

Prepared by and return to: Anne Page Watson, P.O. Box 891, Durham, N.C. 27702

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DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

ROYAL TROON HOMEOWNERS ASSOCIATION, INC.

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WILLIE L. COVINGTON
REGISTER OF DEEDS

DURHAM COUNTY, N.C.

THIS DECLARATION, made on the day hereinafter set forth by Royal Troon Homeowners Association, Inc., a North Carolina non-profit corporation, hereinafter referred to "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Durham, County of Durham, State of North Carolina, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and,

WHEREAS, Declarant now desires to develop Phase I in accordance with the Declaration of Covenants, Conditions and Restrictions hereinafter set forth and contemplates thereafter developing additional Phases upon completion of Phase I, all of which shall be subject to Article XII, Section 4, entitled "Annexation" as hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Royal Troon Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including the Declarant so long as any Lot as hereinafter defined is owned by the Declarant, which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Facility" shall means the stormwater detention basin located in the common

3400

area for the purpose of stormwater management.

Section 5. "Common Area" shall mean all real property (including the improvements now or hereinafter constructed, excluding Lots) deeded to and owned by the Association for the common use and enjoyment of the owners, including the parking areas and the "Facility" for stormwater management.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 7. "Declarant" shall mean and refer to Williams & White Builders, LLC, its successors and assigns if such successors or assigns should acquire more than one (1) undeveloped parcel of property from the Declarant for the purpose of development.

Section 8. "Permit Agreement" shall mean a stormwater facility operation and maintenance permit agreement executed between a permittee and the City of Durham.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area in accordance with the purpose for which it is intended and without violating the lawful rights of the other Owners, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment against this Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless voted upon and approved by two-thirds (2/3) of each class of members in the Association, and at the direction of the said members an instrument has been signed by the President of the Association and duly attested by the Secretary of the Association evidencing agreement to such dedication or transfer and such instrument has been recorded;

(c) the right of the individual members to the exclusive use of parking spaces provided in this Article; and,

(d) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purchase of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Parking of any and all vehicles on the Properties shall be subject to the Rules and Regulations of the Association, provided that the Owner(s) of each Lot shall have the right to the use, for at least two (2) automobiles, of at least two (2) automobile parking spaces.

Section 4. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility and storm drainage easements, on the condition that the Association execute a Permit Agreement with the City of Durham in the form acceptable to the City of Durham.

Section 5. Satellite Dishes and Antennas. No television reception antennas shall be erected on a residence other than eighteen-inch digital satellite dishes. In no event shall free-standing transmission or receiving towers or dishes in excess of eighteen inches be permitted on any dwelling.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;
- (b) on December 31, 2004; or,
- (c) upon the surrender of all Class B membership by the holder thereof

or cancellation by the Association.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) at closing each purchaser shall pay to the Association an amount equal to two (2) months of the then established annual assessment for placement in the reserve/replacement fund, (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (4) special assessments for obligations under Permit Agreement for Facility with the City of Durham. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fee due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, including the parking areas and the Facility, and of the homes situate upon the Properties.

Section 3. Reserve/Replacement Fund. Each purchaser of a Lot shall pay to the Association at the time of closing on the Lot a sum equal to two (2) months of the annual assessment then in effect for placement in the Reserve/Replacement Fund. Said fund shall be maintained to ensure sufficient funds for the general operation of the Association.

Section 4. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Seventy and No/100 Dollars (\$70.00) per Lot; provided, however, the Declarant may pay a reduced assessment on Lots owned by it of not less than twenty-five percent (25%) of the maximum annual assessment as established hereinabove.

(a) For the first year from and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased not more than ten percent (10%) above the maximum assessment initially established hereinabove.

(b) From and after the first year as described in Paragraph (a) above, the maximum annual assessment may be increased not more than five percent (5%) above the maximum assessment established in said Paragraph (a).

(c) From and after the first year as described in Paragraph (a) above, the maximum annual assessment may be increased above five percent (5%) by a vote of two-third (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

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

Section 6. Special Assessments and Separate Fund for Obligations under Permit Agreement for Facility.

(a) The Facility is a part of the common elements and shall be subject to the Permit Agreement;

(b) The Association's obligations under the Permit Agreement shall receive the highest priority for expenditures by the association except for City and County assessments, ad valorem property taxes, and insurance, and any other expenditures which are required by law to have a higher priority;

(c) A separate fund shall be maintained by the association for the reconstruction and repair of the Facility, separate from the fund(s) for routine maintenance of the Facility;

(d) The reconstruction and repair fund shall contain at all times the dollar amount reasonably determined from time to time by the City Engineer to be adequate to pay for the probable reconstruction and repair costs for a three-year period; that funds shall be listed as a separate line in the association's budget and it shall be kept in an account insured by the FDIC or by another entity acceptable to the City Engineer. The funds in that account shall not be commingled with any other funds;

(e) Special assessments shall be charged to each member of the association, to pay for the Association's obligations under the Permit Agreement;

(f) There shall be no limit on the frequency or dollar amount of such assessments;

(g) To the extent permitted by law, the association shall not enter into voluntary dissolution unless the Facility is Transferred to a Person who has executed a Permit Agreement.

