



FOR REGISTRATION REGISTER OF DEEDS
 Willie L. Covington
 DURHAM COUNTY, NC
 2004 MAY 25 02:00:49 PM
 BK:4401 PG:714-720 FEE:\$29.00

INSTRUMENT # 2004026616

Prepared By: Richard F. Prentis, Jr., Stubbs Cole, Post Office Box 376, Durham, NC 27702
 Return To: Cynmar Designs, Inc., Post Office Drawer 71219, Durham, NC 27722

STATE OF NORTH CAROLINA
 COUNTY OF DURHAM

DECLARATION OF RESTRICTIONS AND
 COVENANTS FOR HOPE VALLEY DOWNS

THIS DECLARATION, is made and executed the 24^B day of May, 2004, by and between Cynmar Designs, Inc., Post Office Box 71219, Durham, North Carolina 27722, a North Carolina corporation (hereinafter referred to as "Developer") and Linian Homes, Inc., a North Carolina corporation, Dimension Builders, Inc., a North Carolina corporation and REST Properties, a North Carolina general partnership (hereinafter collectively referred to as the "Other Property Owners").

WITNESSETH:

THE DEVELOPER and the "Other Property Owners" being the owners of all of the following described premises, situated within the City of Durham, County of Durham, North Carolina and being more particularly described as follows (hereinafter referred to as the "Property", Hope Valley Downs or the subdivision)":

See Exhibit "A" attached hereto and incorporated herein by reference.

The Developer has established a general plan for the improvement and development of the Property, and does hereby set forth and establish the following covenants, reservations and restrictions upon which all lots and portions of such lots shall be improved or sold and conveyed by Developer or the Other Property Owners as owner thereof. Each and every one of these covenants, conditions, reservations and restrictions is and all are for the benefit of each owner ("Owner") of land in the Subdivision, and shall inure to and pass and run with each and every lot ("Lot") now or hereafter subject to this Declaration, and shall bind each Owner and their successors or assigns. These covenants, conditions, reservations and restrictions are imposed upon the Property, as well as any lands added hereto, all of which are to be construed as restrictive covenants running with the land.

The intent of the following covenants is to foster the development of a compatible neighborhood of people and homes, to protect all parties to this instrument against such improper use of lots within the development which would depreciate the monetary worth of other lots within the Subdivision, to foster a development which maintains an atmosphere of natural beauty and a harmonious blend of nature and residential dwellings, and to provide a mechanism for the maintenance and repair of the landscaping, signage and other common elements associated therewith.

This Declaration supercedes and replaces the Declarations of Covenants, Conditions and Restrictions for Hope Valley Downs recorded August 20, 2002, in Real Estate Book 3543, at Page 411, Durham County Registry and if there is any conflict between this Declaration and the Declaration recorded in said Book 3543, at Page 411, Durham County Registry, the provisions and terms of this Declaration shall control.

1. All Lots in the above-described parcel of land shall be known and described as residential Lots, and shall be used for single family residential purposes only. No structures shall be erected, placed, or permitted to remain on any residential building lot other than one detached dwelling and a private garage for not more than three (3) other cars and other outbuildings incidental to residential use, subject, however to other provisions set forth herein.

2. Each main structure of each dwelling constructed upon the Lots shall have a minimum of heated and finished floor space of 1,800 square feet and a minimum of three (3) bedrooms and two (2) and one-half (2 ½) baths. All dwellings must have a garage. On a case by case basis, the Developer, in its sole discretion may allow exceptions to the minimum square footage required. The decision of the Developer shall be made in good faith, and its decision shall be binding.

3. The Developer reserves the right to use any dwellings located on any Lots as offices and/or models which may be shown to prospective purchasers of homes.

4. Architectural Control. Except for initial improvements by Developer, no construction, erection, or any improvements, including, but not limited to, residences, outbuildings, fences, walls, screens (whether by plants or structures) and other structures, shall be undertaken upon the Properties unless the site plans, building plans and specification therefor, showing the nature, kind, shape, color, height, materials and location of the proposed improvements shall have been submitted to the Developer or its agent and expressly approved in writing. No subsequent alternation or modification of any existing improvements nor construction, erection, or installation of additional improvements may be undertaken on any of the Properties without prior review and express written approval of the Developer.

In general, no exterior alterations or additions to buildings or garages shall be considered for approval unless such alterations or additions are in harmony wit existing structures, as to style, shape, color and size. The architectural plans for alterations and additions must be drawn and submitted in a form and content such that the extent, color, type, style, and size of the alteration or addition can be reasonably ascertained by the Developer. However, this section shall not be construed to mean that the Developer shall have to approve a proposed alteration or addition that meets the above criteria.

In general, the construction of fences, walls and other structures and the planting of screens will not be permitted if in the opinion of the Developer, as applicable, such construction or planting constitutes an unreasonable obstruction of the view of another Owner.

