



TO HAVE AND TO HOLD the aforesaid tract or parcel of land and all privileges and appurtenances thereunto belonging to the said Buyer and its successors and assigns forever, subject to the terms, conditions and covenants herein set out.

COVENANTS

- (1) Whereas, the Premises contains property, a building and other improvements with recognized historical, cultural and architectural significance.
- (2) Old Salem covenants that it is seized of the Premises in fee simple and has the right to convey the same in fee simple, subject to reservations, covenants and options stated herein, and that it will warrant and defend the said title to the same against the claims of all persons whatsoever.
- (3) Whereas the North Carolina General Assembly has enacted the Historic Preservation and Conservation Agreements Act (the "Act") validating restrictions, easements, covenants, conditions or otherwise, appropriate to the preservation of a structure or site historically significant for its architectural, archeological or historical associations.
- (4) Whereas, Old Salem and the Buyer both desire that the Premises, including the property, buildings and other improvements located thereon be preserved and protected for the benefit of present and future generations, retaining their historically and architecturally significant features.
- (5) Whereas, Old Salem, its successors in interest or assigns, is a charitable organization which acquires certain rights pursuant to the Act. Old Salem desires to insure that buildings, improvements and structures located within the Old Salem Historic District which are recognized for historical and architectural significance are preserved and maintained for the benefit of future generations.
- (6) Whereas, Old Salem has established guidelines, which may from time to time be reasonably updated (the "**Guidelines**"), that are provided to the Buyer and that outline the appropriate measures and activities normally allowed and procedures for approval of alterations to the Premises, including the property, buildings and other improvements located thereon.
- (7) Whereas, Old Salem has a committee composed of trustees, experts, area residents, and other interested parties, and staff designated to review and approve proposed alterations to property located within the Old Salem Historic District, including buildings and other improvements located thereon;

- (8) Now therefore, the Buyer covenants and agrees to:
- (a) Maintain the Premises, including the property, buildings and other improvements located thereon, in good condition and in keeping with other properties located within the Old Salem Historic District, with all changes in external appearance and landscaping to be approved in advance, in writing, by Old Salem,
    - i. Routine maintenance is allowed without formal written approval if it exactly duplicates the existing materials, or with approved substitutions by Old Salem,
    - ii. Any reconstruction or alterations on the Premises must be fully researched and documented and meet the stated criteria in the Guidelines before a proposal can be considered,
    - iii. Maintain the interior of the buildings and improvements located on the Premises, with all interior improvements, alterations and renovations to be approved in advance, in writing, by Old Salem. Without limiting the foregoing, the alteration or removal of any walls or partitions, fireplaces, plaster and architectural woodwork such as doors, floors, baseboards, chair rails, mantels, stairs, window sash or casings, decorative painting or the stripping of woodwork to base wood are prohibited except with the written approval of Old Salem,
    - iv. Limit modernization and upgrading of interior amenities to existing bathrooms, kitchens, environmental systems, wiring and plumbing, and
    - v. Buyer are responsible for the protection of the archaeological resources within the perimeters of the Premises. No new subsurface disturbance shall take place without prior written approval of Old Salem. Notification is not necessary when one is gardening or installing approved landscape restoration plans.
      - 1. Old Salem reserves the right of access to archaeological remains for purposes of research. Scheduling of any such activities will be made in advance between Old Salem and Buyer. Artifacts recovered will be the property of the Buyer unless prior written agreement has been reached between Old Salem and Buyer. Reclamation of that portion of the Premises disturbed by the archaeological excavations will be the responsibility of Old Salem.

