

Prepared by:
Amy H. Bray
Hyatt & Stubblefield, P.C.
225 Peachtree Street, N.E., Suite 1200
Atlanta, Georgia 30303

Sample of Typical Supplemental Covenant
Recorded in Register of Deeds
Mecklenburg County, NC
For Each Final Plat That Included
Townhome Lots

Return to:
Douglas L. Boone
Boone Communities
P.O. Box 339
Davidson, North Carolina 28036

Cross Reference:

Deed Book 11326
Page 875

**SUPPLEMENTAL COVENANT FOR
THE NEW NEIGHBORHOOD AROUND ST. ALBAN'S SQUARE IN DAVIDSON,
NORTH CAROLINA**

THIS SUPPLEMENTAL COVENANT is made as of the date set forth below by BOONEcommunities/Davidson, L.L.C., a North Carolina limited liability company ("Founder").

WHEREAS, on June 1, 2000, the Founder recorded The Covenant for The New Neighborhood Around St. Alban's Square in Davidson, North Carolina in Deed Book 11326, Page 875 *et seq.*, in the office of the Register of Deeds of Mecklenburg County, North Carolina (as amended and supplemented, the "Covenant"); and

WHEREAS, pursuant to the terms of Section 10.1 of the Covenant, until all property described on Exhibit "B" of the Covenant has been subjected to the Covenant or seven years after the Covenant is recorded, the Founder may subject all or any portion of the real property described on Exhibit "B" to the Covenant to the provisions of the Covenant by recording a Supplemental Covenant describing the property being subjected; and

WHEREAS, the property described on Exhibit "A" of this Supplemental Covenant ("Additional Property") is a portion of that property described on Exhibit "B" to the Covenant; and

WHEREAS, all of the real property described on Exhibit "B" to the Covenant has not previously been subjected to the Covenant and this Supplemental Covenant is being recorded within seven years of the recording of the Covenant; and

WHEREAS, pursuant to the terms of Section 7.4 of the Covenant, each supplemental covenant may assign property to a specific Peer Group (as defined in the Covenant), which may be existing or newly created; and

WHEREAS, pursuant to the terms of Section 10.3 of the Covenant, the Founder may subject any portion of the Neighborhood (as defined in the Covenant) to additional covenants and easements; and

WHEREAS, pursuant to the terms of Section 8.4(a) of the Covenant, the Association shall obtain insurance on the insurable improvements, if so specified in a supplemental declaration; and

WHEREAS, the Founder desires to subject the Additional Property to the provisions of the Covenant and to assign such property to the existing Peer Group known as the "Townhome Peer Group;" and

WHEREAS, the Founder further desires to designate property within the Additional Property as Limited Common Area for the primary use and benefit of the Owners and occupants of Units within the Townhome Peer Group; and

WHEREAS, the Founder further desires to provide for the orderly administration of parking spaces and to require that the Association maintain property insurance on Units within the Townhome Peer Group;

NOW, THEREFORE, pursuant to the powers retained by the Founder under the Covenant, the Founder hereby subjects the property described on Exhibit "A" hereto to the provisions of the Covenant and this Supplemental Covenant and to the jurisdiction of St. Alban's Square Neighborhood Association, Inc. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplemental Covenant and the Covenant, both of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

ARTICLE I
Assignment to Townhome Peer Group

Pursuant to the terms of Section 7.4 of the Covenant, the Additional Property is assigned to the Townhome Peer Group.

ARTICLE II
Designation of Limited Common Areas

Pursuant to the terms of Section 13.2 of the Covenant, the property described on Exhibit "A" as Limited Common Area is hereby designated as Limited Common Area of the Townhome Peer Group.

ARTICLE III
Administration of Parking Spaces in Townhome Peer Group

In order to provide for the orderly administration of parking spaces within the Townhome Peer Group, parking spaces located on the Limited Common Areas within the Townhome Peer Group may be assigned for the use of specific Units.

Each Unit within the Townhome Peer Group that is located at the end of a building and includes an "over-the-garage" apartment with a bathroom (an "Accessory Apartment") shall be assigned a parking space within the Limited Common Area (a "Dedicated Parking Space"). The Founder shall initially identify each Dedicated Parking Space, in cooperation with the Builder that has built such Unit. The record of such assignment, including the location of the Dedicated Parking Space shall be kept in the Association's corporate records. A Dedicated Parking Space shall be dedicated to the exclusive use of the Unit to which it is assigned and such right to use may not be separated from and shall be transferred with such Unit. Any repair or maintenance costs associated with a Dedicated Parking Space shall be assessed as a Specific Assessment against the Owner of the Unit to which the Dedicated Parking Space is assigned.

