

Assign
Bk 1528
Pg 691
6-12-89

BOOK 1462 PAGE 912

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Prepared Out of State
Return to: MANNING, FULTON & SKINNER
Post Office Box 20389
Raleigh, NC 27619-0389
File No. T 12318 (CBM)

DECLARATION
OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
HOPE VALLEY FARMS

THIS DECLARATION, made this 27th day of MAY,

Decl. ~~Decl~~
Bk 1648 BK 1648
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4-9-91 4-9-91
Declaration 1982
Book 1561
Page 496
11-27-89

by Hope Valley Venture, a North Carolina Joint Venture,
hereinafter called "Declarant", with its principal office in
Raleigh, Wake County, North Carolina.

Declaration
BK 1520
Pg 945
4-28-89

W I T N E S S E T H:

WHEREAS, Declarant is the owner of the real property
described on Exhibit "A" attached hereto, and desires to create
thereon and on other adjacent lands an exclusive residential com-
munity to be known as "Hope Valley Farms"; and,

Decl.
BK 1544
Pg 983
8-31-89

WHEREAS, Hope Valley Farms is intended to be developed in
stages or phases containing townhouses, cluster homes, apart-
ments, condominiums and detached single family dwellings, as well
as areas to be used for commercial and office purposes; and,

Decl.
BK 1547
Pg 444
8-12-89

WHEREAS, in order to provide a coordination and continuity
among the various phases and the owners of dwelling units
therein, it is deemed appropriate to have an association in which
all Owners in those areas within Hope Valley Farms that are sub-
jected to the lien hereof are members; and,

Decl.
BK 1569
Pg 667
1-8-90

WHEREAS, Declarant desires to have certain areas of the
Property owned, maintained and administered by this association
for the benefit of all owners within the development, which areas
are hereinafter referred to as "COMMUNITY COMMON PROPERTIES";
and,

Decl.
BK 1557
Pg 661
4-17-90

WHEREAS, Declarant has deemed it desirable for the preser-
vation, protection and enhancement of the Property to insure the
residents' enjoyment of the specific rights, privileges and ease-
ments in the Community Common Properties, and to also have this
association administer and enforce these covenants and restric-

Decl.
BK 1592
Pg 518
5-16-90

Declaration
BK 1592
Pg 581
5-16-90

Declaration
1604-757
17-18-90

12000

tions, and collect and disburse the assessments and charges hereinafter created; and,

WHEREAS, Declarant has incorporated under the laws of the State of North Carolina, as a non-profit corporation, Hope Valley Farms Homeowner's Association, Inc., for the purpose of exercising the aforesaid functions.

NOW THEREFORE, Declarant declares that the lands described upon Exhibit "A" annexed hereto, and all other lands within Hope Valley Farms that are subjected by Declarant to the lien of this Declaration, are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any amendment hereto (unless the context shall so prohibit) shall have the following meanings;

(a) "Hope Valley Farms" shall mean and refer to the lands described upon Exhibit "B" attached hereto.

(b) "Corporation" shall mean and refer to Hope Valley Farms Homeowner's Association, Inc., its successors and assigns.

(c) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and any amendments hereto which are recorded in the Office of the Register of Deeds, Durham County, North Carolina.

(d) "Property" shall mean and refer to the lands described upon Exhibit "A" annexed hereto and all other lands within those described upon Exhibit "B" hereto that are subjected by Declarant to the lien hereof.

(e) "Community Common Properties" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by the Corporation such as open spaces, buf-

fers, greenways, jogging path, private streets, medians and entranceways.

(f) "Living Unit" shall mean and refer to any structure, or part of a structure designed and built for occupancy as a single family residence, other than one constructed upon a Single Family Lot, and shall include single family residences, townhouses, cluster homes, condominiums and apartments located on the Property, whether attached or detached.

(g) "Member" shall mean and refer to a member of the Corporation.

(h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit, but shall exclude any person or entity having such interest merely as security for the performance of an obligation.

(i) "Declarant" shall mean and refer to Hope Valley Venture, its designated successors and assigns.

(j) "Lot" shall mean and refer to any numbered or lettered tract of land shown upon any plat of a portion of the Property recorded in the Office of the Register of Deeds, Durham County, North Carolina, as such plat may be amended or modified, and shall include any tract designated for commercial or office use rather than residential use, but shall not include the Community Common Properties, or any tract upon which "Recreational Facilities" have been or are intended to be constructed.

(k) "General Plan of Development" shall mean and refer to the general plan for development of Hope Valley Farms submitted by Declarant to the City of Durham, North Carolina.

(l) "Recreational Facilities" shall mean and refer to those amenities described in Section 4. of Article X hereof.

(m) "Residential Lot" shall mean and refer to any Lot upon which one or more Living Units has been, or may be, constructed.

(n) "Commercial Lot" shall mean and refer to any Lot other than a Residential Lot.

(o) "Single Family Lot" shall mean and refer to a Residential Lot upon which only one Living Unit may be constructed under applicable zoning or other limitations.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which hereby is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration are those lands located in Durham County, North Carolina described on Exhibit "A" attached hereto, and all other lands within those described upon Exhibit "B" hereto that are subjected by Declarant to the lien hereof.

Section 2. Mergers. Upon a merger or consolidation of the Corporation with another organization as provided by its by-laws, its properties, rights and obligations may be transferred to another surviving or consolidated corporation or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights and obligations of the Corporation, as a surviving corporation, pursuant to a merger. The surviving or consolidated corporation may commonly administer these Covenants and Restrictions with respect to the Property, together with the Covenants and Restrictions established upon any other lands. No such merger or consolidation, however, shall affect any revocation, change or addition to these Covenants and Restrictions with respect to the Property, except as hereinafter provided.

Section 3. Declarant may, by amendment hereto recorded with the Register of Deeds of Durham County, North Carolina, subject to the lien hereof additional lands within those described upon Exhibit "B" hereto, which additional lands shall thereupon become portions of the "Property".

ARTICLE III

MEMBERSHIP

Section 1. Those Entitled to Membership. Every person or entity who is a record Owner of a Lot or Living Unit, including contract sellers, but excluding persons or entities who hold an interest merely as security for the performance of an obligation, shall be a member of the Corporation. Membership shall be appurtenant to, and may not be separated from, the ownership of a Lot or Living Unit. Ownership of such Lot or Living Unit shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

Section 1. Classes of Voting Membership. The Corporation shall have three classes of voting membership:

Class A. Class A Members shall consist of all Owners of Residential Lots except Declarant. Each Class A Member shall be entitled to one vote for each Single Family Lot owned by it, and for each Living Unit which may be constructed upon a Residential Lot other than a Single Family Lot under the more restrictive of: (a) applicable zoning or (b) issued building permits. If more than one person or entity owns an interest in any Residential Lot or Living Unit, all such persons and entities shall be Members, however, the vote for such Lot or Living Unit shall be exercised as the majority of such persons among themselves determine. At any meeting of the Members, a representation by any of such persons (or entities) that a majority of such persons (and entities) have agreed as to the vote for such Lot or Living Unit shall be conclusive, unless another of such persons (or entities) contests such representation at such meeting, prior to the casting of a vote.

Class B. Class B Members shall consist of all Commercial Lot Owners except Declarant. Each Class B Member shall be entitled to one vote for each 500 square feet of area of

each Commercial Lot owned by it. If more than one person or entity owns an interest in any Commercial Lot, all such persons and entities shall be Members, however, the votes for such Lot shall be exercised as the majority of such persons among themselves determine. At any meeting of the Members, a representation by any of such persons (and entities) that a majority of such persons (and entities) have agreed as to the votes for such Lot shall be conclusive, unless another of such persons (or entities) contests such representation at such meeting, prior to the casting of a vote.

Class C. The Class C Member shall be Declarant. The Class C Member shall be entitled to three (3) votes for: a) each Single Family Lot owned by it; b) each Living Unit which may be constructed upon a Residential Lot owned by it, other than a Single Family Lot under the more restrictive of: (1) applicable zoning or (2) issued building permits; and (c) each 500 square feet of area of each Commercial Lot owned by it. The Class C membership shall cease, and be converted to Class A membership or Class B membership, as the case may be, on the happening of the earlier of:

(a) the total votes outstanding in Class A and Class B memberships equalling the total votes outstanding in Class C membership.

(b) seven years following the conveyance of the first Living Unit to the first owner thereof, other than the entity constructing such Living Unit.

Section 2. Limitations on votes of Commercial Lot Owners.

The foregoing section notwithstanding, at no time shall the total number of votes which may be cast by Class B Members and by the Class C Member by reason of its ownership of Commercial Lots, exceed ten percent (10%) of the total number of votes which may be cast by all Members. In the event the total number of votes which may be cast by Class B members and by the Class C Member by reason of its ownership of Commercial Lots exceeds ten percent

(10%) of the total votes which may be cast, the number of votes which may be cast by each Class B member and by the Class C member by reason of its ownership of Commercial Lots shall be proportionately reduced, so that the total of votes which may be cast by Class B Members and by the Class C member by reason of its ownership of Commercial Lots will be equal to ten percent (10%) of the total votes which may be cast by all members.

ARTICLE V

TITLE TO AND USE OF THE COMMUNITY COMMON PROPERTIES

Section 1. Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Community Common Properties to the Corporation, free and clear of all financial encumbrances and liens, prior to the conveyance by Declarant of the first Lot, such conveyance however to be subject to taxes for the year of conveyance, restrictions, covenants and easements of record, including those contained herein, and encumbrances for utility service, access, storm drainage and other similar service and utility easements.

Section 2. Each Owner shall have the right to use the Community Common Properties, together with the rights of access, ingress and egress, both pedestrian (and vehicular where applicable), on and over the drives, trails, walkways and parking areas of the Community Common Properties, all of which shall be appurtenant to and shall pass with the title to each Lot and Living Unit, subject to the following provisions:

(a) the right of the Corporation to dedicate, sell or transfer all or any part of the Community Common Properties to any public agency, authority or utility, subject to such conditions as may be agreed by the Members. No such dedication, sale or transfer, nor any mortgage or other hypothecation of the Community Common Properties, shall be effective unless it has been approved by sixty-seven percent (67%) of each class of Members, and an instrument duly executed by the Corporation reflecting such transaction has been recorded

with the Register of Deeds, Durham County, North Carolina, containing a certification by the Secretary of the Corporation that a sixty-seven percent (67%) of each class of Members have approved the dedication, sale or transfer. Provided, however, that conveyances and easement for general utility purposes may be made without consent of the Members;

(b) the right of the Corporation, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Community Common Properties, and in connection therewith to encumber said properties.

(c) the right of the Corporation in accordance with its Articles of Incorporation and By-Laws to impose rules and regulations governing the use of the Community Common Properties and improvements thereon, which rules and regulation may further restrict the use of the Community Common Properties.

Section 3. Any Owner may delegate, in accordance with the By-Laws of the Corporation, his rights of enjoyment and use of the Community Common Properties to members of his family, his tenants, his guests or contract purchasers of his Lot or Living Unit who reside on the property.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, with respect to each Lot and Living Unit owned by Declarant, hereby covenants and agrees, and each Owner of a Lot and of a Living Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be deemed to have covenanted and agreed to pay to the Corporation; (1) annual assessments or charges, and (2) special assessments for extraordinary maintenance and capital improvements; and to the appropriate governmental taxing authority, a pro rata share of assessments against the Community Common Properties, if the Corporation shall default in payment thereof,

all as hereinafter provided. The annual and special assessments against each Lot and Living Unit, together with interest and costs, and reasonable attorney's fees for collection, shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment was made. The personal obligation for a delinquent assessment shall not pass to a successor in title, unless expressly assumed by such successor.

