

"EXHIBIT A"

NORTH CAROLINA
VANCE COUNTY

RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

That REAL ESTATE DEVELOPERS, INC., a Corporation, owner of the hereinafter described tracts or parcels of land, does hereby covenant and agree to and with all persons, firms and corporations which may hereafter purchase, acquire or lease any lot of parcel of land in the property hereinafter described; that the following Restrictive Covenants shall be applicable to said property during the term hereinafter set forth:

1.

The tracts or parcels of land which are subject of these Restrictive Covenants are under deed from Kenneth L. Fields and wife, Josephine T. Fields to Real Estate Developers, Inc. dated October 8, 1976 and duly recorded in Deed Book 512 at page 252 in the office of the Register of Deeds, Vance County, North Carolina; under deed from Jasper Wayne Hicks and wife, Peggy M. Hicks to Real Estate Developers, Inc. dated December 24, 1976 and duly recorded in Deed Book 514 at page 322 at the office of Register of Deeds, Vance County, North Carolina and under deed from Kenneth L. Fields and wife Josephine T. Fields to Real Estate Developers, Inc. dated January 24, 1978 and duly recorded in Deed Book 525 at page 459 in the office of the Register of Deeds, Vance County, North Carolina.

The above tracts or parcels of land are known as Spring Valley Subdivision situated in Henderson Township, Vance County, North Carolina, plat of which subdivision is recorded in Plat Book T, at page 666, in the office of the Register of Deeds, Vance County, North Carolina.

2.

No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single family residence and its customary accessory buildings and uses. No duplex houses, apartments, commercial or industrial buildings shall be constructed on any such lot. This shall not be interpreted to preclude the provision of servant's quarters or rooms incidental to residence and garage structure.

3.

No residence can be erected on less than one lot and except further, that two lot owners may subdivide a lot lying between them, but only one residence shall be built on the combined original lot and the subdivided portion of any lot; provided further, that adjoining property owners may adjust a common boundary line by the sale or exchange of property by such owners, so long as such sale or exchange conforms in all respects with the zoning ordinances having jurisdiction and all other provisions of these restrictive covenants.

4.

No single family dwelling shall be built, erected, altered or used unless the main body of the structure, exclusive of garages, porches, breezeways, stoops and terraces, shall contain at least 1200 square feet of floor space in the main body of the house if the structure is a one-story building or at least 1400 square feet of floor space in the main body of the house if the structure is a two-story building, or at least 1400 square feet of floor space in the main body of the house if the structure is a split-level building, exclusive of basements, garages, porches, breeze-ways, stoops and terraces. Said measurements to be measured from outside wall lines.

5.

No building or part of a building other than steps, overhanging eaves or cornices shall extend nearer to the front property line than the building set back line shown on recorded plat of the Spring Valley Subdivision, and no building shall be located on any lot nearer than 25 feet to an interior lot line or side street line, and further, no dwelling shall be located on any lot in the subdivision nearer than 35 feet to the rear lot line.

6.

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

7.

No cattle, swine or goats may be kept on any homesite or reserved area, but limited numbers of horses, dogs and cats may be kept on homesite under reasonable regulations of control and sanitation, provided they do not become a nuisance to other owners in the development, and further provided that they are not kept, bred or maintained for any commercial purposes.

8.

Where no municipal or other properly engineered and constructed sewerage line is available, all sewage disposal shall be by septic tank meeting the approval of the North Carolina State Board of Health until such time as municipal or other properly engineered and constructed sewerage disposal is available.

9.

This conveyance is made and accepted subject to any easements or rights-of-way that may have been granted for power, light and telephone lines and drainage facilities, or as shown on the recorded plat of Spring Valley.

10.

Garbage containers will be concealed from public view.

11.

No truck or other commercial vehicle having a capacity larger than one ton shall be parked on premises or streets within this subdivision for other than visit.

12.

No dwelling of any kind shall be erected or placed on any lot in the subdivision, until the building plans and specifications shall have been approved by Real Estate Developers, Inc. or its designee, in writing, as to conformity in size, type, and quality, and as to harmony of design with previous or existing dwellings in the subdivision, but it is agreed that such approval shall not be unreasonably withheld.

13.

These covenants, conditions and restrictions shall remain in full force and effect through December 31, 2000, after which said covenants shall be automatically extended for successive periods of ten years unless by vote of three-fourths of the then owners of the lots in the area it is agreed otherwise.