Dedicated Parking Spaces shall only be re-assigned to other Units containing Accessory Apartments within the Townhome Peer Group. Such re-assignment requires the written approval of the Owner of the Unit that previously was assigned the Dedicated Parking Space, the Association, and, if the Class "B" membership still exists, the Class "B" Member. The record of such assignment shall be kept in the Association's corporate records.

Additional parking spaces within the Townhome Peer Group's Limited Common Area may be available, or may become available, in addition to the Dedicated Parking Spaces. The Council of Stewards, in its discretion, may lease to Owners in the Townhome Peer Group, or their lessees, for a fee, any such parking spaces within the Townhome Peer Group which are not otherwise assigned as provided above.

The Council of Stewards may, by resolution, create standards and procedures relating to the lease of unassigned Limited Common Area parking spaces, including, but not limited to, the form of such lease, lease fees, and termination rights. The Association may terminate any such lease if fees are not timely paid. Lease fees are subject to negotiation and may approximate the Association's costs for maintaining such parking space, including, but not limited to, contributions to the Association's reserve fund in order to defray any future capital repairs to the parking space.

The Association may identify parking spaces by assigning identifying numbers or letters to each parking space within the Townhome Peer Group, or in such other manner as the Council deems appropriate.

Dedicated Parking Spaces and leased parking spaces shall be reserved for the exclusive use of the Owners or occupants of Units to which they are dedicated or their lessees, as applicable. No Person may use a Dedicated Parking Space or leased parking space without the permission of the Person to whom such parking space is dedicated or leased.

ARTICLE IV

Easement

In addition to the provisions of Section 12.2, the Founder grants a reciprocal appurtenant easement of encroachment and use of any permitted encroachment to each Unit within the Townhome Peer Group located at the end of a building containing multiple dwellings

for encroachment of initial improvements (or modifications thereof) constructed on such Units onto Common Areas, including Limited Common Areas. Such encroachment is limited to the initial construction of patios, stairs, and walkways serving such Unit. Such encroachment shall not exceed two feet for patios of Units. For stairs and walkways such encroachment shall not exceed an amount of space reasonable for the construction of such stairs and walkway.

ARTICLE V
Insurance

Pursuant to Section 8.4 of the Covenant, the Association shall maintain property insurance on all insurable improvements, including Units, (which shall include any fixtures, property, or betterments within a Unit that are financed by the proceeds of any first Mortgage on such Unit), within the Townhome Peer Group and assess the costs of such insurance against each Unit as a Peer Group Assessment pursuant to Section 7.4.

ARTICLE VI
Amendment

The Founder shall have the unilateral right to amend this Supplemental Declaration so long as it has the unilateral right to amend the Declaration. Otherwise, this Supplemental Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of 75% of the total Class "A" votes assigned to Owners of Units within the Townhome Peer Group, and the consent of the Founder so long as the Founder owns any portion of the Neighborhood.

Notwithstanding anything to the contrary herein contained, no amendment to this Supplemental Declaration shall be effective which shall impair or prejudice the rights, priorities, or obligations of Founder, a Builder, the Association, or any Mortgagee under the Declaration or the By-Laws without the specific written approval of the Founder, Builder, Association, or Mortgagee affected thereby. Moreover, in any event, Class "A" Members cannot amend to withdraw property from the terms of this Supplemental Declaration unless so provided in the Covenant or by North Carolina law.

[SIGNATURES ON FOLLOWING PAGE]

EXHIBIT "A"
Legal Description of Property to be Annexed

Phase 1, Map 7

Peer Group Designation: Townhome

Limited Common Area Designation: CA-27, CA-28

ALL THAT TRACT AND PARCEL OF LAND lying and being in Deweese Township, Mecklenburg County, North Carolina, as more particularly described on that Final Plat of A New Neighborhood in Old Davidson – Phase 1, Map 7, prepared by Mitcham & Associates, P.A. under the seal of Jeffrey C. Allen, PLS No. L-3810, and recorded March 22, 2002, in Plat Book 37, Page 193 in the Office of the Register of Deeds of Mecklenburg County, North Carolina.

Such final recorded subdivision plat has the metes and bounds set forth therein.