



FOR REGISTRATION REGISTER OF DEEDS
Willie L. Covington
DURHAM COUNTY, NC
2007 AUG 21 02:11:03 PM
BK:5720 PG:581-594 FEE:\$50.00

INSTRUMENT # 2007039036

DECLARATION OF RESTRICTIVE COVENANTS

AND

REPURCHASE OPTION AGREEMENT

Prepared by: Stephen Sussman Esq. *Return to: Broom PA, P.O. Drawer 25008, Winston-Salem NC 27114*

This Declaration of Restrictive Covenants and Repurchase Option Agreement (the "Agreement") is made as of August 6, 2007, by and between FAYETTE PLACE, LLC, a North Carolina limited liability company with offices at c/o Durham Housing Authority, 330 East Main Street, Durham, NC 27702, Attn: Executive Director (the "Seller"), and CAMPUS-FAYETTE, LLC, a Delaware limited liability company with offices at 4043 Walnut Street, Philadelphia, PA 19104, Attn: Mr. Daniel Bernstein (the "Buyer").

BACKGROUND

Pursuant to deed of even date herewith (the "Deed"), which Deed shall be forthwith recorded in the Register of Deeds of Durham County, North Carolina, Seller has sold and conveyed to Buyer approximately 19.82 acres of land (consisting of three tracts), together with certain building(s) located thereon and certain related improvements thereon located on Fayetteville Street, Umstead Street and Merrick Street, Durham, North Carolina, having street addresses of 1000 Merrick Street and 1101 Fayetteville Street, currently known as "Fayette Place", all as more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Property").

As a condition of the execution and delivery of the Deed, Seller has required Buyer to enter into this Agreement to set forth the uses and purposes for which the Property may be utilized, consistent with the requirements of the United States Department of Housing and Urban Development and the Housing Authority of the City of Durham ("DHA").

NOW THEREFORE, the parties hereto, in consideration of the mutual covenants herein contained, covenant and agree as follows:

1. Uses. The Property shall be developed for residential purposes or for mixed-use purposes, including but not limited to university-related housing and general commercial uses.

2. Low-Income Units. The Property shall include (a) a student housing facility consisting of no less than one hundred sixty-eight (168) beds set aside exclusively for rental by admitted and enrolled North Carolina Central University ("NCCU") students designated and qualified by NCCU as deserving of need based on criteria established by NCCU or (b) a housing facility which will include no less than one hundred sixty-eight (168) beds set aside exclusively for rental by other persons otherwise qualified as low-income persons (in either case, "Qualified Units").

3. Scholarship Units. No less than ten (10) of the Qualified Units shall be made available, free-of-charge, except for utilities and ancillary fees and deposits, to NCCU students designated and qualified by NCCU as deserving of need based on criteria established by NCCU.

4. Minority Participation. In connection with the initial development of the Property, Buyer shall use, or cause third parties with whom it contracts to use, commercially reasonable efforts to (a) recruit and utilize, in good faith, a percentage or number (to be verified by Buyer) of qualified local minority-owned businesses and (b) recruit and employ, in good faith, a percentage or number (to be verified by Buyer) of qualified individuals from the neighborhood in which the Property is located and the City of Durham.

5. Covenant Running with the Land. Until the "Expiration Date" (as defined in Section 11 below), the provisions of Sections 1 through 4 hereof (the "Restrictive Covenants") shall be covenants running with the Property and shall bind the Buyer and Buyer's successors-in-title to the Property and shall inure to the benefit of the Seller and DHA.

6. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, shall confer upon any person or entity, other than the Seller and DHA, any rights or remedies under or by reason of this Agreement.

7. Transferee Liability/Release of Transferor. Any transferee of the Property shall automatically be deemed, by acceptance of title to the Property, to have assumed all obligations of this Agreement and the transferor shall, upon such transfer, be relieved of all further liability under this Agreement. Buyer shall give prompt notice to Seller of any transfer of the Property, which notice shall include the name and address of the transferee and the effective date of the transfer.

8. Default and Remedies.

(a) Buyer shall be in default hereunder only if Buyer fails to comply with any of the Restrictive Covenants and such failure shall continue for a period of sixty (60) days after Buyer's receipt of written notice from Seller specifying the default; provided however, if the nature of the default is such that it cannot reasonably be cured within sixty (60) days, then Buyer shall have such additional time, not to exceed sixty (60) additional days, as shall be necessary to complete the cure of such default so long as Buyer is diligently and in good faith pursuing such cure.

(b) If Buyer shall be in default hereunder, Seller, as its sole remedy, shall have the right to repurchase the Property in accordance with the provisions set forth on Exhibit B attached hereto and made a part hereof.

Such addresses may be changed by notice in writing in accordance with this section.

13. Miscellaneous.

(a) Severability. If any provision of this Agreement, or portion thereof, shall, to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement shall not be affected thereby. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(b) Choice of Law. This Agreement shall be construed in accordance with the laws of the State of North Carolina without regard to conflict of laws provisions.