14.

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

15.

Real Estate Developers, Inc. reserves the right to repurchase from the original grantee any lots sold which have not been built upon at the time that it is offered for resale for the original purchase price plus eight (8) per cent per annum from time of purchase and within ten (10) years from date of said purchase.

16.

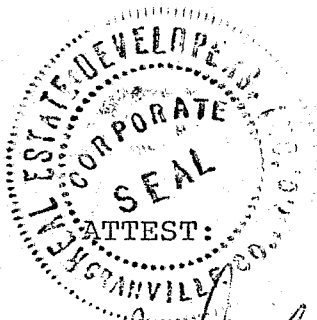
It is further stipulated and agreed that the owners of property in Spring Valley and their heirs, successors or assigns, may enforce the above Restrictive Covenants and agreements by injunction and that this shall not be in exclusion of, but in addition to, other remedies available in law.

IN TESTIMONY WHEREOF, Real Estate Developers, Inc., a corporation, has executed these Restrictive Covenants of the corporation, in the name of the corporation, this the 15 day of February, 1978

REAL ESTATE DEVELOPERS, INC.

BY:

Joe K. L. Bryan, Jr.
President

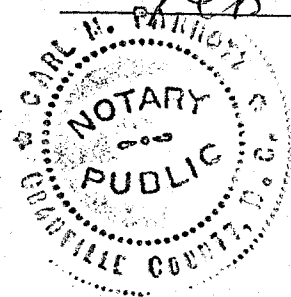


John Palmer
Secretary

NORTH CAROLINA
GRANVILLE COUNTY

I, Carl M. Parrott, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day personally appeared before me John K. Nelms, and acknowledged that he is the Secretary of Real Estate Developers, Inc., a North Carolina Corporation, and that by the authority duly given and as the act of said corporation the foregoing instrument was duly signed in its name by its President, sealed with its corporate seal and attested by himself as Secretary.

Witness my hand and notarial seal, this 15 day of Feb, 1978



Carl M. Parrott
Notary Public

My Commission expires: Aug. 7, 1980

STATE OF NORTH CAROLINA, VANCE COUNTY

The foregoing certificate of Carl M. Parrott, Notary Public of Granville County, N.C., are certified to be correct. This instrument was presented for registration and recorded in this office in Book 525, Page 798.

This the 15 day of February, 1978, at 2:15 o'clock P.M.

SARAH H. HALE, REGISTER OF DEEDS

BY: Jaye Maynard
Assistant Register of Deeds

VANCE COUNTY, N.C.
FILED FOR RECORD
STATE OF NORTH CAROLINA

BOOK 652 PAGE 511

JUL 26 3 06 PM '89

COUNTY OF VANCE

SARAH H. HALE
REGISTER OF DEEDS

RELEASE AND WAIVER

REGARDING RESTRICTIVE COVENANTS

THIS RELEASE AND WAIVER REGARDING RESTRICTIVE COVENANTS, made and entered into this the 24th day of July, 1989, by and between REAL ESTATE DEVELOPERS, INC., a North Carolina Corporation, Party of the First Part, and JAMES W. BOWEN, JR. and wife, MARY LOU BOWEN, of Vance County, North Carolina, Parties of the Second Part;

W I T N E S S E T H:

THAT WHEREAS the Party of the First Part is the owner of a certain tract of land, consisting of 1.01 acres, more or less, located on the Spring Valley Lake Road (S.R. 1318), in Vance County, North Carolina, and which tract is further labeled Tract No. 1 as appears on a survey of Spring Valley Subdivision-Phase I., and which plat is recorded in Plat Book T, Page 666, of the Vance County, North Carolina, Registry, and

WHEREAS, the Party of the First Part is developing that Subdivision known as Spring Valley Subdivision-Phase I., and in furtherance of that Development has caused to be built, on that subject Tract No. 1, a house, and

WHEREAS, the Party of the First Part and the Party of the Second Part presently have a Contract for the sale of that house at the price of \$67,500.00, and

WHEREAS, there are certain Restrictive Covenants recorded in Book 525, Page 798, of the Vance County, North Carolina, Registry, Paragraph 5 of which recites, in pertinent part, that "...No building or part of a building other than steps, overhanging eaves, or cornices, shall extend nearer to the front property line than the building setback line shown on recorded plat of the Spring Valley Subdivision...", and