In the event that the Developer fails to approve or disapprove the site or design of any proposed improvements within forty-five (45) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Developer if they contain erroneous data or fail to present adequate information upon which the Developer can arrive at a decision.

The Developer shall have the right, at its election, but shall not be required, to enter upon any of the Properties during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

5. All driveways shall be concrete unless a different material has been approved by the Developer.

6. No structure of a temporary character, mobile or modular home, trailer, tent, or other outbuildings shall be used on any Lot at any time as a residence, either temporarily or permanently.
7. Garbage cans shall be screened and not visible from the street or any adjacent Lot.
8. All mail boxes and support posts shall be of material and design as initially approved by the Developer.
9. Television or Radio Antennas, Satellite Discs grater than eighteen inches (18”), clotheslines and fuel tanks are prohibited on the Properties unless approved in writing by the Developer.
10. Noxious or Annoying Use of Lots. Noxious, destructive, or offensive activity, or any activity constituting an unreasonable source of annoyance, shall not be conducted on any Lot which could reasonably cause embarrassment, discomfort, or annoyance to the other Owners, and the Developer shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.
11. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other reasonable household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.
12. Any and all outbuildings must be located to the rear of the main dwelling and be approved by the Developer.
13. No recreational camping vehicles, boats, boat trailers, commercial or unlicensed vehicles may be kept on the property unless kept inside a garage. Commercial vehicles used by Developer during construction are exempt.
14. No trade materials or improvements may be stored on any property except by the Developer.
15. All rubbish, trash, organic clippings, garbage or other waste shall be kept in sanitary containers in an enclosed locations and properly screened. Dumpsters used by the Developer during construction are exempt.
16. No Lot Owner or person residing in the residence shall allow a home business to continue to function on the Lot or within the premises which employs more than one non-resident or attracts, on average, more than two daily vehicular trips of visitors or trades/delivery vehicles to the lot.
17. Signs. No sign of any kind, except an owner and street number identification, shall be displayed to the public's view on any Lot except one professional sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period, unless prior approval of the Developer has been obtained. The Developer reserves the right to erect street signage and other identifying signs on the Common Area.
18. Adequate off street parking space sufficient for the Owner(s) and other persons residing regularly in the residence shall be provided by the Owner of each Lot. Lot owners agree not to park vehicles on the streets located within the subdivision for more than two (2) consecutive nights.
19. The terms and conditions of this Declaration shall be construed as covenants running with the land and shall be binding and effective for a period of twenty (20) years from the date hereof, at which time they shall be automatically extended for successive periods of ten (10) years each.
20. If any person, firm or corporation shall violate or attempt to violate any of these restrictions, it shall be lawful for the Developer or any other person, firm or corporation owning any of the lots to prosecute the violating party at law or in equity for any claim which these restrictions may create, either to prevent said person, firm or corporation from doing such acts and/or to recover damages for such

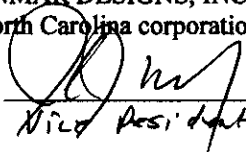
violation or violations, including reasonable attorney's fees incurred in connection with the enforcement of these restrictions.

21. Invalidation of any one or more of these restrictions by judgment or court order shall in no way affect any of the other provisions not expressly held to be void, and all other such provisions shall remain in full force and effect.

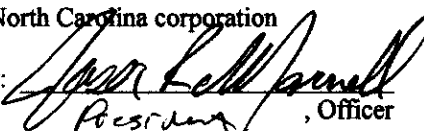
22. This Declaration may be amended in full or part only after the assent of seventy-five percent (75%) of the vote of the owners with each owner having one vote for each lot owned. To be effective, any amendment of this Declaration must be recorded in the Office of the Register of Deeds of Durham County, North Carolina.

IN WITNESS WHEREOF, the Developer and the Other Property Owners have caused this instrument to be signed in their corporate names and their seal to be affixed by authority of its Board of Directors, as of the day and year first above written.

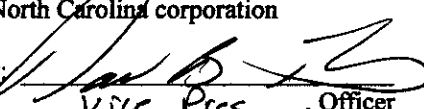
CYNMAR DESIGNS, INC.,
a North Carolina corporation

By:  , Officer
Vice President

LINIAN HOMES, INC.,
a North Carolina corporation

By:  Pres. , Officer
President

DIMENSION BUILDERS, INC.,
a North Carolina corporation

By:  , Officer
Vice Pres.

REST Properties, a North Carolina General Partnership

By: E T Development Corporation

By:  , President
Lawrence A. Thomas, Jr., President

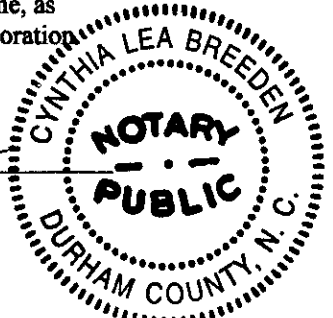
STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Cynthia Lea Breeden, a Notary Public of the County and State aforesaid, certify that John J. Marnell, personally came before me this day and acknowledged that he is Vice President of CYNMAR DESIGNS, INC., a North Carolina corporation, and that he, as Vice President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 24 day of May, 2004.