The Corporation shall also have the authority, through the Board of Directors, to establish, fix and levy a special assessment on any Lot or Living Unit to secure the liability of the Owner thereof to the Corporation arising from breach by such Owner of any of the provisions of this Declaration, which breach shall require the expenditure of time or money, or both, by the Corporation for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Corporation on his Lot or Living Unit within ten (10) days after receipt of an invoice for the same, and further covenants that if said charge shall not be paid within thirty (30) days from the date that said invoice is deposited, postage prepaid in the United States mail, in an envelope addressed to such Owner at the address of the Lot or Living Unit, or to such other address as said Owner shall have designated to Corporation in writing received by the Corporation, the amount of such charge shall become a lien upon said Owner's Lot or Living Unit, and shall continue to be such lien, until fully paid.

Section 2. Reserves and Purpose of Assessments. The Corporation is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Community Common Properties and any other areas the Corporation may be obligated to maintain. The

assessments levied by the Corporation shall be used exclusively for the maintenance, repair and replacement of the Community Common Properties, including the cost of labor, equipment, materials, management and supervision, the establishment of an adequate reserve fund for such work, the payment of taxes and public assessments assessed against the Community Common Properties, the procurement and maintenance of insurance in accordance with the by-laws of the Corporation, the employment of counsel, accountants and other professionals for the Corporation when necessary, and other reasonable costs of the Corporation as may arise.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Corporation 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 the Community Common Properties, or the extraordinary maintenance of any property for which the Corporation is responsible, provided that any such assessment shall have the assent of sixty-seven percent (67%) 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 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking action authorized under this Article shall be sent to all Members not less than 30 days, nor more than 60 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 the total votes which may be cast shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, but the requirement quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No

such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Single Family Lots and Living Units. With respect to Lots other than Single Family Lots:

(a) A Residential Lot other than a Single Family Lot shall be assessed for each Living Unit which may be constructed thereon pursuant to a building permit issued for construction thereon.

(b) A Commercial Lot shall be assessed as if one Living Unit had been constructed thereon for each 500 square feet of gross area of such Lot.

(c) Assessments for Lots or Living Units owned by Declarant which are not under a completed roof, may be in a lesser amount, as fixed by the Board of Directors of the Corporation, but shall not be less than twenty-five percent (25%) of the same assessments for other Lots and Living Units.

(d) Assessments shall be collected on a monthly basis unless a less frequent basis, as determined by the Board of Directors of the Corporation is approved by the Federal National Mortgage Association.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot upon the issuance of a building permit for construction thereon. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot and Living Unit 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 Corporation shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Corporation setting forth whether the assessments on a

specified Lot or Living Unit have been paid. A properly executed certificate of the Corporation as to the status of assessments on a Lot or Living Unit shall be binding upon the Corporation as of the date of issuance.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Corporation. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate then permitted by North Carolina law, or such lower rate as determined by the Board of Directors of the Corporation. The Corporation may bring an action at law against any Owner personally obligated to pay the same, or foreclose the lien against the property subject thereto. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Community Common Properties or abandonment of his Lot or Living Unit.

Section 8. 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 first mortgage (or deed of trust) and ad valorem taxes. The sale or transfer of any Lot or Living Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Living Unit 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. No sale or transfer shall relieve such Lot or Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. All lands dedicated to and accepted by a local public authority, and all properties owned by the Corporation or by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Working Capital. At the closing of the first sale of any Living Unit or residence built upon a Single Family Lot after construction thereof, an amount equal to two months assessments for such unit or residence shall be paid to the Corporation for the use and benefit of the Corporation. Amounts paid pursuant to this section are not to be considered as advance payment of regular assessments. The purpose of this section is to ensure that the Corporation will have adequate working capital available to meet unforeseen costs and to acquire additional equipment or services as deemed necessary or desirable.

ARTICLE VII

USE RESTRICTIONS

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

Section 2. Use of Property. No portion of the Property, other than Commercial Lots, (except for the temporary offices of Declarant and other builders, model units used by Declarant and other builders, for the temporary storage of construction materials and equipment, and for signs and parking areas of Declarant and other builders) shall be used other than for residential purposes and purposes incidental or accessory thereto.

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

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Living Unit, except that dogs, cats and other household pets may be kept

thereon, provided that they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances.

ARTICLE VIII

EASEMENTS

Section 1. Utility Easements. All of the Property, including Lots, Living Units, and Community Common Properties shall be subject to such easements for water lines, sanitary sewers, storm drainage facilities, cable television lines, gas lines, telephone lines, electric power lines, and other utilities as shall be established by the Declarant or by its predecessors in title prior to the recordation of this Declaration; and the Corporation shall have the power and authority to grant and establish upon, over, under and across the Community Common Properties such further easements as are required for the convenience, use and enjoyment of the Property, without approval of the membership, as provided in the Articles of Incorporation of the Corporation.

Section 2. Adjoining Areas. Each Owner is hereby declared to have an easement, and the same is hereby granted by the Declarant, on behalf of itself, its successors and assigns, over all adjoining Lots, and the Community Common Properties for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of a building, or any other similar cause. There shall be a continuing easement for the maintenance of said encroachment, settlement or shifting; provided however, that in no event shall an easement for encroachment be created in favor of an Owner, if said encroachment occurred due to the willful act of said Owner.

Section 3. Overhanging Roofs and Eaves. Each Lot and Living Unit and the Owner thereof, shall have an easement, and the same is hereby granted by the Declarant, on behalf of itself, its successors and assigns, over each adjoining Lot and the Community

Common Properties, as the case may be, for overhanging roofs and eaves, and for the maintenance thereof.

Section 4. Easement for the Benefit of the City of Durham.

An easement is hereby established for the benefit of the City of Durham over all portions of the Property for the setting, removing and reading of water meters, for 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 City of Durham 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 as a result of inadequate design or construction, blocking of access routes, or any other factor within the control of the Developer, the Corporation, or any Owner or occupant of a Lot or Living Unit.

Section 5. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration, and shall thereafter be covenants running with the land, for the use and benefit of the Lots, Living Units, and the Community Common Properties, and their Owners, as the case may be, superior to all other encumbrances which may thereafter exist against, or in favor of the Property, or any portion thereof.

ARTICLE IX

INSURANCE AND FIDELITY BONDS

The Corporation shall acquire and maintain property damage, public liability and flood insurance and fidelity bonds in such amounts and with such provisions as are set forth below. Said insurance and Fidelity Bond coverage shall be in conformance with the requirements of the Federal National Mortgage Association Lending Guide, Chapter 3, Part 5, Insurance Requirements.

Section 1. Property Damage Insurance.

(a) Required Coverage: The Corporation shall acquire and maintain a policy of property insurance which shall protect against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement. The policy shall cover all of the Community Common Properties except for those that are normally excluded from coverage, such as land, foundations, excavations, etc. Fixtures and building service equipment that are considered part of the Community Common Properties, as well as personal property and supplies owned by the Corporation, shall be covered. Premiums for such insurance shall be paid by the Corporation as a common expense.

(b) Amount of Insurance: The policy shall cover 100% of the current replacement costs of the above described insurable facilities owned by the Corporation. Unless a higher maximum deductible amount is required by state law, the maximum deductible amount shall be the lesser of \$10,000. or 1% of the policy face amount. Funds to cover the deductible amounts shall be included in the Corporation's operating reserve account.

(c) Special Endorsements: The following endorsements shall be required:

- i. "Agreed amount and inflation guard endorsement", when it can be obtained:
- ii. "Construction code endorsement", if there is a construction code provision that requires changes to undamaged portions of the building even when only part of the project is destroyed by an insured hazard. Typical endorsements also include "demolition cost endorsement", "contingent liability from operation of building laws endorsement", and "increased cost of construction endorsement";
- iii. "Steam boiler and machinery coverage endorsement", if applicable, which provides that the insurer's minimum

liability per accident at least equals the lesser of \$2,000,000.00 or the insurable value of the building(s), housing the boiler(s) or machinery.

(d) Named Insured. The "loss payable" clause should show the Corporation as the named insured.

(e) Notices of Changes or Cancellation. The insurance policy shall require the insurer to notify the Corporation in writing at least ten days before it cancels or substantially changes the policy.

2. Liability Insurance. The Corporation shall acquire and maintain a comprehensive general liability insurance policy covering all Community Common Properties, public ways, and any other areas that are under its supervision. The policy shall provide coverage of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. The policy shall provide coverage for bodily injury and property damage that results from the operation, maintenance, or use of the Community Common Properties and any legal liability that results from lawsuits related to employment contracts to which the Corporation is a party. If the policy does not include "severability of interest" in its terms, then a specific endorsement is required to preclude the insurer's denial of an owner's claim, cost of negligent acts of the Corporation or other owners. The policy must provide for at least ten days written notice to the Corporation before the insurer can cancel or substantially change the policy.

Section 3. Flood Insurance. If any part of the Community Common Properties is in a special flood hazard area, the Corporation must maintain a "master" or "blanket" policy of flood insurance and provide for the premiums to be paid as a common expense. The amount of insurance should be at least equal to the lesser of 100% of the insurable value of the facilities located in the flood hazard area or the maximum coverage available under the appropriate national flood insurance administration program.

Unless a higher maximum deductible amount is required by state law, the maximum deductible amount shall be the lesser of \$5,000.00 or 1% of the policy face amount. Funds to cover this deductible amount shall be included in the Corporation's operating reserve account.

Section 4. Fidelity Bonds. The Corporation shall procure and maintain blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Corporation, whether or not he or she receives compensation for his or her services. The Corporation's bonds shall name the Corporation as the obligee and the premium shall be paid as a common expense of the Corporation. Any management agent that handles funds for the Corporation shall be covered by its own fidelity bond, which must provide the same coverage required of the Corporation. The Corporation shall be named as an additional obligee in the management agent's bond. The fidelity bonds shall cover the maximum funds that will be in the custody of the Corporation or its management agent at any time while the bond is in force. In addition, fidelity bond coverage must at least equal the sum of three months assessments against all Owners, plus the Corporation's reserve funds. Each bond must include a provision that calls for ten days written notice to the Corporation before the bond can be cancelled or substantially modified for any reason. The same notice must also be given to each servicer that services a FNMA mortgage in the project.

ARTICLE X

Section 1. Enforcement. The Corporation and each 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. The failure of the Corporation or any Owner to enforce any covenant or restriction hereby contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. The invalidation of any one or more of the covenants or restrictions herein contained by judgment or court order, shall in no way affect the other provisions hereof, all of 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 unlimited successive periods of ten (10) years each, unless terminated by an instrument executed by sixty-six and two-thirds percent (66 2/3%) of the Owners. Except for an Amendment whose sole purpose is to subject additional lands to the lien hereof, as described in Article II hereof ("Article II Amendments"), this Declaration may be amended by an instrument signed by not less than sixty-six and two-thirds percent (66 2/3%) of the Owners; provided that prior to the conveyance by Declarant of any portion of the Property, this Declaration may be amended solely by the Declarant.

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.

As long as there is a Class C membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, other than those within the lands described upon Exhibit "B", dedication of Community Common Properties, and amendment of this Declaration of Covenants, Conditions and Restrictions, other than Article II Amendments.

Section 4. Recreational Facilities. Recreational facilities will be constructed upon the parcel within Hope Valley Farms

designated "Recreation" upon the site plan of Hope Valley Farms filed with the City of Durham. These recreational facilities will be owned and operated by a separate entity ("Operator") upon such terms and conditions, not inconsistent herewith, as the Operator may deem reasonable. The Operator may charge dues and/or membership fees and may require that current payment thereof be made in order for a resident or non-resident to use such facilities. No Owner shall be required to use the Recreational Facilities, nor to pay any dues or membership fees therefor, unless such Owner desires to use the Recreational Facilities.