2. In the event that Buyer wish to have archaeological research done within their Premises, one of two options may be pursued: 1) Old Salem's staff archaeologist will perform the necessary work with the Buyer reimbursing Old Salem for costs, including staff time or, 2) the Buyer may contract with a private consulting archaeological firm approved by Old Salem, with the Old Salem staff archaeologist serving as the coordinator for the project,
- vi. Any submission of a Certificate of Appropriateness regarding the Premises to municipal review shall be copied to Old Salem. If any of the proposed work has not been previously approved by Old Salem, Old Salem may act as applicant and request the board having jurisdiction postpone or withdraw the application until the proposed work has been approved by Old Salem.
- (b) In keeping with the terms of the paragraphs hereinabove set out, the Buyer do hereby further covenant and agree as follows:
    - (a) To maintain the lawn, gardens, trees, and all exterior plantings located upon the Premises herein described in keeping with the Guidelines as established by Old Salem.
    - (b) To submit plans for any proposed landscaping, which plans must be approved by said Old Salem in writing prior to the commencement of the proposed landscaping.
    - (c) To remove from the Premises any non-conforming plantings and exterior objects including, but not limited to, pots, vases, fences, ornaments and swings, which non-conforming plantings and objects are deemed objectionable by Old Salem.
- (9) Representatives of Old Salem shall have the right to enter the Premises at reasonable times, after giving reasonable notice, for the purpose of inspecting the buildings, improvements and grounds to determine if there is compliance by the Buyer with the terms of these Covenants.
  - (10) Researchers, scholars, and groups especially interested in historic preservation shall have access to view the interior of the Premises, including the property, buildings and other improvements located thereon, by special appointment at various times and intervals during each year.
  - (11) During any and all times at which the Premises, including the property, buildings and other improvements located thereon, are not so maintained or protected or changes in appearance shall have been made without prior written

approval of Old Salem, Old Salem shall have an option to purchase the Premises, provided that Old Salem shall give the Buyer written notice of the nature of the violation and the Buyer shall not have corrected same in a manner acceptable to Old Salem within the ninety (90) days following the giving of said notice. The purchase of the Premises as contemplated by this paragraph (11) shall be pursuant to the terms of paragraph (16) below; provided, however, that if there are outstanding deeds of trust or other encumbrances against the Premises, any right to purchase shall be subject to said deeds of trust or encumbrances, and such outstanding deeds of trust or other encumbrances against the Premises shall either be satisfied or assumed as part of the purchase price. If the Buyer shall fail to correct such violation in a manner acceptable to Old Salem within such ninety (90) day period, Old Salem shall have the right and option to purchase the Premises in accordance with the terms of this paragraph and paragraph 16 below by giving written notice of Old Salem's exercise of such right and option to purchase to Buyer within sixty (60) days after the expiration of said ninety (90) day period.

- (12) In addition to the provisions of paragraph 11 above, in the event of a violation, default or breach of these Covenants by Buyer, all legal and equitable remedies, including injunctive relief, specific performance, and damages, shall also be available to Old Salem. No failure on the part of Old Salem to enforce any covenant or restriction herein nor the waiver of any right hereunder by Old Salem shall discharge or invalidate such covenant or restriction or any other covenant, condition or restriction hereof, or affect the right of Old Salem to enforce the same in event of a subsequent breach or default. Old Salem's remedies hereunder shall be cumulative.
- (13) Buyer covenants and agrees that if the buildings or improvements located upon the Premises shall be damaged or destroyed by any hazard normally covered by fire insurance with extended coverage, and if the Buyer shall not restore the Premises, including all buildings and improvements located thereon, to its original condition within eighteen (18) months following such damage or destruction, then Old Salem shall have an option to purchase the Premises, which option Old Salem may exercise at any time within six (6) months after the expiration of the said eighteen (18) month period, by written notice to the Buyer of its election to do so, the exercise of such right to purchase being subject to the provisions of paragraph (16) hereof.
- (14) The Buyer covenants and agrees that the Premises shall be used only for single-family residential purposes. The Premises or any buildings located thereon shall not be leased to any tenant without written consent of Old Salem, provided that such consent shall not be unreasonably withheld, and Old Salem, agrees that should such consent be withheld, the Buyer shall, for six (6) months after Old Salem's refusal to give its consent, have the right to notify

(in writing) and compel Old Salem to repurchase the Premises, subject to the provisions of paragraph (16) hereof. Any and all tenants shall be bound by all applicable provisions in this agreement and as described in the Guidelines, and all provisions in paragraphs (11) and (12).