(c) Section Headings. The Section headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof.

(d) Modification. This Agreement may be amended, modified, or terminated at any time by an agreement in writing, executed and acknowledged by Buyer and Seller, their successors or assigns.

(e) Entire Agreement. This Agreement is the entire agreement between the parties with respect to the subject matter hereof and there are no other agreements or understandings except as are specifically set forth in this Agreement.

(f) This Agreement may be executed in counterparts, all of which together shall constitute one and the same instrument. Facsimile signatures shall be deemed original signatures for the purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and sealed as of the day and year first above written.

SELLER:

FAYETTE PLACE, LLC,
A NC limited liability company

By: Development Venture Incorporated,
Its managing member

By: Harrison Shannon

Name: Harrison Shannon
Title: President

BUYER:

CAMPUS-FAYETTE, LLC,
a Delaware limited liability company

By: CAMPUS ALPHA LP,
a Delaware limited partnership,
Its managing member

By: Campus Alpha GP LLC,
a Delaware limited liability company,
its general partner

By: CAMPUS BETA LP,
A Delaware limited partnership,
its sole member

By: CAMPUS BETA GP, LLC,
A Delaware limited liability company
its general partner

By: _____
David J. Adelman, President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and sealed as of the day and year first above written.

SELLER:

FAYETTE PLACE, LLC,
A NC limited liability company

By: Development Venture Incorporated,
Its managing member

By: _____
Name:
Title:

BUYER:

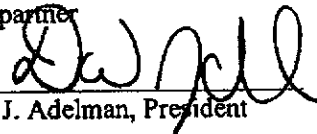
CAMPUS-FAYETTE, LLC,
a Delaware limited liability company

By: CAMPUS ALPHA LP,
a Delaware limited partnership,
Its managing member

By: Campus Alpha GP LLC,
a Delaware limited liability company,
its general partner

By: CAMPUS BETA LP,
A Delaware limited partnership,
its sole member

By: CAMPUS BETA GP, LLC,
A Delaware limited liability company
its general partner

By: 
David J. Adelman, President

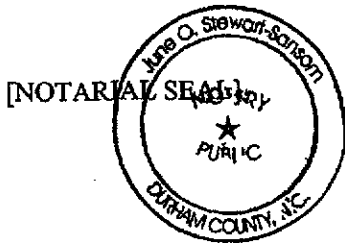
STATE OF NORTH CAROLINA

:
: ss.

COUNTY OF DURHAM

On the 6th day of August, 2007, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Harrison Shannon, who acknowledged himself to be the President of Development Ventures Incorporated, the managing member of FAYETTE PLACE, LLC, a NC limited liability company, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as the managing member of said limited liability company.

WITNESS my hand and seal the day and year aforesaid.



Mrs. O. Stewart-Sonson
Notary Public

My Commission Expires: 10-28-07

STATE OF

:
: ss.

COUNTY OF

On the _____ day of _____, 2007, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared David J. Adelman, who acknowledged himself to be the President of Campus Beta, GP LLC, a Delaware limited liability company, the general partner of Campus Beta LP, a Delaware limited partnership, the sole member of Campus Alpha GP LLC, a Delaware limited liability company, the general partner of Campus Alpha LP, a Delaware limited partnership, the managing member of CAMPUS-FAYETTE, LLC, a Delaware limited liability company, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company.

WITNESS my hand and seal the day and year aforesaid.

[NOTARIAL SEAL]

Notary Public

My Commission Expires:

STATE OF _____ :
: ss.
COUNTY OF _____ :

On the _____ day of _____, 2007, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared _____, who acknowledged himself to be the _____ of Development Ventures Incorporated, the managing member of FAYETTE PLACE, LLC, a NC limited liability company, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as the managing member of said limited liability company.

WITNESS my hand and seal the day and year aforesaid.

[NOTARIAL SEAL]

Notary Public

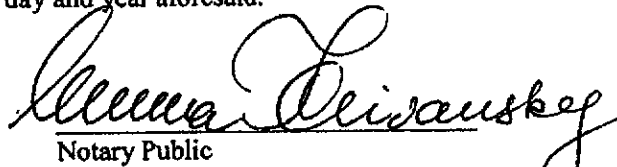
My Commission Expires:

STATE OF _____ :
: ss.
COUNTY OF _____ :

On the 3rd day of August, 2007, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared David J. Adelman, who acknowledged himself to be the President of Campus Beta, GP LLC, a Delaware limited liability company, the general partner of Campus Beta LP, a Delaware limited partnership, the sole member of Campus Alpha GP LLC, a Delaware limited liability company, the general partner of Campus Alpha LP, a Delaware limited partnership, the managing member of CAMPUS-FAYETTE, LLC, a Delaware limited liability company, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company.

WITNESS my hand and seal the day and year aforesaid.

[NOTARIAL SEAL]


Notary Public

My Commission Expires:

