of any portion of the Subdivision, unless the instrument effecting such transfer expressly recites the assignment of such rights. All rights and duties of the Architectural Committee hereunder may be exercised by the Declarant as set forth in the Declaration.

18. Conflict. If any provisions hereof are in conflict with those of the Declaration, as the same may be amended, the provisions of the Declaration shall control.

19. Terms of Covenants. These Protective Covenants shall run with the Subdivision, and each Lot therein, and shall be binding upon all Owners thereof and

all other persons having any interest therein until January 1, 2015, at which time these Protective Covenants shall be automatically extended for successive periods of ten (10) years each, unless terminated by vote of a majority of the then Owners of the Lots.

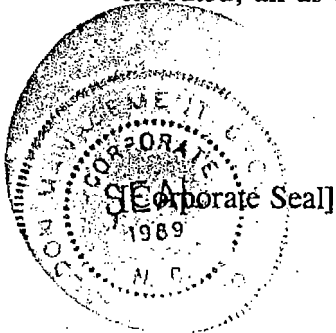
20. Enforcement. If any Owner shall violate, or attempt to violate, any of these Protective Covenants, any Owner, Declarant or the Association may bring any appropriate proceeding at law or in equity against the person or persons violating or attempting to violate these Protective Covenants, either to prevent the violation thereof, or to recover damages resulting from such violation.

21. Invalidity. The invalidity of any of these Protective Covenants, or any part hereof, shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

22. Additional Lands. Declarant, or its designated successors and assigns, may subject additional lands which are subject to the Declaration to these Protective Covenants by recording an amendment thereto, describing such lands, with the Register of Deeds of Wake County, North Carolina.

23. Permitted Uses. No Lot shall be used for other than residential purposes. No business or other commercial use of a Lot is permitted.

IN WITNESS WHEREOF, Declarant has caused this Agreement to be executed, all as of the day and year first above written.

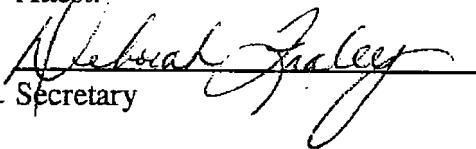


TIMBER RIDGE ASSOCIATES, (SEAL)
a North Carolina general partnership

By: **ALDON MANAGEMENT GROUP, INC.**

By: 
President

Attest:

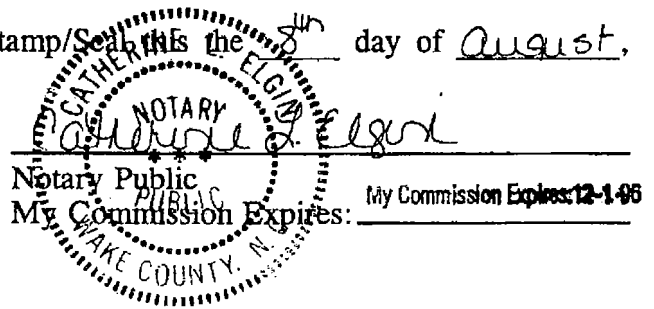

Assistant Secretary

STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, the undersigned Notary Public, certify that DEBORAH FRALEY personally came before me this day and acknowledged that she is ASST. Secretary of Aldon Management Group, Inc., a North Carolina corporation, a general partner of Timber Ridge Associates, a North Carolina general partnership, 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 DEBORAH FRALEY as its ASST Secretary, all for and on behalf of the partnership.

Witness my hand and Notarial Stamp/Seal this the 8th day of August, 1994.



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate _____ of _____

Catherine L. Blyer

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 Meta W. Harris
Asst./Deputy Register of Deeds

Hold: Manning, fullor

BK6257 PG0750

PRESENTED
STATE OF NORTH CAROLINA FOR
REGISTRATION
008600 COUNTY OF WAKE 94 AUG 29 PM 4:22
FIRST AMENDMENT TO
PROTECTIVE COVENANTS FOR
TIMBER RIDGE SUBDIVISION

KENNETH C. WILKINS
REGISTER TO RECORD
WAKE COUNTY
THIS FIRST AMENDMENT TO PROTECTIVE COVENANTS FOR TIMBER
RIDGE SUBDIVISION made this 17th day of August, 1994 by Timber Ridge
Associates, a North Carolina general partnership (hereinafter "Declarant");