- (15) The Buyer covenants and agrees that upon the death of the last surviving Buyer then seized of the Premises, then Old Salem shall, for six (6) months after the death of the last surviving Buyer, have an option to repurchase the Premises provided that should the Premises be devised to a direct lineal descendant or descendants of the Buyer, then such devisee or devisees upon binding themselves by recordable instrument of all the conditions and covenants herein contained (substituting themselves for the Buyer with respect to such covenants and conditions), shall have the right, successively, from time to time, to cause said option period to be deferred for any length of time up to the maximum permissible duration of the said option under the rule against perpetuities, minus six (6) months, provided that in no event shall the said option period be deferred for more than ninety-nine (99) years from the death of the Buyer. The foregoing option provisions are subject to the provision of paragraph (16) hereof.
- (16) The Buyer and Old Salem covenant and agree that any sale of the Premises to and any purchase of the Premises by Old Salem, pursuant to the provisions and options set out in paragraphs (11), (13), (14), and (15) above, shall be at a price equal to the then fair market value of the Premises, as though held without restrictive covenants, as determined by agreement of the Buyer (or then owner or owners, as the case may be) and Old Salem, or in the absence of such agreement, by a committee of three appraisers, one to be selected by Old Salem, one to be selected by the Buyer (or then owner or owners, as the case may be) and the other to be selected by the two appraisers selected by Old Salem and the Buyer (or the then owner or owners, as the case may be). Either party shall have the right to apply to the Clerk of the Superior Court of Forsyth County to appoint three disinterested appraisers to make such evaluation if the selection of a committee as hereinabove provided shall be delayed unreasonably, and the parties shall be bound the appraisal of such appraisers to the same extent as if they had been appointed as hereinabove provided. Forty (40) days shall be deemed a reasonable time for the parties to act. Within thirty (30) days after such evaluation, Old Salem shall tender the purchase price to the Buyer and the Buyer shall tender a good and sufficient deed clear of all liens and encumbrances, provided that Old Salem may waive its right to repurchase even after such evaluation has been made; in such event Old Salem shall bear the full cost of the appraisal; otherwise, such expense shall be shared equally between Old Salem and Buyer.

- (17) The Buyer covenants and agrees that the Buyer, their heirs, successors and assigns, shall make no *inter vivos* conveyance of the Premises to a third party or parties except in accordance with the following procedures: (i) the Buyer (or the then owner or owners, as the case may be) shall determine the cash sales price for the Premises (the "**Offer Price**") and the Buyer (or the then owner or owners, as the case may be), shall then offer to sell the Premises to Old Salem herein at the Offer Price for a continuous period of thirty (30) days; (ii) if Old Salem does not exercise its right to purchase the Premises for the Offer Price within such thirty (30) day period, the Buyer (or the then owner or owners, as the case may be), shall have the right to sell the Premises to a third party or parties, subject nevertheless to the covenants and options contained in this agreement, during the six (6) month period immediately following the expiration of the aforesaid thirty (30) days, provided that the ultimate cash sales price (excluding any seller or owner financing) to such third party shall be no less than the Offer Price, provided, further that the Buyer may transfer their interest, or any portion thereof, in the Premises to either spouse without the necessity by compliance with the foregoing provisions; and (iv) if the cash sales price to be paid by such third party for the Premises is less than the Offer Price, the Buyer (or the then owner or owners, as the case may be), must re-offer the Premises to Old Salem at such new and reduced cash sales price (the "**Reduced Offer Price**"), and Old Salem shall have thirty (30) days after the date of such offer to elect to purchase the Premises for the Reduced Offer Price. Every conveyance by the Buyer, shall contain the covenants and options contained in this agreement.
- (18) The covenants and options contained in this agreement shall be considered as covenants running with the land and the Buyer agree for itself and its successors and assigns, that in the event that the Premises are sold or otherwise disposed of, said covenants and options shall be inserted in the conveyance or other instrument disposing of the Premises.
- (19) In the event that Old Salem, or its successors in interest by corporate merger, cease to exist, then in such event Old Salem shall have the right to assign all of its rights and interests in this agreement, including, but not limited to, the options, easements, covenants, and conditions subject to such duties and obligations which it assumes hereby, to a non-profit corporation.