WHEREAS, the minimum building line shown on that plat recorded in Plat Book T, Page 666, with respect to the subject Tract No. 1, is 75 feet, and

WHEREAS, the above-referenced house which has been built on this Tract No. 1 does not comply with the 75 foot building setback line, but, rather, is only 53.6 feet from the front line of the property, as that front line is shown on that plat recorded in Plat Book T, Page 666, and this setback line of only

53.6 feet is shown on a survey prepared by Cawthorne & Associates, Registered Land Surveyors, on a survey dated July 12, 1989, and entitled "Survey for James W. Bowen, Jr. and Mary Lou Bowen", and

WHEREAS, the Parties of the Second Part have requested that the Party of the First Part execute a document waiving the 75 foot minimum building line requirement, with respect to this said Tract No. 1, and releasing the said Tract No. 1 from the operation of that portion of the Restrictive Covenants recorded in Book 525, Page 798, that require a building setback line of 75 feet, to which request the Party of the First Part has agreed;

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR (\$1.00) each to the other paid, the receipt of which is hereby acknowledged, and in further consideration of the covenants and promises contained herein, the Party of the First Part does hereby agree with the Parties of the Second Part, as follows:

1. That the minimum setback line of 75 feet, as required by those Restrictive Covenants applicable to Spring Valley Subdivision-Phase I., as set forth in Book 525, Page 798, of the Vance County, North Carolina, Registry, incorporating by reference that plat recorded in Plat Book T, Page 666, of the Vance County, North Carolina, Registry, is hereby waived with respect to Tract No. 1 as set forth in the said plat, and the said Tract No. 1 is hereby released from the operation of that portion of the said Restrictive Covenants that apply to a minimum setback line.

2. That the Party of the First Part does hereby adopt a substituted minimum setback line of 53.6 feet, with regard to any house which has been or might be erected on this said Tract No. 1..

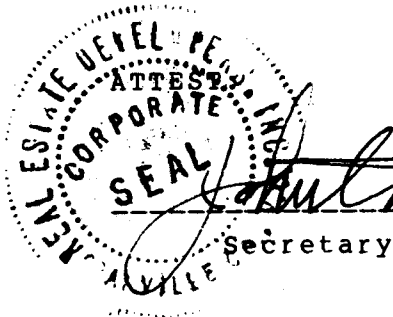
3. That, with the exception of the changing of the minimum setback line, those Restrictive Covenants as recorded in Book 525, Page 798, are reaffirmed in all respects as they apply to the said Tract No. 1, for which there is a Contract for sale between the Party of the First Part and the Parties of the Second Part.

IN TESTIMONY WHEREOF, Real Estate Developers, Inc., a Corporation, has executed this Release and Waiver Regarding

Restrictive Covenants, in the name of the Corporation, on this
the 24 day of July, 1989.

REAL ESTATE DEVELOPERS, INC.

BY:

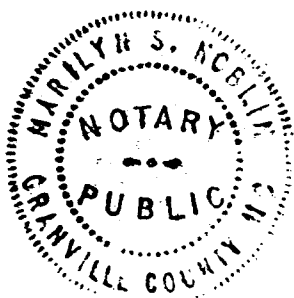
Joe K. Bryan Jr.
President

STATE OF NORTH CAROLINA

COUNTY OF Granville

I, Marilyn S. Noblin, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day personally appeared before me John K. Nelms, and acknowledged that he is the Secretary of Real Estate Developers, Inc., a North Carolina Corporation, and that by the authority duly given and as the act of said corporation the foregoing instrument was duly signed in its name by its President, sealed with its corporate seal, and attested by himself as Secretary.

WITNESS my hand and notarial seal, this the 24 day of July, 1989.



Marilyn S. Noblin
Notary Public

My Commission Expires: September 5, 1993

STATE OF NORTH CAROLINA, VANCE COUNTY

The foregoing certificate of Marilyn S. Noblin, Notary Public of Granville County, N.C., is certified to be correct. This instrument was presented for registration and recorded in this office in Book 652, Page 511.

This 26 day of July 1989, at 3:06 o'clock P.M.

SARAH H. HALE, REGISTER OF DEEDS

BY: Rebecca W. Linn Deputy