WITNESSETH:

WHEREAS, Declarant recorded Protective Covenants for Timber Ridge
Subdivision in Book 6235, page 787, Wake County Registry; and,

WHEREAS, the subdivision is within the jurisdiction of the Town of
Knightdale; and,

WHEREAS, the Special Use Permit for Timber Ridge Subdivision granted to
the Declarant by the Town of Knightdale and recorded in Book 5986, page 60, Wake
County Registry, requires changes in the Protective Covenants to be approved by the
Town of Knightdale as set forth in item 6 under the "Additional Conditions"; and,

NOW, THEREFORE, Declarant does hereby amend those Protective Covenants
for Timber Ridge Subdivision recorded in Book 6235, page 787, Wake County
Registry, by adding a paragraph 24 to read as follows:

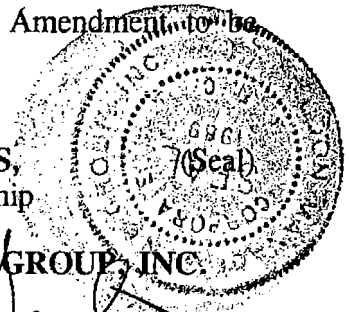
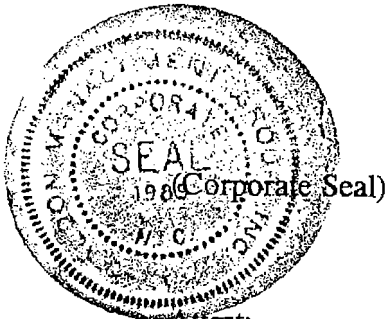
24. Approval of Amendments. Any amendments to these
Protective Covenants must be approved by the Town of Knightdale in
conformance with that Special Use Permit issued by the Town of
Knightdale and recorded in Book 5986, page 60, Wake County Registry.

IN WITNESS WHEREOF Declarant has caused this First Amendment to be
executed all as of the day and year first above written.

TIMBER RIDGE ASSOCIATES,
a North Carolina general partnership

By: ALDON MANAGEMENT GROUP, INC.

By: Donald F. Fraley
Donald F. Fraley, President



Attest:

Deborah Fraley
1994 Secretary

STATE OF NORTH CAROLINA :

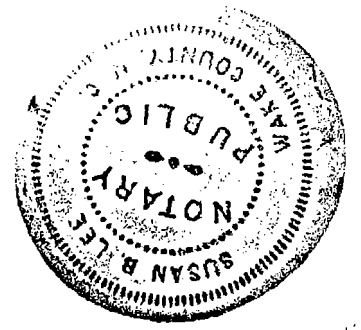
COUNTY OF WAKE :

I, the undersigned Notary Public, certify that DEBORAH FRALEY personally came before me this day and acknowledged that she is Secretary of Aldbn Management Group, Inc., a North Carolina corporation, a general partner of Timber Ridge Associates, a North Carolina general partnership, 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 DEBORAH FRALEY as its Secretary as an act of, and for and on behalf of, said partnership.

Witness my hand and Notarial Stamp/Seal this the 25th day of August, 1994.

Susan B. Lee

Notary Public
My Commission Expires: 6-17-97



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of _____

Susan B. Lee

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 Kenneth C. Wilkins
Register of Deeds

easements as are requisite for the convenient use and enjoyment of the Properties.

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, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

An easement of access in favor of the Association is hereby granted for the purpose of performing the maintenance outlined in Article VII, Section 2 hereof.

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

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.

No amendment which would change or delete any provision herein required by any governmental authority shall become effective until submitted to and approved by that authority; provided, however, if that authority fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Any amendment must be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

115-102987-2

BK 207 PG 0684

Section 4. FHA/VA/FNMA Approval. As long as there is a Class B membership, the following actions may require the prior written approval of the Federal Housing Administration or the Veterans Administration, the FNMA, and the City of Raleigh: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

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 the owner of each lot within said property.