Section 5. Availability of Documents. The Corporation shall maintain current copies of this Declaration, its Articles of Incorporation and By-Laws, and any other rules and regulations affecting the Property, and of all of the Corporation's books, records and financial statements, all of which shall be available for inspection during normal business hours by all Owners and by the holders, insurers and guarantors of mortgages and deeds of trust encumbering portions of the Property. Furthermore, any holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

Section 6. Rights of Eligible Mortgage Holders. Eligible Mortgage Holders are those holders of a first mortgage of deed of trust encumbering a Lot or Living Unit who have requested the Corporation to notify them of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders hereunder. The term "Eligible Mortgage Holder" includes the Federal National Mortgage Association. Any amendments of this Declaration or of the by-laws of the Corporation, other than Article II Amendments, shall require the approval of at least fifty-one percent (51%) of the Eligible Mortgage Holders. The

termination of this Declaration or of the existence of the Corporation, for reasons other than substantial destruction or condemnation of the Property, shall require the approval of at least sixty-seven percent (67%) of the Eligible Mortgage Holders.

An Eligible Mortgage Holder shall be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects a material portion of the Property;

(b) Any sixty-day delinquency in the payment of assessments or charges owed by the owner of any Lot of Living Unit upon which it holds a mortgage or deed of trust.

(c) A lapse, cancellation or material modification of an insurance policy or fidelity bond maintained by the Corporation; and

(d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

To obtain this information, the mortgage holder must send a written request to the Corporation, stating both its name and address and a legal description or address of the Lot or Living Unit encumbered by its mortgage or deed of trust.

Section 7. If all or any part of the Community Common Properties shall be taken by an entity having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Corporation. Unless otherwise required by law at the time of such taking, any award made therefore shall be disbursed by the Corporation as hereinafter provided. If at least sixty-seven (67%) percent of each class of the Members shall decide within sixty (60) days after such taking to replace the condemned improvements, or any part thereof on the remaining lands which are part of the Community Common Properties, then the Board of Directors of the Corporation shall arrange for such replacement, and the Corporation shall disburse the proceeds of such award, to the extent necessary, as to pay the cost of such replacement. Any remainder of such funds shall be disbursed by

the Corporation to the Members, with an equal share being paid to the owner of each Lot and Living Unit. If at least sixty-seven percent (67%) of the Members of the Corporation shall not decide within sixty (60) days after such taking to replace the condemned improvements, or if the taking is confined to Community Common Properties on which no improvements have been constructed, then the Corporation shall disburse all proceeds of the award as above provided.

Section 8. During the period when the Declarant may cast a majority of the votes entitled to be cast, the Corporation shall not be bound either directly or indirectly to any contract or lease (including a management contract) unless such contract or lease contains a right of termination, without cause, which is exercisable without penalty at any time after transfer of control of the Corporation, upon not more than 90 days' notice to the other party.

ARTICLE XI

ELECTRICAL SERVICE

Declarant reserves the right to subject the Property to a contract with Duke Power 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 Duke Power Company by the Owner of each Lot and/or Living Unit.

ARTICLE XII

ARCHITECTURAL CONTROL AND INSPECTION

No site preparation or construction, erection, or installation or any improvements, including, but not limited to, residences, outbuildings, fences, walls and other structures, shall be undertaken within the Property, unless and until the plans and specifications therefor, showing the nature, kind, shape, height, materials, and location of the proposed improvements shall have

been submitted to the Board of Directors of the Corporation and expressly approved in writing by it. No subsequent alteration of improvements may be undertaken without prior review and express written approval of the Board of Directors of the Corporation. The Corporation shall have the right to delegate its right of approval hereunder to an "Architectural Committee" composed of three (3) or more (but always an odd number of) representatives appointed by the Board.

In the event that the Board of Directors or Architectural Committee, as the case may be, fails to approve or disapprove the site or design of any proposed improvements within thirty (30) days after plans and specifications therefor have been submitted and received, approval of the submitted items will be deemed granted, and the requirements of this Article will be deemed to have been fully met; provided, however, that the plans and specifications required to be submitted shall not be deemed to have been received by the Board of Directors, or Architectural Committee, as the case may be, if they contain erroneous data or fail to present adequate information upon which the Board of Directors or Architectural Committee, as the case may be, can arrive at a decision.

The Board of Directors and Architectural Committee, and their designees shall have the right, at their election, but shall not be required to, enter upon any Lot or building site during site preparation, 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 and in a good and workmanlike manner, utilizing approved methods and materials of an appropriate quality.

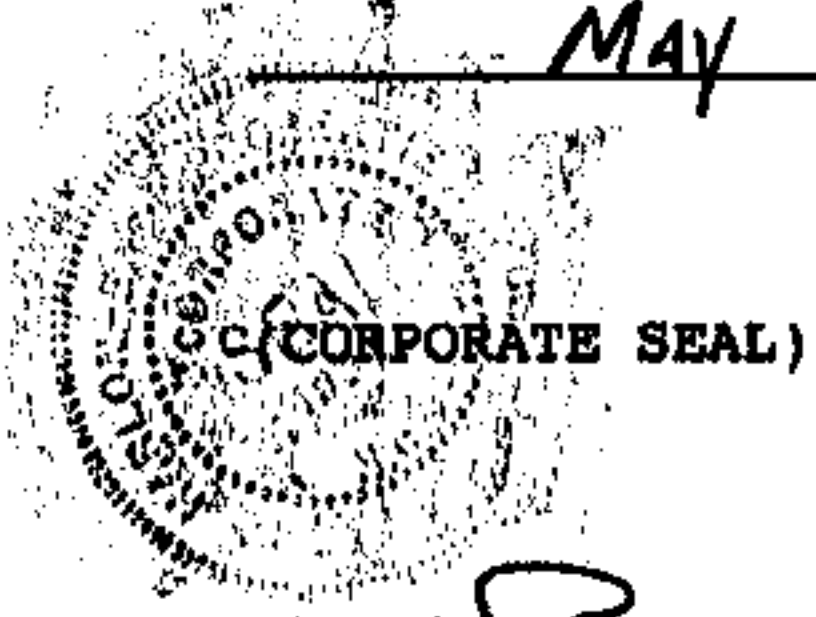
ARTICLE XIII

EXTERIOR MAINTENANCE

It shall be the duty of each Owner to properly maintain his Lot and Living Unit, and all improvements constructed thereon.

If, in the opinion of the Board of Directors of the Corporation, any Owner shall fail to maintain the Lot or Living Unit owned by him in a manner which is reasonably neat and orderly, or shall fail to keep the improvements constructed thereon in a state of repair so as not to be unsightly, the Corporation, by the affirmative vote of two-thirds of the members of the Board of Directors and following ten (10) day written notice to the Owner, may enter upon and make, or cause to be made, repairs to any improvements and perform such maintenance on a Lot as the removal of trash, cutting of grass, pruning of shrubbery, and seeding and correction of items of erosion control. Furthermore, the Corporation shall have a reasonable right of entry into any Lot or Living Unit for the purpose of making emergency repairs, without prior notice. The Corporation shall have an easement for the purpose of accomplishing the foregoing. All costs incurred by the Corporation in rendering all such services, plus a service charge of fifteen percent (15%) of such costs, shall be added to and become a part of the assessment to which such Lot or Living Unit is subject.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 27th day of MAY, 1988.



Hope Valley Venture (SEAL)
A North Carolina Joint Venture
By: Harlon-East Properties, Inc.
a North Carolina Corporation,
Venturor

By: [Signature]
Vice President

Attest [Signature]
Assistant Secretary



and
American General Realty Investment Corporation,
~~Secretary~~
~~Atlas Realty Company of Texas~~
~~Atlas Realty Company of Texas~~

(CORPORATE SEAL)
Attest [Signature]
Assistant Secretary

By: [Signature]
W. G. Orr
Senior Vice President

NORTH CAROLINA

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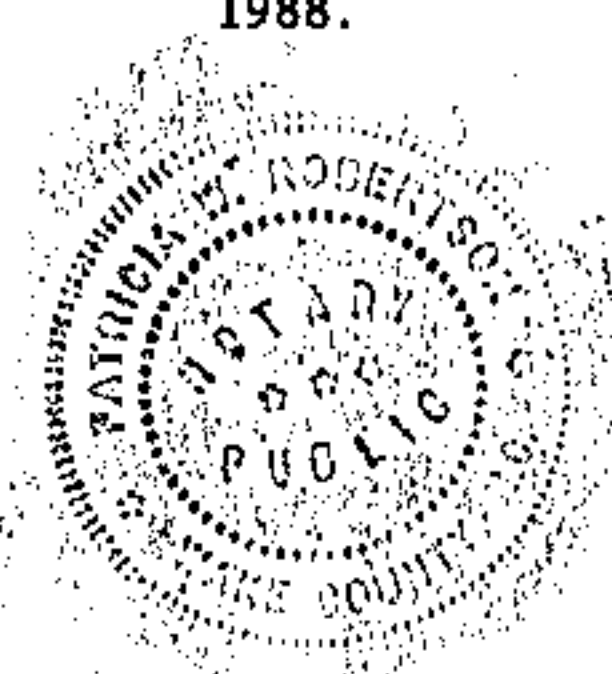
WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Reynold Ballew personally came before me this day and acknowledged that she is ASST. Secretary of Harlon-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 Reynold as its ASST. Secretary, all as a general partner of Hope Valley Venture, 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 June, 1988.

Patricia W. Robertson
Notary Public

My Commission expires: 3/27/90



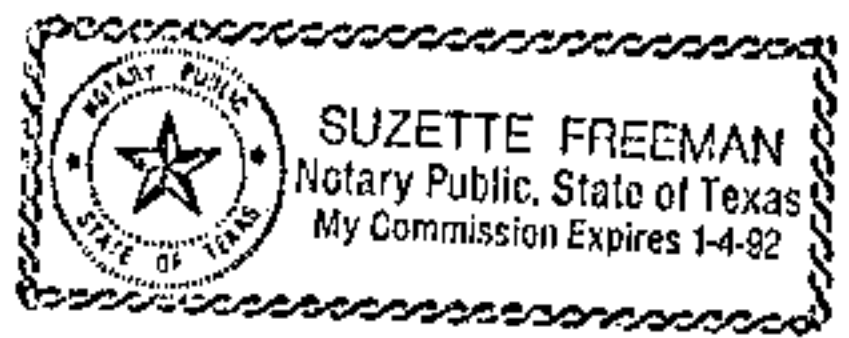
STATE OF Texas :
COUNTY OF Harris :

I, a Notary Public of the County and State aforesaid, certify that John R. Yochum personally came before me this day and acknowledged that he is ASST. Secretary of American General Realty Investment Corporation, a Texas corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Sr. Vice President, sealed with its corporate seal and attested by John R. Yochum as its ASST. Secretary, all as a general partner of Hope Valley Venture, 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 8th day of June, 1988.

Suzette Freeman
Notary Public

My Commission expires: _____



The undersigned beneficiary under those two (2) deeds of trust from Hope Valley Venture to Paul A. Patrick, Trustee dated 22 June 1987 and 25 February 1988 and recorded, respectively, in Book 1381, page 459 and in Book 1437, page 934, Durham County Registry, does hereby subordinate the liens of those two (2) deeds of trust referred to above to the foregoing Declaration, and the undersigned beneficiary agrees that the property subject to those deeds of trust, to the extent applicable, shall be subject to the terms, covenants and conditions of the foregoing Declaration, and beneficiary does hereby request the Trustee under those deeds of trust to join in this subordination.

[CORPORATE SEAL]



AMERICAN GENERAL INVESTMENT CORPORATION

By: [Signature]
Name: Paul A. Patrick
Title: Sec. Vice President

ATTEST:

[Signature]
Asst. Secretary

[Signature] (SEAL)
Paul A. Patrick, Trustee

STATE OF Texas :

COUNTY OF Harris :

I, Suzette Freeman, a Notary Public of the County and State aforesaid, certify that John R. Yochum personally came before me this day and acknowledged that he is Asst. Secretary of American General Investment Corporation, a Texas corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Sec. Vice President, sealed with its corporate seal and attested by John R. Yochum its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 8th day of June, 1988.