Section 7. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or Section 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or annual basis as determined by the Board of Directors of the Association.

Section 9. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. 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 at least thirty (30) days in advance of the annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 10. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Working Capital Fund. At the time of closing of the sale of each unit a sum equal to at least two (2) months assessment for each unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

INSURANCE

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

(a) Ownership of Policies. All insurance policies upon the Properties shall be purchased by the Association for the benefit of all the Association and the Owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Owners. Owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.

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

(i) loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and,

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

(iii) such policies shall contain clauses providing for waiver or subrogation.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and No/100 Dollars (\$1,000,000.00)

per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as an assessment according to the provisions of Article IV above; provided, that premiums on account of hazard insurance coverage for individual Lots shall be appointed to the individual Owners according to the amounts of coverage required.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to Common Area and facilities held for the Association.

(ii) Proceeds on account of damage to any lot or building thereon shall be held in undivided shares for the Owners of damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner, as their interests may appear.

Section 2. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost or repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section 3. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments plus reserves accumulated.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damaged due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof proportionate to such use without prejudice, subject however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party wall shall choose one (1) arbitrator, and such arbitrators shall choose one (1) additional arbitrator, and the decision shall be by majority of all the arbitrators.

ARTICLE VIII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, patio fences and other exterior improvements made prior to the transfer of title to the Owner. Such exterior maintenance shall not include glass surfaces, areas fenced for patio purposes, awnings or other exterior appurtenances added by an Owner.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests or invitees, or is caused by fire,

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lightening, windstorms, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles or smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage insurance policies, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE IX

USE RESTRICTIONS

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

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

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

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

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, heated and finished, exclusive of garages, open porches and decks, of less than one thousand four hundred fifty (1,450) square feet.

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

ARTICLE X

EASEMENTS

Easements for the installation and maintenance of utilities and drainage facilities and other maintenance are reserved as shown on the recorded plat. Within these easements, not structure, planting, or other material shall be placed or permitted to remain which may interfere with the installations and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage changes in the easements. The Association shall have an easement to maintain all properties except areas enclosed by fenced patios and townhomes.

ARTICLE XI

COMPLIANCE WITH THE DURHAM CITY AND COUNTY LAWS AND ORDINANCES

It is the intent of this Declaration to comply with the relevant provisions of Durham City and County requirements for Townhouses as shown in Chapter 654, 1969 Session Laws, including the following provisions that are expressly incorporated herein:

- (a) The Association shall be organized and in legal existence prior to the sale of any residences in the development.
- (b) Membership in the Association shall be mandatory for each original purchaser and each successive purchaser of a lot.
- (c) The Association shall provide and be responsible for the payment of premiums for liability insurance.
- (d) The Association shall be responsible for payment of local taxes on Common Area.
- (e) The Association shall be responsible for maintenance of the Common Area, including the parking areas and the Facility.
- (f) The Association shall be responsible for payment of assessments for improvement of Common Area.
- (g) The Association shall be responsible for maintenance and repair to the exterior of all residences located within the development subject to the provisions set forth in Article VIII hereinabove.
- (h) The Association shall be empowered to levy assessments against the Owners of the Lots for the payment of expenditures made by the Association for the items set forth in this Article, and any such assessments not paid by the Owner against whom such are assessed shall constitute a lien on the Lot of the Owner.
- (i) Each Owner of a Lot is hereby granted easements over the Common Area for access, ingress, and egress to and from public streets and walkways, and easements for enjoyment of the Common Area (subject to the provisions of Article II, Section 1 hereof); and easements for parking as described in Article II, Section 3 hereof.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the

Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. (a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

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

Section 6. Emergency Access. In no case shall the City and County of Durham be responsible for failing to provide any emergency or regular fire, police, or other public service to such development or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowners' association, or occupants.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be signed in its name, and its seal to be affixed hereto, this the 14th day of May, 1998.

WILLIAMS & WHITE BUILDERS, LLC,
A North Carolina Limited Liability Company

By: W. Merle White (SEAL)
W. Merle White, Manager

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

I, Amanda P. King, a Notary Public for Person County, hereby certify that W. Merle White, Manager of Williams & White Builders, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 14th day of May, 1998.

Amanda P. King
Notary Public

My Commission Expires: 12-1-2002
j:\watson\royal.doc

State of North Carolina - Durham County

The foregoing or annexed certificate(s) of

Amanda P. King
A Notary(Notarica) Public for the Designated Governmental
units is(are) certified to be correct.

This the 18 day of May A.D. 19 98

WILLIE L. COVINGTON
Register of Deeds

By: William Brady
Deputy
Register of Deeds

EXHIBIT "A"

All of that certain parcel of land known as Parcels A and B, PROPERTY OF JAMES W. WALLER, by George C. Love, Jr. and recorded in Plat Book 128 at page 84, Durham County Registry, to which reference is hereby made for a more particular description of same.

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