[EXECUTION PAGES TO FOLLOW]

IN TESTIMONY WHEREOF, the Buyer, NSHE MORGANHILL, LLC, has caused these presents to be signed by its Member and Old Salem, Inc. has caused these presents to be signed by its \_\_\_\_\_ President, this the day and year set forth below.

SELLER:

OLD SALEM, INC.

By: Ragan Folan \_\_\_\_\_ President

STATE OF NORTH CAROLINA

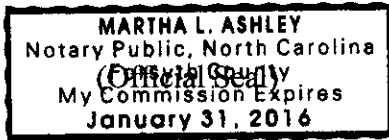
COUNTY OF FORSYTH

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

Ragan Folan \_\_\_\_\_  
(Name(s) of Principal(s) signing)

Date: 2/24/2014

Martha Ashley \_\_\_\_\_  
(official signature of Notary)  
Martha Ashley, Notary Public  
(Notary's printed or typed name)



My commission expires: 1/31/2016



IN TESTIMONY WHEREOF, the Buyer, NSHE MORGANHILL, LLC, has caused these presents to be signed by its Member and Old Salem, Inc. has caused these presents to be signed by its \_\_\_\_\_ President, this the day and year set forth below.

BUYER:

NSHE Morganhill, LLC, an Arizona limited liability company

By: National Safe Harbor Exchanges, a California corporation

Its: Sole Member

By: [Signature]

Name: Hugh E. Pollard

Its: Vice President

STATE OF ILLINOIS

COUNTY OF COOK

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

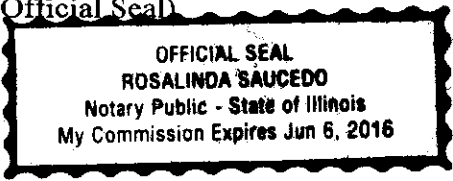
HUGH E. POLLARD  
(Name(s) of Principal(s) signing)

Date: 2-24-14

[Signature]  
(official signature of Notary)

Rosalinda Saucedo, Notary Public  
(Notary's printed or typed name)

(Official Seal)



My commission expires: 6-6-16

Exhibit A

That certain tract or parcel of land lying and being in the City of Winston-Salem, Winston Township, Forsyth County, North Carolina, being more particularly described as follows:

BEGINNING at an existing iron pin in the western right of way line of Salt Street, said pin being the northeast corner of the Sarah W. Gant property as described in Deed recorded in Deed Book 1639, Page 1091, Forsyth County Registry and running thence with northern line of Gant, South 82° 36' 13" West 168.49 feet to an existing iron pin in the eastern right of way line of Old Salem Road; thence with the eastern right of way line of Old Salem Road, North 08° 24' 59" West 42.98 feet to an existing iron pin, said iron pin being the southwest corner of the Curtis Gerard Leonard, et al property as described in Deed recorded in Deed Book 1927, Page 2622, Forsyth County Registry, and running thence with the southern line of Leonard, North 82° 35' 02" East 169.19 feet to an existing bolt in the western right of way of Salt Street; thence with the western right of way of Salt Street, South 07° 29' 28" East 43.03 feet to the POINT AND PLACE OF BEGINNING, containing 0.16669 acres, more or less, as shown on survey prepared for Margaret B. Bullock by Thomas A. Riccio & Associates, dated February 18, 2014, designated Drawing Number 14036.