[Signature]
Notary Public
My Commission Expires: _____

STATE OF Texas :

COUNTY OF Harris :

I, Suzette Freeman, a Notary Public of the County and State aforesaid, certify that Paul A. Patrick, Trustee personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and Notarial Stamp/Seal, this 8th day of June, 1988.



[Signature]
Notary Public
My Commission expires: _____

The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.

PULTE HOMES CORPORATION

By: Thomas Hankins, Attorney-in-Fact

Thomas Hankins, Attorney-in-Fact
pursuant to that Power of Attorney
recorded in Book 1414, page 200,
Durham County Registry

STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, Shirley A. Wilson, a Notary Public for the County of Wake and state aforesaid, do hereby certify that Thomas Hankins, Attorney-in-Fact for Pulte Home Corporation, personally appeared before me this day and being by me duly sworn, acknowledged that he executed the foregoing and annexed instrument for and in behalf of Pulte Home Corporation and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of the Register of Deeds of Durham County, North Carolina on November 12, 1987 and recorded in Book 1414, at Page 200, Durham County Registry, and that this instrument was executed under and by virtue of the authority given by said instrument granting him Power of Attorney; that the said Thomas Hankins acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Pulte Home Corporation.

Witness my hand and notarial seal this the 11th day of July, 1988.



Shirley A. Wilson
Notary Public
My Commission Expires: Shirley A. Wilson
Notary Public, Wake County, NC
My Commission Expires April 21, 1992

The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.



CANTERBURY HOMES RTP, INC.

By: Larry Marshall
Name: _____
Title: Pres.

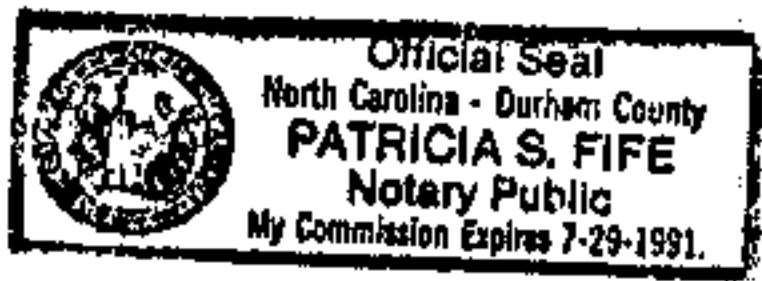
Sandra Marshall
Secretary

STATE OF NORTH CAROLINA :
COUNTY OF Durham :

I, Patricia S. Fife a Notary Public of the County and State aforesaid, certify that Sandra Marshall personally came before me this day and acknowledged that she is _____ Secretary of Canterbury Homes RTP, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by her as its _____ Secretary.

WITNESS my hand and official stamp or seal, this 27th day of May, 1988.

Patricia S. Fife
Notary Public



My Commission Expires: 7-29-91

The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.

[CORPORATE SEAL]

THE RYLAND GROUP, INC.

1987

By: William P. Berry
Name: William P. Berry
Title: Vice Pres

ATTEST: Reg B. Huntley Sr.
Secretary

STATE OF NORTH CAROLINA :

COUNTY OF Mecklenburg :

I, Kimberly A. Bolt, a Notary Public of the County and State aforesaid, certify that Reg B. Huntley Sr. personally came before me this day and acknowledged that he is Asst. Secretary of The Ryland Group, 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 _____ as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 31st day of May, 1988.



Kimberly A. Bolt
Notary Public

My Commission Expires: Nov. 4, 1990

The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.



WEEKLEY HOMES, INC.

By: [Signature]
Name: David M. Weekley
Title: President

ATTEST:

[Signature]
Asst. Secretary
SHARON GREENBERG
Asst. Secretary

STATE OF Texas :
COUNTY OF Harris :

I, Tina Bradford, a Notary Public of the County and State aforesaid, certify that Sharon Greenberg personally came before me this day and acknowledged that she is Asst. Secretary of Weekley Homes, Inc., a Texas corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by Sharon Greenberg as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 3rd day of June, 1988.



Tina Bradford
Notary Public

My Commission Expires: _____

The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.

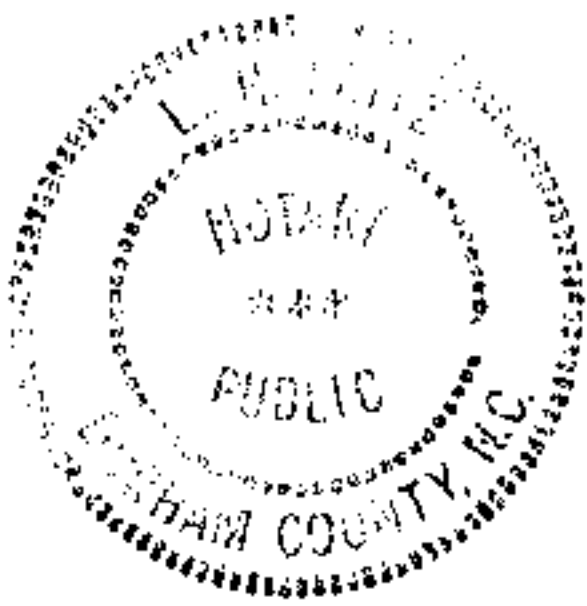
Bryant B. Roberts (SEAL)
Bryant B. Roberts

STATE OF NORTH CAROLINA :

COUNTY OF DURHAM :

I, L. M. Smith, a Notary Public of the County and State aforesaid, certify that Bryant B. Roberts personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and Notarial Stamp/Seal, this 10 day of June, 1988.



L. M. Smith
Notary Public

My Commission expires: 5-17-93

The undersigned, being the new purchaser and owner of Lot 2, Phase One, Windsor Oaks Subdivision as shown on plat recorded in Plat Book 116, Page 114, Durham County Registry, and said lot being contained within the Property subject to this Declaration, do hereby consent to the imposition of this Declaration on the Lot owned by the undersigned within the Property, and do hereby subordinate their fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lot presently owned by the undersigned located within the Property shall be subject to this Declaration.

This the 31st day of May, 1988.

Alexander E. Morris by his attorney-in-fact,

Molly H Lewis (SEAL)
ALEXANDER E. MORRIS by his attorney-in-fact, MOLLY H. LEWIS

Margaret D. Morris, by her attorney-in-fact,

Molly H Lewis (SEAL)
MARGARET D. MORRIS by her attorney-in-fact, MOLLY H. LEWIS

STATE OF NORTH CAROLINA
COUNTY OF WAKE

Susan E. McGuire, a Notary Public for said County and State, do hereby certify that MOLLY H. LEWIS, attorney in fact for ALEXANDER E. MORRIS, personally appeared before me this day and being duly sworn, says that she executed the foregoing annexed instrument for and in behalf of said ALEXANDER E. MORRIS, and that her authority to execute and acknowledge said instrument contained in an instrument duly executed and acknowledged on the 26th day of May, 1988 and recorded in the office of the Register of Deeds in the County of Durham, State of North Carolina, and that this instrument was executed under and by virtue of the authority given by said instrument granting her power of attorney. I do further certify that the said MOLLY H. LEWIS acknowledged the due execution of the foregoing annexed instrument for the purposes therein expressed for and in behalf of the said ALEXANDER E. MORRIS. Witness my hand and official seal this 31st day of May, 1988.

Commission Expires: 11/15/91

Susan E. McGuire
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF WAKE

Susan E. McGuire, a Notary Public for said County and State, do hereby certify that MOLLY H. LEWIS, attorney in fact for MARGARET D. MORRIS, personally appeared before me this day and being duly sworn, says that she executed the foregoing annexed instrument for and in behalf of the said MARGARET D. MORRIS, and that her authority to execute and acknowledge said instrument contained in an instrument duly executed and acknowledged on the 26th day of May, 1988 and recorded in the office of the Register of Deeds in the County of Durham, State of North Carolina, and that this instrument was executed under and by virtue of the authority given by said instrument granting her power of attorney. I do further certify that the said MOLLY H. LEWIS acknowledged the due execution of the foregoing annexed instrument for the purposes therein expressed for and in behalf of the said MARGARET D. MORRIS. Witness my hand and official seal this 31st day of May, 1988.

Commission Expires: 11/15/91

Susan E. McGuire
Notary Public



The undersigned, being the owner of a Lot or Lots contained within the Property subject to this Declaration, does hereby consent to the imposition of this Declaration on all Lots owned by the undersigned within the Property, and does hereby subordinate its fee ownership to the terms, covenants and conditions of the foregoing Declaration, and the Lots presently owned by the undersigned located within the Property shall be subject to this Declaration.

John E Tavs (SEAL)
Name: John E. Tavs

STATE OF NORTH CAROLINA :

COUNTY OF DURHAM :

I, Sylvia L. Husketh (Fowler), a Notary Public of the County and State aforesaid, certify that John E. Tavs personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and Notarial Stamp/Seal, this 23 day of June, 1988.

Sylvia L. Husketh (Fowler)
Notary Public

Sylvia L. Husketh (Fowler) Commission Expires: 2-16-89
L H FRITZ
TINA BRADFORD

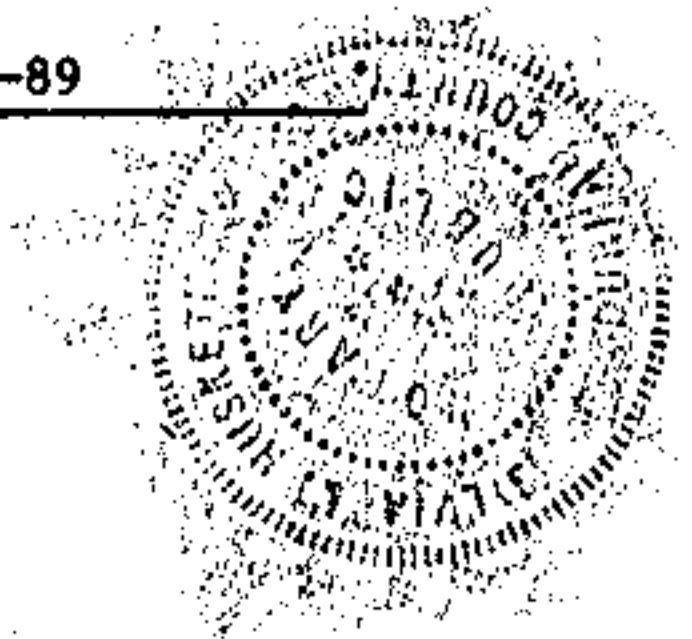
State of North Carolina-Durham County: Kimberly A. Bolt

SUSAN E. ARBORE
Suzette Franklin Shirley A. Wilson Patricia S. Fife,
The foregoing certificate(s) of PATRICIA W. Robertson

A Notary (Notaries) Public for the Designated Governments units is (are) certified to be correct.

This the 11 day of July A.D. 1988

Ruth C. Garrett Diana Wright
Register of Deeds By: Assistant, Deputy Register of Deeds



FILED
BOOK 1462 PAGE 912-907

JUL 11 4 22 PM '88

RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, NC

EXHIBIT "A"

Being all of that property as shown on the following recorded plats:

- (1) Windsor Oaks Subdivision, Phase One, Section One as shown on that plat recorded in Plat Book 116, page 114, Durham County Registry.
- (2) Windsor Oaks Subdivision, Phase One, Section Two as shown on that plat recorded in Plat Book 117, page 131, Durham County Registry.
- (3) Windsor Oaks Subdivision, Phase One, Section Three as shown on that plat recorded in Plat Book 117, page 169, Durham County Registry.
- (4) Windsor Oaks Subdivision, Phase One, Section Four as shown on that plat recorded on Plat Book 118, page 12, Durham County Registry.
- (5) Windsor Oaks Subdivision, Phase One, Section Five as shown on that plat recorded in Plat Book 118, page 44, Durham County Registry.
- (6) Oakbrook Subdivision, Phase One as shown on that plat recorded in Plat Book 116, page 131, Durham County Registry.
- (7) Oakbrook Subdivision, Phase One, Revised, Lots 117-119, as shown on that plat recorded in Plat Book 117, page 1, Durham County Registry.
- (8) Oakbrook Subdivision, Phase Two, as shown on that plat recorded in Plat Book 117, page 158, Durham County Registry.
- (9) Oakbrook Subdivision, Phase One, Revised, Lots 94-110, as shown on that plat recorded in Plat Book 118, page 45, Durham County Registry.