ARTICLE XII
RIGHTS OF INSTITUTIONAL LENDERS

Section 1. The prior written approval of each institutional holder of a first deed of trust (and any Insurer or Guarantor of such first deed of trust) on units in the property will be required for the following:

- (a) The abandonment or termination of the townhome property except for abandonment or termination provided by law in the case of substantial destruction by fire or other

casualty or in the case of a taking by condemnation or eminent domain;

(b) Any material amendment to the declaration or to the Bylaws of the Association.

(c) The effectuation of any decision by the Association to terminate professional management and assume self management of the property.

Section 2. No unit may be partitioned or subdivided without the prior written approval of the first lien holder of the unit (and any Insurer or Guarantor of such first lien holder).

Section 3. Upon written request, any institutional holder of a first lien (and any Insurer or Guarantor of such first lien holder) on a unit will be entitled to:

(a) inspect the books and records of the Association during normal business hours;

(b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year; and

(c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

Section 4. Each institutional holder of a first mortgage (and any Insurer or Guarantor of such first mortgage holder) on a lot shall be entitled to timely written notice of:

(a) Any event of substantial damage to or destruction of any Lot or any part of the common area.

(b) If any Lot or portion thereof or the common area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

(c) Of any default by the Lot mortgagor's obligations hereunder not cured within thirty (30) days of said default.

(d) A lapse, cancellation or material modification of any insurance policy or fidelity bond .

(e) Any proposed action that requires the consent of a specified percentage of mortgage holders.

IN WITNESS WHEREOF, the corporate parties hereto have caused this instrument to be signed in their corporate names by their Presidents, attested by their Secretaries, and their corporate seals to be hereto affixed all by order of their Board of Directors duly given, and the undersigned individual and partnership parties have hereunto set their hands and seals, all as of the day and year first above written.

BK 207PG0687

LAGOON ASSOCIATES, A North Carolina General Partnership, By Its General Partner, HARLON-EAST PROPERTIES, INC., a North Carolina Corporation

By: [Signature]
VICE PRES.

ATTEST:

[Signature]
Past Secretary

UNIT OWNERS

ROBUCK HOMES, INC.

By: [Signature]

ATTEST:

[Signature]
Assistant Secretary

SPECTRUM HOMES, INC.

By: [Signature]

ATTEST:

[Signature]
Secretary

J.A.G., INC.

By: [Signature]

ATTEST:

[Signature]
Secretary

BK420760688

Marion R. Ransbottom
WITNESS

Ernest T. Chandler, Jr.
Ernest T. Chandler, Jr.

Marion R. Ransbottom
WITNESS

Carol H. Chandler
Carol H. Chandler

Marion R. Ransbottom
WITNESS

Benjamin L. Stox
Benjamin L. Stox

Marion R. Ransbottom
WITNESS

Dolly H. Stox
Dolly H. Stox

Marion R. Ransbottom
WITNESS

Vic L. Bruinton
Vic L. Bruinton

Marion R. Ransbottom
WITNESS

Sheree H. Bruinton
Sheree H. Bruinton

Marion R. Ransbottom
WITNESS

Mark T. Yeatts
Mark T. Yeatts

Marion R. Ransbottom
WITNESS

Joanna D. Yeatts
Joanna D. Yeatts

Marion R. Ransbottom
WITNESS

Ted W. Evans
Ted W. Evans

Marion R. Ransbottom
WITNESS

Teresa S. Evans
Teresa S. Evans

Marion R. Ransbottom
WITNESS

Reginald Blaine Venable
Reginald Blaine Venable

Marion R. Ransbottom
WITNESS

Larry W. Kaehler
Larry W. Kaehler

EX: 207PG0689

Marion R. Ransbottom (SEAL)
Marion R. Ransbottom, Witness

NORTH CAROLINA
WAKE COUNTY

I, Gertrude W. Ferenczi, a Notary Public of Wake County, North Carolina certify that Marion R. Ransbottom personally appeared before me this day and being duly sworn stated that in her presence ERNEST T. CHANDLER, JR., CAROL H. CHANDLER, BENJAMIN L. STOX, DOLLY H. STOX, VIC L. BRUINGTON, SHEREE H. BRUINGTON, MARK T. YEATTS, JOANNA D. YEATTS, TED W. EVANS, TERESA S. EVANS, REGINALD BLAINE VENABLE and LARRY W. KAEHLER signed the foregoing instrument.

WITNESS my hand and Notarial Seal, this 24th day of February, 1988.

Gertrude W. Ferenczi
Notary Public

My Commission Expires:

12-27-91

BK4207PG0690

NORTH CAROLINA

WAKE COUNTY

I, Patricia W. Robertson, a Notary Public of the County and State aforesaid, certify that Richardson Burt personally came before me this day and acknowledged that she is Asst. Secretary of HARLOW-EAST PROPERTIES, 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 David as its Asst. Secretary, all as a general partner of LAGOON ASSOCIATES, a North Carolina General Partnership, for and on behalf of, and as an act of, that partnership.

WITNESS my hand and official stamp or seal this 22nd day of February, 1987.

Patricia W. Robertson
Notary Public

My Commission Expires:

3-27-90



BK 20780691

NORTH CAROLINA
WAKE COUNTY

I, Patricia W. Robertson, a Notary Public of the County and State aforesaid, certify that Richardson D. Miller personally came before me this day and acknowledged that she is ASST. Secretary of HARLOW-EAST PROPERTIES, 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 ASST. as its ASST. Secretary, all as a general partner of LAGOON ASSOCIATES, a North Carolina General Partnership, for and on behalf of, and as an act of, that partnership.

WITNESS my hand and official stamp or seal this 22nd day of February, 1983.

Patricia W. Robertson
Notary Public

My Commission Expires:

3-27-90

NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Linwood E. Barrow, personally appeared before me this day and acknowledged that he is Secretary of JAG, Inc. 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 Vice President, sealed with its corporate seal and attested by L. E. Barrow as its Secretary.

WITNESS my hand and official stamp or seal, this 17 day of February, 1983.

Linwood E. Barrow
Notary Public

My Commission Expires:

7-25-89

BK 4207PG0692

NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Conrad P. Hedrick, personally appeared before me this day and acknowledged that he is Assistant Secretary of Plush Home, Inc. 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 Vice President, sealed with its corporate seal and attested by himself as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 11th day of February, 1983.

Leah W. Terenzi
Notary Public

My Commission Expires:

12-27-91

NORTH CAROLINA
WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Patricia P. Manning, personally appeared before me this day and acknowledged that he is _____ Secretary of Spectrum Home, Inc. 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 himself as its _____ Secretary.

WITNESS my hand and official stamp or seal, this 11th day of February, 1983.

Leah W. Terenzi
Notary Public

My Commission Expires:

12-27-91

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate is of Leah W. Terenzi

Patricia P. Manning - Sergio Lopez Johnson
Notary (Witness) 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 Kenneth D. Bullock
Deputy Register of Deeds

EXHIBIT A

Tract 1

Starting at a point South 87° 04' 25" West 25.12 feet from a point having North Carolina Grid Coordinates N=745,252.90, E=2,149,648.67; thence from said point and place of BEGINNING North 02° 42' 06" East 550.50 feet to a point in the southern right-of-way line of U.S. Highway 64; thence continuing along said right-of-way line North 85° 47' 54" West 80.02 feet; thence leaving aforesaid right-of-way line South 02° 42' 06" West 552.60 feet; thence North 85° 24' 44" West 790.91 feet; thence South 01° 46' 00" East 1,250 feet; thence North 76° 46' 15" East 611.14 feet; thence along a curve to the left having a radius of 693.29 feet and an arc distance of 385.11 feet; thence North 57° 10' 05" East 266.51 feet; thence along a curve to the right having a radius of 338.32 feet and an arc distance of 141.65 feet; thence North 84° 21' 15" East 84.45 feet; thence North 89° 08' 21" East 294.86 feet; thence North 01° 39' 44" West 1,225.00 feet; thence South 67° 04' 25" West 653.52 feet to the point and place of BEGINNING comprising approximately 43.58 acres, according to two surveys prepared by Larry I. Chasak, dated May 6, 1986, and April 21, 1986, titled "Property of Lagoon Associates."