My Commission Expires: Feb 15, 2008

Cynthia Lea Breeden
Notary Public



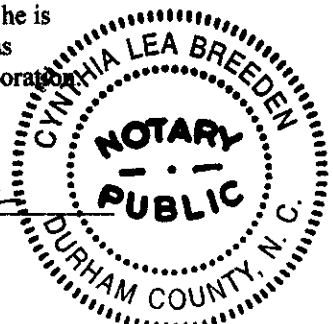
STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Cynthia Lea Breeden, a Notary Public of the County and State aforesaid, certify that Jason R. Marnell, personally came before me this day and acknowledged that he is President of LINIAN HOMES, INC., a North Carolina corporation, and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 24 day of May, 2004.

My Commission Expires: Feb. 15, 2008

Cynthia Lea Breeden
Notary Public



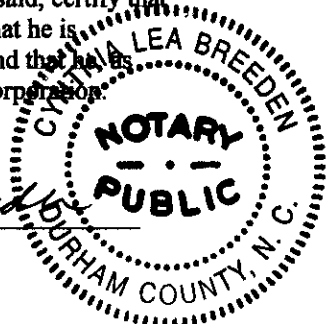
STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Cynthia Lea Breeden, a Notary Public of the County and State aforesaid, certify that David B. Thomas, personally came before me this day and acknowledged that he is V. President of DIMENSION BUILDERS, INC., a North Carolina corporation, and that he, as V. President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 24 day of May, 2004.

My Commission Expires: Feb. 15, 2008

Cynthia Lea Breeden
Notary Public



STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Cynthia Lea Breeden, a Notary Public of the County and State aforesaid, certify that LAWRENCE A. THOMAS, JR., personally came before me this day and acknowledged that he is President of E T DEVELOPMENT CORPORATION, a North Carolina corporation, and on behalf of the corporation and as general partner of REST Properties, duly executed the foregoing instrument on behalf of the corporation.

Witness my hand and official stamp or seal, this 24 day of May, 2004.

My Commission Expires: Feb 15, 2008

Cynthia Lea Breeden
Notary Public

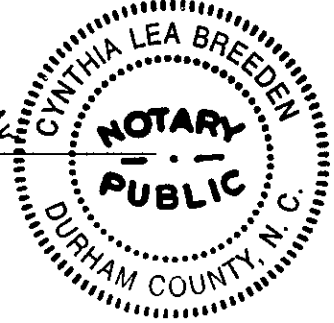
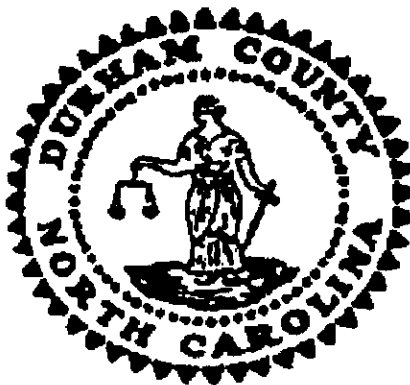


EXHIBIT "A"

BEING all of Phase 2 of HOPE VALLEY DOWNS, as per plat and survey recorded thereof now on file in Plat Book 158, at Page 39, in the Office of the Register of Deeds of Durham County; Phase 3 of HOPE VALLEY DOWNS, as per plat and survey recorded thereof now on file in Plat Book 158, at Page 267, in the Office of the Register of Deeds of Durham County; Phase 3 of HOPE VALLEY DOWNS, as per plat and survey recorded thereof now on file in Plat Book 159, at Page 283, in the Office of the Register of Deeds of Durham County;



WILLIE L. COVINGTON
REGISTER OF DEEDS, DURHAM COUNTY
DURHAM COUNTY COURTHOUSE
200 E. MAIN STREET
DURHAM, NC 27701

PLEASE RETAIN YELLOW TRAILER PAGE

It is part of recorded document, and must be submitted with original for re-recording
and/or cancellation.

Filed For Registration: 05/25/2004 02:00:49 PM
Book: RE 4401 Page: 714-720
Document No.: 2004026616
DECL 7 PGS \$29.00

Recorder: SHARON M CEARNEL

State of North Carolina, County of Durham

The foregoing certificate of CYNTHIA LEA BREEDEN Notary is certified to be correct. This 25TH of May 2004

WILLIE L. COVINGTON , REGISTER OF DEEDS

By: Sharon M Cearnel
Deputy/~~Assistant~~ Register of Deeds



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