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EXHIBIT "B"

TRACT A

Lying and being in Durham County, North Carolina and being all of Lots 98, 99, 100, 101, 102 and 103 as shown on that plat of Rose Park recorded in Plat Book 28A, page 44, Durham County Registry.

TRACT B

A certain tract or parcel of land lying and being in the City of Durham, Durham County, North Carolina, more fully described by as follows, viz:

BEGINNING at an iron pipe in the eastern right of way line of Hope Valley Road [said road having a right of way width of sixty feet], the southwest corner of that property owned (now or formerly) by Bradley, said pipe having North Carolina Grid Coordinate values of $y = 792,419.05$ and $x = 2,013,703.99$ [NAD27]; thence with the southern line of the Bradley property $S 86^{\circ}48'09'' E$, a distance of 389.57 feet to an existing iron pin; thence with Bradley's eastern property line $N 12^{\circ}50'58'' W$, a distance of 168.01 feet to an existing iron pin, a common corner of the Bradley property and the property (now or formerly) of Jenkins; thence with Jenkins west line $N 13^{\circ}08'33'' W$, a distance of 118.42 feet to an existing iron pin, a common corner of the Jenkins property and that property owned (now or formerly) by Wade; thence with the line of Wade and that property owned (now or formerly) by Atkins the following four courses and distances: (1) $N 23^{\circ}23'37'' E$, a distance of 70.07 feet to an existing iron pin, (2) $S 61^{\circ}50'13'' E$, a distance of 110.66 feet to an existing iron pin, (3) $N 32^{\circ}28'25'' E$, a distance of 97.28 feet to an existing iron pin, and (4) $N 08^{\circ}10'24'' E$, a distance of 481.11 feet to an existing iron pin, Atkin's corner in the line of Southland Park Subdivision, said pin being located at North Carolina grid coordinates $y = 793,246.81$ and $x = 2,014,274.67$; thence with the

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southern property line of the Southland Park Subdivision property N 89°31'31" E, a distance of 260.98 feet to an existing iron pin; and continuing with the Southland Park Subdivision southern property line N 89°40'16" E, a distance of 367.56 feet to an existing iron pin, southeast corner for Southland Park; thence with the eastern property line of the Southland Park Subdivision N 00°26'10" E, a distance of 650.69 feet to an existing iron pin, a corner of that property owned (now or formerly) by Fortune; thence with Fortune's southern property line S 89°07'20" E, a distance of 1650.66 feet to a point in the center of Third Fork Creek, thence northerly along the centerline and with the meander of Third Fork Creek the following courses and distances: N 31°13'28" E, a distance of 141.62 feet to a bend point in the creek, thence N 01°26'24" W, a distance of 93.05 feet to a bend point in the creek, thence N 17°58'46" E, a distance of 124.87 feet to a bend point in the creek, thence N 36°42'16" East, a distance of 64.16 feet to a bend point in the creek, thence S 59°30'21" E, a distance of 50.33 feet to a bend point in the creek, thence S 14°31'39" E a distance of 91.95 feet to a bend point in the creek, thence S 74°42'38" E, a distance of 34.99 feet to a bend point in the creek, thence N 70°42'43" E, a distance of 82.21 feet to a bend point in the creek, thence N 34°40'23" E, a distance of 80.26 feet to a bend point in the creek, thence N 15°51'57" E, a distance of 88.03 feet to a bend point in the creek, thence N 81°47'31" W, a distance of 59.94 feet to a bend point in the creek, thence N 39°36'25" E, a distance of 30.16 feet to a bend point in the creek, thence N 34°13'45" E, a distance of 28.78 feet to a bend point in the creek, thence N 34°25'35" E, a distance of 94.31 feet to a bend point in the creek, thence N 09°52'21" W, a distance of 94.28 feet to a bend point in the creek, thence N 01°43'08" W, a distance of 38.93 feet to a bend point in the creek, thence N 70°40'21" E, a distance of 108.08 feet to a bend point in the creek, thence N 15°23'29" W, a distance of 199.59 feet to a bend point in the creek, thence N

07°44'04" W, a distance of 66.60 feet to a bend point in the creek, thence S
 81°28'35" W, a distance of 47.03 feet to a bend point in the creek, thence N
 39°11'12" W, a distance of 52.41 feet to a bend point in the creek, thence N
 13°02'25" E, a distance of 62.23 feet to a bend point in the creek, thence
 S 89°04'47" W, a distance of 107.78 feet to a bend point in the creek, thence N
 18°36'02" W, a distance of 30.04 feet to a bend point in the creek, thence N
 16°31'35" E, a distance of 112.84 feet to a bend point in the creek, thence N
 03°06'47" E, a distance of 141.83 feet to a bend point in the creek, thence N
 23°38'22" E, a distance of 106.92 feet to a bend point in the creek, thence N
 48°23'43" E, a distance of 102.44 feet to a bend point in the creek, thence N
 30°55'08" E, a distance of 71.91 feet to a bend point in the creek, thence N
 22°17'17" W, a distance of 51.17 feet to a bend point in the creek, thence N
 25°28'03" E, a distance of 126.63 feet to a bend point in the creek, thence N
 80°26'13" E, a distance of 52.42 feet to a bend point in the creek, thence S
 31°20'06" E, a distance of 106.85 feet to a bend point in the creek, thence N
 82°10'13" E, a distance of 54.72 feet to a bend point in the creek, thence N
 08°24'41" E, a distance of 46.83 feet to a bend point in the creek, thence N
 20°46'41" E, a distance of 81.38 feet to a bend point in the creek, thence S
 87°23'30" W, a distance of 45.95 feet to a bend point in the creek, thence N
 80°16'33" W, a distance of 26.69 feet to a bend point in the creek, thence N
 59°31'10" W, a distance of 18.26 feet to a bend point in the creek, thence N
 05°46'57" E, a distance of 86.14 feet to a bend point in the creek, thence N
 28°39'43" E, a distance of 40.13 feet to a bend point in the creek, thence N
 81°29'39" E, a distance of 29.59 feet to a bend point in the creek, thence S
 63°02'21" E, a distance of 41.86 feet to a bend point in the creek, thence N
 77°53'26" E, a distance of 95.75 feet to a bend point in the creek, thence S
 69°55'36" E, a distance of 12.86 feet to a bend point in the creek, thence N
 60°40'38" E, a distance of 14.53 feet to a bend point in the creek, thence N

15°54'22" E, a distance of 47.78 feet to a bend point in the creek, thence N
03°30'58" W, a distance of 41.30 feet to a bend point in the creek, thence N
10°16'45" W, a distance of 51.83 feet to a bend point in the creek, thence N
42°43'33" W, a distance of 63.17 feet to a bend point in the creek, thence N
00°07'19" E, a distance of 20.90 feet to a bend point in the creek, thence N
32°57'48" E, a distance of 22.37 feet to a bend point in the creek, thence N
88°20'11" E, a distance of 48.23 feet to a bend point in the creek, thence S
62°24'46" E, a distance of 45.99 feet to a bend point in the creek, thence S
89°03'32" E, a distance of 27.52 feet to a bend point in the creek, thence N
41°37'02" E, a distance of 35.15 feet to a bend point in the creek, thence N
01°44'23" W, a distance of 46.14 feet to a bend point in the creek, thence N
39°09'27" W, a distance of 66.25 feet to a bend point in the creek, thence N
19°14'36" W, a distance of 64.45 feet to a bend point in the creek, thence N
07°55'45" E, a distance of 58.47 feet to a bend point in the creek, thence N
25°58'10" E, a distance of 39.46 feet to a bend point in the creek, thence N
43°18'43" E, a distance of 100.55 feet to a bend point in the creek, thence N
51°16'13" E, a distance of 30.58 feet to a bend point in the creek, thence S
85°13'51" E, a distance of 30.49 feet to a bend point in the creek, thence S
54°13'05" E, a distance of 28.19 feet to a bend point in the creek, thence N
73°01'57" E, a distance of 37.65 feet to a bend point in the creek, thence N
21°04'22" E, a distance of 45.96 feet to a bend point in the creek, thence N
51°38'10" E, a distance of 65.42 feet to a bend point in the creek, thence N
73°07'30" E, a distance of 109.23 feet to a bend point in the creek, thence N
79°51'44" E, a distance of 90.61 feet to a bend point in the creek, thence N
25°17'21" E, a distance of 94.30 feet to a bend point in the creek, thence N
37°25'53" E, a distance of 36.52 feet to a bend point in the creek, thence N
05°24'45" E, a distance of 52.74 feet to a bend point in the creek, thence N
15°22'37" E, a distance of 33.96 feet to a bend point in the creek, thence N

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77°34'29" E, a distance of 17.00 feet to a bend point in the creek, thence N
25°02'48" E, a distance of 44.69 feet to a bend point in the creek, thence N
16°58'06" W, distance of 150.46 feet to a bend point in the creek, thence N
29°12'06" W, a distance of 54.07 feet to a bend point in the creek, thence N
52°49'24" W; distance of 18.09 feet to a bend point in the creek, thence N
02°45'52" E, a distance of 48.49 feet to a bend point in the creek, thence N
54°03'41" E, a distance of 43.79 feet to a bend point in the creek, thence N
72°17'35" E, a distance of 53.86 feet to a bend point in the creek, thence N
13°31'56" E, a distance of 44.71 feet to a bend point in the creek, thence N
37°40'35" E, a distance of 31.12 feet to a bend point in the creek, thence N
67°30'45" E, a distance of 39.73 feet to a bend point in the creek, thence N
81°18'14" E, a distance of 105.83 feet to a bend point in the creek, thence N
38°24'09" E, a distance of 36.74 feet to a bend point in the creek, thence N
08°36'32" E, a distance of 138.35 feet to a bend point in the creek, thence N
33°44'07" E, a distance of 38.27 feet to a bend point in the creek, thence N
43°14'01" E, a distance of 27.50 feet to a bend point in the creek, thence N
42°31'50" E, a distance of 44.96 feet to a bend point in the creek, thence S
54°46'39" E, a distance of 43.26 feet to a bend point in the creek, thence S
79°11'08" E, a distance of 60.59 feet to a bend point in the creek, thence S
59°29'41" E, a distance of 32.96 feet to a bend point in the creek, thence S
36°53'24" E, a distance of 13.27 feet to a bend point in the creek, thence N
57°01'18" E, a distance of 24.40 feet to a bend point in the creek, thence N
06°09'26" E, a distance of 22.44 feet to a bend point in the creek, thence N
12°34'16" W, a distance of 34.01 feet to a bend point in the creek, thence N
14°31'39" E, distance of 40.41 feet to a bend point in the creek, thence N
65°56'52" E, a distance of 85.22 feet to a bend point in the creek, thence N
83°32'57" E, a distance of 30.49 feet to a bend point in the creek, thence S
57°53'11" E, a distance of 43.16 feet to a bend point in the creek, thence S

