

**WOMBLE
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SANDRIDGE
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A PROFESSIONAL LIMITED
LIABILITY COMPANY



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April 7, 2006

R. Michael Pipkin
Suite 304-A
1506 East Franklin Street
Post Office Box 2806
Chapel Hill, North Carolina 27514

Re: Spencer C. Young Investments/The Courtyard of Chapel Hill, LLC

Dear Mr. Pipkin:

We represent Spencer C. Young and Spencer C. Young Investments/The Courtyard of Chapel Hill, LLC. I understand that you represent Mr. P. H. Craig.

Mr. Craig has taken erroneous and unfair positions toward our clients regarding the use of the lots which are part of The Courtyard of Chapel Hill (the "Courtyard") and subject to the Courtyard's Special Use Permit (the "Property"). The Property is encumbered with the restriction that only the Courtyard may use the Property and the use of the Property is for the exclusive benefit of the Courtyard. Nevertheless, Mr. Craig has threatened to bar the use of the Property by the Courtyard by erecting a chain across the Property or towing vehicles.

Until a few weeks ago, these threats had been directed to our clients only. Apparently, Mr. Craig recognized that he could not lawfully carry out these threats. Therefore, he decided to involve third parties, the tenants of the Courtyard, by visiting them without an invitation and demanding that they pay him rent directly. Also, apparently in an attempt to coerce the payment of rent by the tenants, he threatened them by saying he would tow their and their customers' vehicles unless rent was paid. This conduct is unacceptable and will not be tolerated.

Therefore, please treat this letter as notice to Mr. Craig that he is barred from going onto the portion of the Courtyard for which he does not claim any ownership rights for any and all purposes. If he goes onto this portion of the Courtyard again, our clients will exercise all rights and remedies available under the law.

Further, we understand that Mr. Craig has written one or more letters to the tenants of the Courtyard without our clients' permission. In these letters, Mr. Craig has attacked our clients in order to justify his tortious interference with our client's contracts and economic prospects and unfair extraction of rent from tenants of the Courtyard. As one of the original parties to the operative Special Use Permit, Mr. Craig knows that the tenants, as tenants of the Courtyard, have the right to use the Property. These communications must stop immediately.

Please treat this letter as notice to Mr. Craig that we will hold him strictly accountable for any harm, business loss or interruption due to his interference with the Courtyard.

Notwithstanding Mr. Craig's protests to the contrary, he has been afforded many opportunities to negotiate and receive more than fair compensation for the use of the Property by the Courtyard. Although the Courtyard has no legal duty (Mr. Craig was fully compensated for the use of the Property when he received the Courtyard's Special Use Permit), our clients have attempted to reach an agreement by which Mr. Craig would receive additional compensation. The principal reason for making this additional payment is to avoid further disputes and entanglements with Mr. Craig. Recognizing that your client is the fee owner of the Property, a tract of property substantially encumbered by the Courtyard's Special Use Permit, our clients are willing to pay Mr. Craig fair value for the conveyance of the Property by quitclaim deed to Spencer C. Young/The Courtyard of Chapel Hill, LLC.

If your client rejects this overture to purchase the subject lots at fair value, then he has placed himself in the position of receiving no more additional compensation for the use of the Property by the Courtyard. At that point, his protests of being treated unfairly will ring very hollow.

Very truly yours,

WOMBLE CARLYLE SANDRIDGE & RICE,
a Professional Limited Liability Company



John C. Cooke

JCC/cmf

cc: Spencer C. Young
William C. Matthews, Jr.