

Drafted by/Mail to:

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NORTH CAROLINA

ORANGE COUNTY

} SUPPLEMENTARY DECLARATION
OF COVENANTS, CONDITIONS
AND RESTRICTIONS:
} HIGHGROVE AT SOUTHERN VILLAGE, PHASE 4B

THIS SUPPLEMENTARY DECLARATION made this 15 day of January, 2001,
by SOUTHERN VILLAGE LIMITED PARTNERSHIP (Declarant).

WITNESSETH.

WHEREAS, Declarant is the owner of certain real property located in Chapel Hill Township, Orange County, North Carolina, which is more particularly described on a map entitled HIGHGROVE AT SOUTHERN VILLAGE, PHASE 4B, as recorded in Plat Book 87, page(s) 86-87, Orange County Registry, reference to which is hereby made; and,

WHEREAS, Declarant will convey said property subject to the covenants, conditions, restrictions, reservations, and charges as set forth in that certain Master Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 1271, page 165, and Amendment thereto recorded in Deed Book 1456, page 295, Orange County Registry, and as further set forth herein, and which shall run with the lots and be binding on all parties having any right, title, or interest therein and their heirs, successors, and assigns, and which shall inure to the benefit of each owner thereof; and,

WHEREAS, Declarant desires to insure the most appropriate development and improvement of each lot, to protect the lot owners against such improper use as would depreciate the value of the property to each, to preserve insofar as practicable the natural beauty of each lot, to guard against the erection thereon of poorly designed or proportioned structures and structures built of substandard or unsuitable materials, to secure and maintain proper setbacks with adequate free space between structures, and in general to provide for a high quality of improvements.

NOW, THEREFORE, Declarant hereby declares that all of the real property as described hereinabove shall be held, sold, and conveyed subject to that certain Master Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 1271, page 165, and Amendment thereto recorded in Deed Book 1456, page 295, and subject further to the following easements, restrictions, covenants, and conditions:

1. UNIT SIZE. No unit shall be erected or allowed to remain on any of the lots as shown on the recorded plat referenced hereinabove if the floor area of the main structure, exclusive of one-story open porches and garages, shall be less than 1650 square feet.

2. DESIGN SPECIFICS. The following design specifics are applicable to the numbered lots as shown on the recorded plat referenced hereinabove:

- | | | |
|-----------------------|-----------------|-------------------------------------|
| (a) <u>Setbacks</u> - | <u>front</u> : | 5 feet minimum;
25 feet maximum; |
| | - <u>side</u> : | 5 feet aggregate, -0- minimum; |
| | - <u>rear</u> : | 20 feet minimum. |

The stated rear setback is not applicable to any accessory buildings or structures, including detached garages. The stated front setback shall not apply to steps, stoops, eaves, or unenclosed porches which do not project more than five (5) feet beyond the building line. Deviations from building line restrictions of ten percent (10%) or less shall not be construed as a violation of this Supplementary Declaration; further, Declarant shall have the right, in its sole discretion and without the consent of any other party to waive these design specifics, either in whole or in part, as applicable to any given lot.

3. SUB-ASSOCIATION MEMBERSHIP AND VOTING RIGHTS. Declarant has incorporated under the laws of the State of North Carolina the Southern Village Homeowners Association, Inc. as a non-profit corporation for the purpose of overseeing and administering the provisions of this Supplementary Declaration as well as those applicable provisions contained in the aforementioned Master Declaration. Each and every owner of a lot as shown on the recorded plat referenced hereinabove, including contract sellers, but not including those persons or entities who hold an interest merely as security for the performance of an obligation, shall be a member of Southern Village Homeowners Association, Inc., which Sub-Association shall be a member of the Southern Village Master Association, Inc.

The Sub-Association shall have two (2) classes of voting members:

Class A. Class A members shall be each owner, but shall not include Declarant. Class A members shall be entitled to one (1) vote for each lot owned. In the case of multiple ownership of a lot, the vote shall be exercised as those owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to seven (7) votes for each lot owned. However, the Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

- (a) The total votes outstanding in Class A membership equals the total votes outstanding in Class B membership; provided, however, that the Class B membership shall be reinstated with all the rights, privileges, responsibilities and voting power if, after the conversion as hereinabove provided, additional land is annexed to the properties without the consent of members on account of development of such additional land by Declarant in accordance with Article VII, Section 2, of the Master Declaration; or,

(b) December 31, 2014

Except as may be otherwise specifically set out in this Supplementary Declaration or in the Articles of Incorporation and/or By-laws of the Sub-Association, the vote of the majority of the aggregate votes entitled to be cast by all classes of members of the Sub-Association, present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present, shall be the act of the Sub-Association. The number of votes present at a Sub-Association meeting that is properly called and that will constitute a quorum shall be as set forth herein or in the Sub-Association By-laws. The right of any Class A member to vote may be suspended by the Board of Directors of the Sub-Association for just cause pursuant to its rules and regulations and according to the provisions of Article II, Section 7, of the Master Declaration.