30°32'00" E, a distance of 46.36 feet to a bend point in the creek, thence S
 45°19'51" E, a distance of 61.76 feet to a bend point in the creek, thence S
 22°17'32" E, a distance of 44.69 feet to a bend point in the creek, thence S
 35°38'35" E, a distance of 40.41 feet to a bend point in the creek, thence S
 82°15'39" E, a distance of 17.58 feet to a bend point in the creek, thence S
 69°36'56" E, a distance of 28.12 feet to a bend point in the creek, thence S
 40°01'32" E, a distance of 21.30 feet to a bend point in the creek, thence N
 78°18'49" E, a distance of 21.65 feet to a bend point in the creek, thence N
 43°03'02" E, a distance of 45.45 feet to a bend point in the creek, thence N
 49°10'03" E, a distance of 39.02 feet to a bend point in the creek, thence N
 21°10'52" E, a distance of 33.76 feet to a bend point in the creek, thence N
 63°32'22" E, a distance of 27.34 feet to a bend point in the creek, thence N
 61°20'30" E, a distance of 39.76 feet to a bend point in the creek, thence N
 48°45'53" E, a distance of 37.97 feet to a bend point in the creek, thence N
 15°41'04" W, a distance of 33.27 feet to a bend point in the creek, thence N
 36°29'05" E, a distance of 111.83 feet to a bend point in the creek, thence N
 16°29'10" E, a distance of 24.85 feet to a bend point in the creek, thence N
 20°00'20" W, a distance of 22.91 feet to a bend point in the creek, thence N
 00°03'31" W, a distance of 21.54 feet to a bend point in the creek, thence N
 33°03'31" E, a distance of 44.47 feet to a bend point in the creek, thence N
 38°51'02" E, a distance of 86.50 feet to a bend point in the creek, thence N
 30°02'33" E, a distance of 20.93 feet to a bend point in the creek, thence N
 12°00'02" E, a distance of 18.51 feet to a bend point in the creek, thence N
 39°05'02" W, a distance of 50.03 feet to a bend point in the creek, thence N
 76°09'43" W, a distance of 24.27 feet to a bend point in the creek, thence N
 33°18'22" W, a distance of 11.64 feet to a bend point in the creek, thence N
 32°16'51" E, a distance of 50.90 feet to a bend point in the creek, thence N
 62°34'47" E, a distance of 101.73 feet to a bend point in the creek, thence N

22°06'12" E, a distance of 63.11 feet to a bend point in the creek, thence N
 01°29'00" W, a distance of 19.97 feet to a bend point in the creek, thence N
 42°25'20" E, a distance of 51.18 feet to a bend point in the creek, thence N
 74°37'25" E, a distance of 37.82 feet to a bend point in the creek, thence N
 21°21'26" E, a distance of 44.36 feet to a bend point in the creek, thence N
 04°02'47" W, a distance of 27.35 feet to a bend point in the creek, thence N
 53°11'34" W, a distance of 61.86 feet to a bend point in the creek, thence N
 30°30'29" E, a distance of 58.69 feet to a bend point in the creek, thence S
 64°55'19" E, a distance of 33.84 feet to a bend point in the creek, thence S
 87°06'50" E, a distance of 99.82 feet to a bend point in the creek, thence N
 71°39'37" E, a distance of 24.29 feet to a bend point in the creek, thence N
 39°30'02" E, a distance of 53.95 feet to a bend point in the creek, thence N
 19°49'09" W, a distance of 27.67 feet to a bend point in the creek, thence N
 37°26'55" E, a distance of 59.04 feet to a bend point in the creek, thence N
 57°23'42" E, a distance of 50.00 feet to a bend point in the creek, thence N
 84°43'46" E, a distance of 50.19 feet to a bend point in the creek, thence N
 16°37'54" E, a distance of 88.25 feet to a bend point in the creek, thence N
 69°38'57" E, a distance of 48.87 feet to a bend point in the creek, thence N
 58°45'50" E, a distance of 27.12 feet to a bend point in the creek, thence N
 43°18'49" E, a distance of 63.76 feet to a bend point in the creek, thence N
 08°37'36" W, a distance of 77.23 feet to a bend point in the creek, thence N
 24°01'52" E, a distance of 46.94 feet to a bend point in the creek, thence N
 27°59'18" W, a distance of 71.23 feet to a bend point in the creek, thence N
 51°42'04" W, a distance of 78.43 feet to a bend point in the creek, thence N
 84°21'29" W, a distance of 33.13 feet to a bend point in the creek, thence N
 29°04'01" W, a distance of 56.71 feet to a bend point in the creek, thence N
 58°29'14" E, a distance of 43.85 feet to a bend point in the creek, thence N
 08°21'17" E, a distance of 62.15 feet to a bend point in the creek, thence N

35°40'23" E, a distance of 26.48 feet to a bend point in the creek, thence S
86°24'53" E, a distance of 66.47 feet to a bend point in the creek, thence S
06°19'47" W, a distance of 37.34 feet to a bend point in the creek, thence N
81°12'08" E, a distance of 44.07 feet to a bend point in the creek, thence N
40°10'31" E, a distance of 28.91 feet to a bend point in the creek, thence N
82°16'01" E, a distance of 94.87 feet to a bend point in the creek, thence N
32°58'00" E, a distance of 51.11 feet to a bend point in the creek, thence N
83°38'45" E, a distance of 92.97 feet to a bend point in the creek, thence N
81°31'22" E, a distance of 44.11 feet to a bend point in the creek, thence N
32°14'19" E, a distance of 85.34 feet to a bend point in the creek, thence N
29°47'57" E, a distance of 199.79 feet to a bend point in the creek, thence N
43°56'08" E, a distance of 52.69 feet to a bend point in the creek, thence N
79°18'34" E, a distance of 106.62 feet to a bend point in the creek, thence S
60°57'47" E, a distance of 103.86 feet to a bend point in the creek, thence N
11°11'37" E, a distance of 105.93 feet to a bend point in the creek, thence N
68°28'09" E, a distance of 75.98 feet to a bend point in the creek, thence S
41°13'43" E, a distance of 53.27 feet to a bend point in the creek, thence S
82°23'03" E, a distance of 51.13 feet to a bend point in the creek, thence N
64°58'14" E, a distance of 196.50 feet to a bend point in the creek, thence N
37°54'42" E, a distance of 56.12 feet to a bend point in the creek, thence N
01°17'39" W, a distance of 34.24 feet to a bend point in the creek, thence N
52°39'05" E, a distance of 74.15 feet to a bend point in the creek, thence N
26°22'44" E, a distance of 54.42 feet to a bend point in the creek, thence N
38°26'07" W, a distance of 57.81 feet to a bend point in the creek, thence S
59°24'23" W, a distance of 43.35 feet to a bend point in the creek, thence N
36°07'04" W, a distance of 38.12 feet to a bend point in the creek, thence N
54°21'48" E, a distance of 52.82 feet to a bend point in the creek, thence N
42°08'58" E, a distance of 23.90 feet to a point in the centerline of said

creek; thence departing Third Fork Creek, S 88°52'00" W, a distance of 148.00 feet to an existing iron pin in the centerline of a 68' wide Duke Power Company transmission line easement; thence with the center of said transmission line easement N 38°23'46" E, a distance of 758.22 feet to a point in the creek where the centerline of Third Fork Creek intersects with the centerline of said transmission line; thence continuing with the centerline and meander of Third Fork Creek, the following courses and distances: N 01°26'18" E, a distance of 41.64 feet to a bend point in the creek, thence N 09°50'10" E, a distance of 193.04 feet to a bend point in the creek, thence N 18°02'50" E, a distance of 124.90 feet to a bend point in the creek, thence N 10°21'25" E, a distance of 125.38 feet to a bend point in the creek, thence N 37°43'57" E, a distance of 74.56 feet to a bend point in the creek, thence N 28°04'17" E, a distance of 182.15 feet to a bend point in the creek, thence N 14°31'47" E, a distance of 46.53 feet to a bend point in the creek, thence N 42°48'41" E, a distance of 96.98 feet to a bend point in the creek, thence N 26°18'28" W, a distance of 68.68 feet to a bend point in the creek, thence N 28°59'27" E, a distance of 48.12 feet to a bend point in the creek, thence N 56°50'55" E, a distance of 217.10 feet to a bend point in the creek, thence N 49°20'07" E, distance of 124.67 feet to a bend point in the creek, thence N 39°11'35" E, a distance of 89.91 feet to a bend point in the creek, thence N 40°46'54" E, a distance of 135.38 feet to a bend point in the creek, thence S 85°51'32" E, a distance of 67.46 feet to a bend point in the creek, thence N 60°00'12" E, a distance of 111.56 feet to a bend point in the creek, thence N 27°22'29" E, a distance of 45.77 feet to a bend point in the creek, thence N 67°20'57" E, a distance of 49.73 feet to a bend point in the creek, thence N 36°38'38" E, a distance of 34.13 feet to a bend point in the creek, thence S 75°56'07" E, a distance of 66.10 feet to a bend point in the creek, thence N 30°55'00" E, a distance of 49.68 feet to a bend point in the creek, thence N 18°39'31" W, a distance of

86.65 feet to a bend point in the creek, thence N 14°51'35" E, a distance of 47.28 feet to a bend point in the creek, thence N 35°06'03" E, a distance of 41.55 feet to a bend point in the creek, thence N 64°54'55" E, a distance of 19.47 feet to a bend point in the creek, thence N 21°38'54" E, a distance of 110.66 feet to a bend point in the creek, thence N 71°43'11" E, a distance of 73.24 feet to a bend point in the creek, thence N 32°02'47" E, a distance of 51.95 feet to a point in the creek, a corner of that property owned (now or formerly) by Randall, said corner being witnessed by an iron pipe on the east bank; thence departing Third Fork Creek and running with Randall's south property line N 87°25'39" E, a distance of 528.70 feet to a concrete monument found, a corner of that property owned (now or formerly) by Saunders, said monument being located at North Carolina Grid Coordinates $y = 802,033.33$ and $x = 2,022,863.00$; thence with Saunders west line S 03°57'12" E, a distance of 635.88 feet to an existing iron pin in the northern right of way line of Ardmore Drive; thence along the northern right of way line of Ardmore Drive the following three calls: (1) southwesterly on a curve to the right, said curve having a radius of 324.67 feet and a chord bearing and distance of S 61°46'43" W 155.55 feet, an arc distance of 157.08 feet to a point, (2) southwesterly on a curve to the left, said curve having a radius of 580.74 feet and a chord bearing and distance of S 56°38'43" W 378.04 feet, an arc distance of 385.05 feet to a point, (3) S 37°39'00" W, a distance of 294.67 feet to a concrete monument found, the northeast corner of that property owned (now or formerly) by Link; thence with the northern property line of Link N 83°30'28" W, a distance of 321.00 feet to a concrete monument found; and continuing with the Link property line S 38°10'42" W, a distance of 185.10 feet to an existing iron pin located 3.8 feet south of a concrete monument; thence with the south line of Ardmore Hills Subdivision property N 89°49'17" E, a distance of 1350.86 feet to an existing iron pin located at North Carolina Grid Coordinates $y =$