Tract 2

Starting at a point which is South 01° 46' 00" East 482.04 feet from a point whose North Carolina Grid Coordinates are N=745,796.69, E=2,148,739.45; thence North 76° 46' 15" East 551.14 feet to the point and place of BEGINNING; thence from said point and place of beginning along a curve to the left having a radius of 753.29 feet and an arc distance of 374.58 feet; thence along a curve to the right having a radius of 20.00 feet and an arc distance of 30.25 feet; thence South 44° 56' 37" West 200.01 feet; thence along a curve to the left having a radius of 398.20 feet and an arc distance of 191.07 feet; thence South 17° 27' 04" West 216.80 feet; thence along a curve to the left having a radius of 20 feet and an arc distance of 16.12 feet; thence along a curve to the left having a radius of 45.00 feet and an arc distance of 213.92 feet; thence along a curve to the right having a radius of 20.00 feet and an arc distance of 16.12 feet; thence North 17° 27' 04" East 316.80 feet; thence along a curve to the right having a radius of 348.20 feet and an arc distance of 167.08 feet; thence North 44° 56' 37" East 200.01 feet; thence along a curve to the right having a radius of 20.00 feet and an arc distance of 30.25 feet; thence along a curve to the right having a radius of 753.29 feet and an arc distance of 18.48 feet; thence South 49° 47' 54" East 416.75 feet; thence along a curve to the right having a radius of 874.54 feet and an arc distance of 212.88 feet; thence South 25° 51' 04" East 413.65 feet; thence South 01° 38' 43" East 36.00 feet; thence along a curve to the right having a radius of 20.00 feet and an arc distance of 20.04 feet; thence along a curve to the left having a radius of 45.00 feet and an arc distance of 186.47 feet; thence North 01° 38' 44" West 109.25 feet; thence North 25° 51' 04" West 422.09 feet; thence along a curve to the left having a radius of 934.54 feet and an arc distance of 227.49 feet; thence North 49° 47' 54" West 416.75 feet; thence along a curve to the right having a radius of 653.29 feet and an arc distance of 462.49 feet; thence South 76° 46' 15" West 60.00 feet to the point and place of BEGINNING, comprising approximately 3.30 acres and being the area shown in the right-of-way according to a survey prepared by Larry I. Chasak, dated April 30, 1986, and entitled "Lagoon Associates."

BK 207 PG 0694

TRACT 3

BEGINNING at an iron pipe, said pipe being located at North Carolina grid coordinates N = 745,262.90 and E = 2,149,648.67; thence from said point of beginning South 87°04'25" West 25.12 feet to an iron pipe; thence North 02°42'06" East 580.50 feet to an iron pipe located on the southern right of way line of U.S. Highway No. 64; thence along said right of way line South 85°47'54" East 32.11 feet to an iron pipe and South 84°38'23" East 67.89 feet to an iron pipe; thence leaving said right of way line South 40°53'12" West 120.95 feet to an iron pipe; thence South 02°42'06" West 479.08 feet to an iron pipe, the point and place of BEGINNING, containing approximately 0.417 acres, all according to a survey entitled, "Property of Lagoon Associates, St. Matthews Twnsp., Wake Co., N. C." dated May 6, 1986 by Larry I. Chszak, R.L.S., to which specific reference is hereby made.

TRACT 4

COMMENCING at an iron pipe located at North Carolina grid coordinates N = 745,262.90 and E = 2,149,648.67; thence South 87°04'25" West 25.12 feet to an iron pipe; thence North 02°42'06" East 580.50 feet to an iron pipe located on the southern right of way line of U.S. Highway No. 60; thence along said right of way line North 85°47'54" West 80.03 feet to an iron pipe, the point and place of Beginning; thence from said point of beginning South 02°42'06" West 582.60 feet to an iron pipe; thence North 86°24'44" West 25.0 feet to an iron pipe; thence North 02°42'06" East 481.17 feet to an iron pipe; thence North 32°38'27" West 126.42 feet to an iron pipe located on the southern right of way line of U.S. Highway No. 64; thence North 88°18'40" East along said right of way line 17.89 feet to an iron pipe, and thence continuing along said right of way line South 85°47'54" East 82.11 feet to an iron pipe, the point and place of BEGINNING, containing approximately 0.423 acres, all according to a survey plat entitled, "Property of Lagoon Associates, St. Matthews Twnsp., Wake Co., N.C.", dated May 6, 1986 by Larry I. Chszak, R.L.S., to which specific reference is hereby made.