4. SUB-ASSOCIATION ANNUAL ASSESSMENTS. The Sub-Association shall levy an annual assessment against all the lots under its jurisdiction; which funds shall be used exclusively for the purpose of promoting the beautification of all property under its jurisdiction, the recreation, health, safety, and welfare of its members, the enforcement of this Supplementary Declaration and all applicable provisions of the Master Declaration, and, in particular, the improvement and maintenance of the services and facilities of the Limited Common Areas, including without limitation any private alleys. In accordance with Article V, Section 10, of the Master Declaration, one or more of the following assessment classes shall be applicable to each lot:

- (a) Sub-Association Assessment Class I;
- (b) Sub-Association Assessment Class IA;
- (c) Sub-Association Assessment Class IB;
- (d) Sub-Association Assessment Class III; and/or
- (e) Sub-Association Assessment Class IIIA.

5. ARCHITECTURAL CONTROL. Only units or other improvements which have been approved in writing by the Architectural Review Board ("ARB") prior to the commencement of clearing, grading, or construction of any kind on a lot will be permitted. Upon completion of the foundation and before proceeding with other construction, an actual field survey of the foundation shall be presented to the ARB to ensure compliance with the site plan. The survey must show the proposed location of driveways, and shall indicate the actual distance from all buildings at their closest point to all property lines. All improvements shall comply with the plans as presented unless changes are approved in writing by the ARB. All drives and walks must be paved with concrete or brick. All lots on which a unit is approved and built shall be landscaped in accordance with the plans approved by the ARB. Landscaping must be finished upon completion of the unit. Total construction time, from the date of final approval of plans by the ARB to the completion of the unit for occupancy, shall not exceed nine months.

6. NON-RESIDENTIAL USE. Certain non-residential uses are permitted throughout Southern Village as approved by the Town of Chapel Hill and as referenced in the herein-above cited Master Declaration. No home occupation or office as an accessory use shall be allowed to occupy greater than 600 square feet of floor area per lot. No general business or office as a principal use shall be allowed to occupy greater than 2200 square feet of floor area per lot.

7. APPLICATION OF RESTRICTIONS. The foregoing restrictions shall apply only to the lots, and nothing contained herein shall prevent the Declarant from altering the size or frontage of any property other than the lots or the location of any streets or roads other than portions of such streets or roads as abut the lots.

8. WAIVER OF AND CONSENT TO VIOLATIONS. Declarant may waive any violation of these restrictions by an appropriate instrument recorded in the Orange County Registry; provided, however, that if the violation occurs on any lot which abuts a lot previously conveyed to an owner in fee simple, the consent of such adjoining owner shall also be contained within the aforementioned instrument to be recorded in the Orange County Registry. The provisions of this paragraph whereby the consent of the adjoining property owner is required shall not be applicable to paragraphs 1 and 2 of this Supplementary Declaration whereby only the written consent of Declarant is required.

9. TERM. These restrictions shall run with the land and be binding on all parties and persons claiming under them for a period of forty (40) years from the date of recordation hereof, after which time said restrictions shall be automatically extended for successive ten (10) year periods unless an instrument agreeing to a change in said restrictions, in whole or in part, and executed by a majority of the then owners of the lots has been recorded in the Orange County Registry.

10. ENFORCEMENT. Enforcement of this Supplementary Declaration shall be by proceedings at law or in equity against any person or persons attempting to violate any of the restrictions contained herein, either to restrain violation or to cover damages.

11. ASSIGNMENT BY DECLARANT. Declarant shall have the right to assign its rights under this Supplementary Declaration, in whole or in part, to any person or entity by an express transfer of such rights.

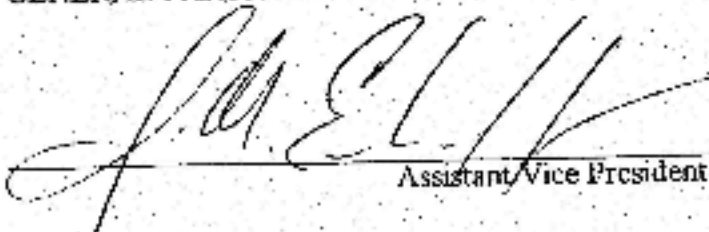
12. SEVERABILITY. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions contained herein, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have herunto set their hands and seals, the day and year first above written.

SOUTHERN VILLAGE LIMITED PARTNERSHIP

by: SOUTHERN VILLAGE COMPANY,
GENERAL PARTNER



by: 
Assistant Vice President