800,779.25 and $x = 2,023,191.52$; thence with the western property line of the Rose Park Subdivision property S $00^{\circ}49'45''$ E, a distance of 1415.99 feet to an existing iron pin (passing a witness axle 15.20 feet northerly of the terminus pin) in the northwestern right of way line of John Cook Road; thence with the northwestern right of way line for John Cook Road the following four calls: (1) southwesterly on a slight curve to the right, said curve having a radius of 2414.54 feet and a chord bearing and distance of S $36^{\circ}39'12''$ W 110.60 feet, an arc distance of 110.61 feet to a point, (2) S $37^{\circ}57'56''$ W, a distance of 489.90 feet to a point of curvature, (3) southerly along a curve to the left, said curve having a radius of 302.25 feet and a chord bearing and distance of S $18^{\circ}56'57''$ W 196.97 feet, an arc distance of 200.64 feet to a point, and (4) S $00^{\circ}04'02''$ E, a distance of 36.07 feet to an existing iron pin, the northeast corner of that property owned (now or formerly) by Covington; thence with Covington's north line S $89^{\circ}25'57''$ W, a distance of 712.30 feet to an existing iron pin; thence continuing with the western property line of Covington S $00^{\circ}31'08''$ W, a distance of 1083.69 feet to an existing iron pin in the western right of way line of John Cook Road; thence with the western and southern right of way line of John Cook Road the following courses and distances: (1) southerly on a curve to the left, said curve having a radius of 375.34 feet and a chord bearing and distance of S $11^{\circ}31'07''$ W 171.45 feet, an arc distance of 172.98 feet to a point, (2) S $01^{\circ}41'03''$ E, a distance of 555.29 feet to a point of curvature, (3) southwesterly on a curve to the right, said curve having a radius of 1365.59 feet and a chord bearing and distance of S $10^{\circ}12'36''$ W 562.90 feet, an arc distance of 566.96 feet to a point, (4) S $22^{\circ}06'14''$ W, a distance of 247.97 feet to a point of curvature, (5) easterly on a curve to the left, said curve having a radius of 207.90 feet and a chord bearing and distance of S $26^{\circ}35'36''$ E 312.36 feet, an arc distance of 353.40 feet to a point, (6) S $75^{\circ}17'26''$ E, a distance of 317.73 feet to a point of curvature, (7)

southeasterly on a curve to the right, said curve having a radius of 1900.72 feet and a chord bearing and distance of S 70°14'30" E 334.54 feet, an arc distance of 334.97 feet to a point, (8) S 65°11'35" E, a distance of 32.67 feet to an existing iron pin, and (9) southeasterly on a curve to the right, said curve having a radius of 288.98 feet and a chord bearing and distance of S 54°40'56" E 105.43 feet, an arc distance of 106.02 feet to a point; thence departing the right of way line of John Cook Road and with the northern property line of the Harmony Grove Subdivision S 87°10'11" W, a distance of the 1763.49 feet to an existing iron pin; thence with the western property line of Harmony Grove Subdivision S 00°24'52" W, a distance of 412.44 feet to an existing iron pin, corner for Massey; thence with the Massey northern property line S 89°14'27" W, a distance of 311.94 feet to a concrete monument found, Hooker's northeast corner; thence with Hooker's northern property line S 89°14'44" W, a distance of 371.15 feet to a concrete monument found, Hooker's northwest corner at Massey's northeast corner; thence with the northern property line of Massey S 89°35'00" W, a distance of 15.17 feet to an existing iron pin; continuing thence with the northern line of Massey S 89°13'37" W, a distance of 357.33 feet to an existing iron pin, northeast corner for Crescent Heights Subdivision property; thence with the north line of Crescent Heights S 88°07'24" W, a distance of 342.83 feet to an existing iron pin; and thence with the Crescent Heights Subdivision western property line the following three calls: (1) S 00°19'03" W, a distance of 146.72 feet to an existing iron pin, (2) S 00°28'24" W, a distance of 259.83 feet to an existing iron pin, and (3) S 00°22'31" W, a distance of 851.04 feet to an existing iron pin; thence with the southern line of the Crescent Heights Subdivision S 88°11'30" E, a distance of 110.17 feet to an existing iron pin; thence S 00°04'09" W, a distance of 251.69 feet to a point in the centerline of Rocky Branch; thence with the centerline and meander of Rocky Branch the following courses and distances: N 61°24'45" W,

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a distance of 25.12 feet to a bend point in the creek, thence N 76°32'00" W, a distance of 72.44 feet to a bend point in the creek, thence N 87°49'13" W, a distance of 162.30 feet to a bend point in the creek, thence N 78°05'16" W, a distance of 41.97 feet to a bend point in the creek, thence S 63°06'14" W, a distance of 24.63 feet to a bend point in the creek, thence S 15°30'46" W, a distance of 66.28 feet to a bend point in the creek, thence S 51°24'34" W, a distance of 46.75 feet to a bend point in the creek, thence N 81°51'05" W, a distance of 49.88 feet to a bend point in the creek, thence S 85°59'44" W, a distance of 114.05 feet to a bend point in the creek, thence N 58°46'16" W, a distance of 152.68 feet to a bend point in the creek, thence N 77°56'39" W, a distance of 81.09 feet to a bend point in the creek, thence S 72°38'53" W, a distance of 66.50 feet to a bend point in the creek, thence S 80°56'31" W, a distance of 213.75 feet to a bend point in the creek, thence S 55°44'29" W, a distance of 132.10 feet to a bend point in the creek, thence S 40°34'54" W, a distance of 260.55 feet to a bend point in the creek, thence S 42°33'27" W, a distance of 256.65 feet to a bend point in the creek, thence S 40°19'43" W, a distance of 291.24 feet to a bend point in the creek, thence S 43°09'49" W, a distance of 182.79 feet to a bend point in the creek, thence S 72°48'35" W, a distance of 113.60 feet to a bend point in the creek, thence N 48°28'43" W, a distance of 54.51 feet to a bend point in the creek, thence S 82°10'33" W, a distance of 31.85 feet to a bend point in the creek, thence S 22°57'03" W, a distance of 63.38 feet to a bend point in the creek, thence S 64°03'43" W, a distance of 47.77 feet to a bend point in the creek, thence N 50°47'38" W, a distance of 44.44 feet to a bend point in the creek, thence S 85°36'19" W, a distance of 49.90 feet to a bend point in the creek, thence S 61°19'57" W, a distance of 65.38 feet to a bend point in the creek, thence N 77°21'41" W, a distance of 46.91 feet to a bend point in the creek, thence S 77°09'14" W, a distance of 81.51 feet to a bend point in the creek, thence S 82°54'21" W, a

distance of 103.59 feet to a bend point in the creek, thence S 21°29'58" W, a distance of 66.62 feet to a bend point in the creek, thence N 78°56'44" W, a distance of 112.33 feet to a bend point in the creek, thence N 86°50'03" W, a distance of 165.04 feet to a bend point in the creek, thence N 75°17'18" W, a distance of 87.56 feet to a bend point in the creek, thence N 51°34'06" W, a distance of 57.04 feet to a bend point in the creek, thence N 84°13'03" W, a distance of 51.54 feet to a bend point in the creek, thence S 63°48'51" W, a distance of 68.68 feet to a bend point in the creek, thence N 54°23'43" W, a distance of 32.65 feet to a bend point in the creek, thence S 72°11'11" W, a distance of 40.35 feet to a bend point in the creek, thence S 84°52'20" W, a distance of 111.63 feet to a bend point in the creek, thence N 85°52'25" W, a distance of 106.14 feet to a bend point in the creek, thence N 49°14'32" W, a distance of 27.57 feet to a bend point in the creek, thence S 57°40'07" W, a distance of 127.26 feet to the point of confluence of Rocky Branch with Third Fork Creek; thence with the centerline and meander of Third Fork Creek the following eighteen calls : S 56°06'36" W, a distance of 27.40 feet to a bend point in the creek, thence S 49°50'09" W, a distance of 114.22 feet to a bend point in the creek, thence S 58°48'11" W, a distance of 114.37 feet to a bend point in the creek, thence S 41°51'23" W, a distance of 94.52 feet to a bend point in the creek, thence S 58°16'01" W, a distance of 69.13 feet to a bend point in the creek, thence S 48°51'18" W, a distance of 48.49 feet to a bend point in the creek, thence S 58°01'00" W, a distance of 38.30 feet to a bend point in the creek, thence S 51°25'29" W, a distance of 65.63 feet to a bend point in the creek, thence S 27°19'06" W, a distance of 44.24 feet to a bend point in the creek, thence S 52°56'19" W, a distance of 46.45 feet to a bend point in the creek, thence S 56°19'47" W, a distance of 50.96 feet to a bend point in the creek, thence S 69°51'33" W, a distance of 51.04 feet to a bend point in the creek, thence S 44°45'30" W, a distance of 62.05 feet to a bend

point in the creek, thence S 56°16'05" W, a distance of 37.07 feet to a bend point in the creek, thence N 87°15'08" W, a distance of 53.82 feet to a bend point in the creek, thence N 78°23'44" W, a distance of 43.95 feet to a bend point in the creek, thence N 66°48'03" W, a distance of 33.33 feet to a point in the creek, common corner for the Windemere Company property; thence with north property line of that property owned (now or formerly) by the Windemere Company S 88°05'57" W, a distance of 1040.66 feet to an existing iron pin; thence N 38°37'41" W, a distance of 460.75 feet to an existing iron pin, corner for Ward, thence with said Ward property line S 72°35'15" W, a distance of 200.20 feet to an existing iron pin; thence southwesterly on a curve to the left, said curve having a radius of 1095.92 feet and a chord bearing and distance of S 60°11'42" W 470.36 feet, an arc distance of 474.05 feet to a point; thence with Ward N 60°04'04" W, a distance of 72.82 feet to an existing iron pin in the eastern right of way line of Hope Valley Road; thence with the eastern right of way line of Hope Valley Road N 30°04'00" E, a distance of 94.48 feet to an existing iron pin, a corner of that lease tract described in Book 1286, page 233, Durham County Registry; thence northeasterly on a curve to the right, said curve having a radius of 1195.92 feet and a chord bearing and distance of N 61°19'25" E 426.74 feet, an arc distance of 429.04 feet to an existing iron pin in the north line of the Ward parcel described in the lease memorandum recorded in Deed Book 1286 page 233 Durham Registry; thence with the north line of that leased tract N 85°56'44" W, a distance of 262.77 feet to an existing iron pin in the eastern right of way line of Hope Valley Road, thence with the eastern right of way line of Hope Valley Road N 26°04'33" E, a distance of 58.28 feet to an existing iron pin, the point and place of BEGINNING, and containing 683.026 acres, more or less, and being all of Tract A according to survey map entitled, "Plat of Actual Field Survey, Cedar Run Assemblage, Ltd." prepared by Murphy Yello Associates, Registered Land

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Surveyors and bearing date of 19 June 1987, specific reference to which is hereby made and incorporated into this description.

TRACT C

A certain tract or parcel of land lying and being in the City of Durham, Durham County, North Carolina, more fully described by metes and bounds as follows, viz:

BEGINNING at an existing iron pin located at the southwest corner of that property owned (now or formerly) by Southern Lake and northeast corner of that property owned (now or formerly) by Young, said pin having North Carolina Grid Coordinate values of $y = 798,915.57$ and $x = 2,023,135.74$; thence with the northern property line of Young S $82^{\circ}37'21''$ W, a distance of 217.45 feet to an existing iron pin located on the eastern right of way line of John Cook Road; thence with the eastern right of way line of John Cook Road N $37^{\circ}57'56''$ E, a distance of 444.09 feet to a point of curvature; thence with said eastern right of way line northeasterly on a curve to the right, said curve having a radius of 2474.54 and a chord bearing and distance of N $37^{\circ}34'55''$ E 33.15 feet, an arc distance of 33.15 feet to an existing iron pin in a curve in the eastern right of way line of John Cook Road, a corner of the Southern Lake property; thence with the line of Southern Lake S $00^{\circ}49'53''$ E, a distance of 215.73 feet to a existing iron pin, corner in the line of Southern Lake; thence with the line of Southern Lake S $31^{\circ}21'23''$ W, a distance of 155.46 feet to a existing iron pin, the point and place of BEGINNING, and containing 1.042 acres, more or less, and being all of Parcel 7 according to a survey map entitled, "Plat of Actual Field Survey, Cedar Run Assemblage, Ltd.", prepared by Murphy Yelle Associates, Registered Land Surveyors and bearing date of 19 June 1987, specific reference to which is hereby made and incorporated into this description.

TRACT D

A certain tract or parcel of land lying and being in the City of Durham, Durham County, North Carolina, more fully described by metes and bounds as follows, viz:

BEGINNING at an existing iron pin, said pin having North Carolina Grid Coordinate values of $y = 793,872.11$ and $x = 2,023,869.26$; said pin being in the northern right of way line for the Norfolk-Southern Railroad [100' right of way] and being the southeast corner of that property owned (now or formerly) by Atkins; thence with the northeastern property line of Atkins $N 19^{\circ}41'48'' W$, a distance of 624.71 feet to a existing iron pin, common corner for Atkins and Bethea; thence with the northern property line of Bethea $N 69^{\circ}50'45'' W$, a distance of 490.07 feet to a existing iron pin, common corner for Bethea and Eades; thence with the eastern line of Eades $N 07^{\circ}01'54'' W$, a distance of 168.00 feet to a existing iron pin, Eades northeast corner; thence with the northern property line of Eades $N 70^{\circ}37'06'' W$, a distance of 290.16 feet to a new PK nail set near the center of John Cook Road; thence generally along the center of John Cook Road, but departing the road near a gas line, $N 06^{\circ}54'17'' W$, a distance of 638.40 feet to a existing iron pin; thence $S 86^{\circ}59'53'' W$, a distance of 27.27 feet to a existing iron pin in the eastern right of way line of John Cook Road; thence with the eastern right of way line of John Cook Road northwesterly on a curve to the left, said curve having a radius of 348.98 feet and a chord bearing and distance of $N 50^{\circ}35'28'' W$ 175.96 feet, an arc distance of 177.88 feet to a point; thence with the northern right of way line of John Cook Road $N 65^{\circ}11'35'' W$, a distance of 32.67 feet to a point of curvature; thence continuing with the right of way line of John Cook Road northwesterly along a curve to the left, said curve having a radius of 1960.65 feet and a chord bearing and distance of $N 70^{\circ}14'30'' W$ 345.10 feet, an arc distance of

345.55 feet to a point; thence continuing with the northern right of way line of John Cook Road N 75°17'26" W; a distance of 317.73 feet to a point of curvature; thence continuing with the eastern right of way line of John Cook Road in a northerly direction on a curve to the right, said curve having a radius of 147.90 feet and a chord bearing and distance of N 26°35'36" W 222.22 feet, an arc distance of 251.42 feet; thence continuing with the eastern right of way line of John Cook Road N 22°06'14" E, a distance of 247.97 feet to a point of curvature; thence continuing with the eastern right of way line of John Cook Road northerly on a curve to the left, said curve having a radius of 1425.62 feet and a chord bearing and distance of N 18°49'44" E 162.89 feet, an arc distance of 162.98 feet to a point in the curve in the eastern right of way line of John Cook Road; thence departing John Cook Road and with the line of that property owned (now or formerly) by California-Texas Properties, Inc. N 88°54'00" E, a distance of 1404.88 feet to a existing iron pin, common corner for California-Texas and Pearson Park Subdivision located at North Carolina Grid Coordinates $y = 796,456.85$ and $x = 2,023,453.69$; thence with the line of Pearson Park Subdivision property S 05°07'57" E, a distance of 369.94 feet to a existing iron pin; thence continuing with the line of Pearson Park Subdivision property S 02°49'37" W, a distance of 304.97 feet to a existing iron pin; thence continuing with the line of Pearson Park S 64°30'13" E, a distance of 1422.01 feet to a existing iron pin, common corner for Pearson Park Subdivision and Sims located at North Carolina grid coordinate $y = 795,171.67$ and $x = 2,024,755.27$; thence with the line of Sims S 01°37'48" E, a distance of 649.48 feet to a existing iron pin in the northern right of way line of the Norfolk Southern Railroad right of way; thence with the northern line of the railroad right of way S 56°43'02" W, a distance of 773.36 feet to a point of curvature; thence continuing with the railroad right of way line southwesterly on a curve to the left, said curve having a radius of 1220.82 feet and a chord bearing and

distance of S 49°42'45" W 297.76 feet, an arc distance of 298.50 feet to a point; thence with the northern right of way line of the railroad S 42°42'22" W, a distance of 45.47 feet to a existing iron pin, point and place of BEGINNING and containing 75.479 acres, more or less, and being all of Parcel 8 according to survey map entitled, "Plat of Actual Field Survey, Cedar Run Assemblage, Ltd.", prepared by Murphy Yelle Associates, Registered Land Surveyors and bearing date of 19 June 1987, to which specific reference is hereby made and incorporated into this description.

TRACT E

A certain tract or parcel of land lying and being in the City of Durham, Durham County, North Carolina, more fully described by metes and bounds as follows, viz:

BEGINNING at an existing iron pin in the northern right of way line of Fayetteville Road, southwest corner of lands of the City of Durham as recorded in Deed Book 1273 page 810, Durham County Registry, said pin having North Carolina Grid Coordinate values of $y = 794,091.43$ and $x = 2,024,614.47$; thence with the northern right of way line of Fayetteville Road S 52°11'34" W, a distance of 136.15 feet to a point of curvature; thence continuing with the right of way line of Fayetteville Road southwesterly on a curve to the left, said curve having a radius of 1668.55 feet and a chord bearing and distance of S 47°41'01" W 262.36 feet, an arc distance of 262.63 feet to a existing iron pin, southeast corner of the Berea Baptist Church property; thence with the northeastern property line of the Berea Baptist Church property N 63°33'49" W, a distance of 130.39 feet to a existing iron pin; thence continuing with the line of Berea Baptist Church property S 23°23'00" W, a distance of 420.33 feet to a existing iron pin in the northern right of way line of Fayetteville Road,

southeast corner of that property owned (now or formerly) by Marsh; thence departing the right of way line of Fayetteville Road and with the line of Marsh N 23°29'10" W, a distance of 292.51 feet to a existing iron pin in the southern right of way line of the Norfolk - Southern Railroad right of way, Marsh's northeast corner; thence with the southern right of way line of the Norfolk - Southern Railroad right of way N 42°42'31" E, a distance of 89.65 feet to a point of curvature; thence continuing with the right of way line of Norfolk - Southern Railroad northeasterly on a curve to the right, said curve having a radius of 1120.86 feet and a chord bearing and distance of N 49°42'45" E 273.37 feet, an arc distance of 274.05 feet to a point; thence continuing with the southern right of way line of the Norfolk - Southern Railroad N 56°43'02" E, a distance of 389.99 feet to a existing iron pin, northwest corner of City of Durham property; thence with the line of said City of Durham S 37°48'26" E, a distance of 173.51 feet to a existing iron pin, the point and place of BEGINNING and containing 3.429 acres, more or less, and being all of Parcel 9 according to a survey map entitled "Plat of Actual Field Survey, Cedar Run Assemblage, Ltd.", prepared by Murphy Yelle Associates, Registered Land Surveyors and bearing date of 19 June 1987 to which specific reference is hereby made and incorporated into this description.

TRACT F

BEGINNING at an iron pipe located on the northwestern right of way line of Cook Road, said iron pipe marking the southwest corner of Lot 24 on the map hereinafter referred to; thence along the northwestern right of way line of Cook Road the following two (2) courses and distances: South 29°02'40" West 39.45 feet to an iron pipe and South 28°18'05" West 10.56 feet to an iron pipe, said iron pipe marking the northeastern corner of Lot 21 on the map hereinafter referred to; thence leaving said right of way line and along the northeastern property line of Lots 21 and 98 North 61°45'50" West 366.20 feet to an iron pipe located in an eastern property line of Hope Valley Venture; thence along the Hope Valley Venture property line North 00°45'08" West 57.16 feet to an iron pipe, the southwest corner of Lot 95; thence along the southerly property line of Lots 95 and 24 (now owned by Hope Valley Venture) South 61°45'50" East 394.47 feet to an iron pipe located on the northwestern right of way line of Cook Road, the point and place of BEGINNING, and being all of Lots 22, 23, 96 and 97 of Rose Park as shown on that plat recorded in Plat Book 28, page 44, Durham County Registry and further being all of that property shown on that survey entitled, "Property of Hope Valley Venture", dated July 5, 1988 by F. T. Green Associates to which specific reference is hereby made.

TRACT G

BEGINNING at an iron pipe located on the northwestern right of way line of Cook Road, said iron pipe marking the southeast corner of Lot 13 on the map hereinafter referred to; thence along the northwestern right of way line of Cook Road the following two (2) courses and distances: South 27°27'37" West 22.72 feet to an iron pipe and South 27°50'00" West 2.28 feet to an iron pipe, the northeastern corner of Lot 11 on the map hereinafter referred to; thence along the northeastern property line of Lot 11 North 61°45'50" West 198.28 feet to an iron pipe located in the southeastern property line of Lot 106 as shown on the map hereinafter referred to; thence continuing along the southeastern property line of Lot 106 and the northwestern property line of Lots 11, 10 and 9 South 27°57'23" West 58.90 feet to an iron pipe located in the eastern property line of that property owned by Hope Valley Venture; thence along the Hope Valley Venture eastern property line North 00°45'08" West 181.65 feet to an iron pipe marking the southwestern corner of Lot 103; thence along the southwestern property line of Lot 103 South 61°45'50" East 87.26 feet to an iron pipe, the southeastern corner of Lot 103 at a common corner of Lots 15, 16 and 104; thence along the southeastern property line of Lots 104, 105 and 106 (said line also being the northwestern property line of Lots 15, 14 and 13) South 27°57'23" West 75.00 feet to an iron pipe, a common corner of Lots 12 and 13; thence along the southwestern property line of Lot 13 South 61°45'50" East 198.08 feet to an iron pipe located on the northwestern right of way line of Cook Road, the point and place of BEGINNING, and being all of Lots 12, 104, 105 and 106 of Rose Park as shown on that plat recorded in Plat Book 28, page 44, Durham County Registry and further being all of that property shown on that survey entitled, "Property of Hope Valley Venture", dated June 30, 1988 by F. T. Green Associates to which specific reference is hereby made.

TRACT H

BEGINNING at an iron pipe located on the northwestern right of way line of Cook Road, said iron pipe marking a corner with that property owned by Hope Valley Farms, said iron pipe also marking the southwestern corner of Lot 1 as shown on the map hereinafter referred to; thence from said point of beginning along an eastern property line of that property owned by Hope Valley Venture, the following two courses and distances: North $00^{\circ}53'38''$ East 15.37 feet to an iron pipe and North $00^{\circ}45'08''$ West 257.48 feet to an iron pipe, said iron pipe marking the southwestern corner of Lot 6 on the map hereinafter referred to; thence along the southwestern property line of Lot 6 South $36^{\circ}22'00''$ East 164.32 feet to an iron pipe located on the northwestern right of way line of Cook Road; thence along the northwestern right of way line of Cook Road the following courses and distances: (1) South $31^{\circ}48'59''$ West 37.18 feet to an iron pipe, (2) South $33^{\circ}29'56''$ West 48.86 feet to an iron pipe, (3) South $35^{\circ}36'30''$ West 55.55 feet to an iron pipe, and (4) South $32^{\circ}55'25''$ West 27.41 feet to an iron pipe, the point and place of BEGINNING and being all of Lots 1-5 of Rose Park as shown on that plat recorded in Plat Book 28, page 44, Durham County Registry and further being all of the property shown on that survey entitled "Property of Hope Valley" dated June 30, 1988 by F. T. Green Associates to which specific reference is hereby made.

TRACT I

BEGINNING at an existing iron pipe, said iron pipe being located in an eastern property line of that property owned by Hope Valley Venture; thence along an eastern property line of Hope Valley Venture property North $01^{\circ}43'30''$ West 148.24 feet to an iron pipe; thence North $88^{\circ}41'00''$ East 874.84 feet to an iron pipe; thence South $03^{\circ}58'28''$ East 153.51 feet to an iron pipe; thence South $89^{\circ}00'57''$ West 880.92 feet to an iron pipe, the point and place of BEGINNING, and containing approximately 2.990 acres and being all of Lot 8, Block A as shown on that map recorded in Plat Book 24, page 19, Durham County Registry, and further being all of that property shown on that survey entitled "Property of Hope Valley Venture" dated June 30, 1988 by F. T. Green Associates to which specific reference is hereby made.