

Prepared by and return to:

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112 W. Main Street, Second Floor
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STATE OF NORTH CAROLINA)
COUNTY OF ORANGE)

DECLARATION OF RESTRICTIVE COVENANTS

This Declaration of Restrictive Covenants (hereinafter “Declaration”) is made this _____ day of February, 2021 (the “Effective Date”), by Jones Estates Group, LLC (“Declarant”), and having its principal office at 2310 S. Miami Blvd., Suite 238, Durham, NC 27703-4900 (“Declarant”).

WITNESSETH:

1. Declarant is the sole owner of those certain tracts of land located at 1200 and 1204 Martin Luther King Jr. Boulevard, Chapel Hill, North Carolina, and being more particularly described in Exhibit A, attached hereto and incorporated herein (together, the “Property”).
2. Pursuant to Chapel Hill Town Council resolution made on February 24, 2021, in favor of Case Number 19-065, the Town of Chapel Hill (the “Town”) has rezoned the Property to Office/Institutional-2-Conditional Zoning District (OI-2-CZD) and Neighborhood Commercial-Conditional Zoning District (NC-CZD) (the “Rezoning”).
3. A portion of the Property is being used as the location of the Tarheel Mobile Home Park (the “Park”). The portion of the Property on which the Park is located is referred to herein as the “Park Property”. The remainder of the Property is referred to herein as the “Commercial Tract”.

The Park Property and the Commercial Tract are more particularly described in Exhibit B, attached hereto and incorporated herein.

4. As a condition of the Rezoning, Declarant agreed to enact this Declaration in order to grant certain rights to the Tenants (as defined below) of the Park, and to make those rights enforceable by both the Tenants and the Town.

5. The Park Property consists of a number of informal lots on which manufactured homes are located. A map showing these informal lots is attached hereto as Exhibit C, and incorporated herein by reference. For the purposes of this Declaration, the “Tenants” are the persons who, as tenant, from time to time, lease these informal lots from Declarant, as landlord, for the purpose of locating manufactured homes to which they hold title upon these lots.

6. It is the desire of Declarant to enact this Declaration in order to ensure the continued operation and existence of the Park on the Terms and Conditions stated herein.

7. It is recognized by Declarant that the identity of the specific persons who make up the defined class of Tenants under this Declaration may change from time to time during the term hereof. Therefore, the Tenants to whom rights of enforcement are granted shall be the Tenants who occupy the Park on the date they seek to enforce this Declaration. Nothing in this Declaration shall be construed to create rights in any person who is not a Tenant of the Park on the date that person seeks to enforce this Declaration, other than the Town.

8. Accordingly, Declarant hereby subjects the Park Property to certain covenants, restrictions, and requirements pertaining to the Park Property, as defined herein, and hereby gives the Town and the Tenants the right to enforce this Declaration in accordance with its terms. The terms of this Declaration shall not apply to the Commercial Tract.

NOW THEREFORE, Declarant hereby declares that the Park Property shall be held, sold, used and conveyed subject to the following covenants, conditions, and restrictions, which shall run with the title to the Property, for the benefit of the Town and the Tenants, and shall be binding upon parties having any right, title, or interest in the Park Property and any portion thereof, and their heirs, successors, successors-in-title and assigns.

I. COVENANTS, RESTRICTIONS AND REQUIREMENTS.

1. The Recitals above are hereby incorporated into this Declaration as material terms.
2. Continued Existence of Mobile Home Park on Park Property: For the duration of this Declaration, the only permitted use of the Park Property shall be for a mobile home Park, and such accessory uses as may be permitted from time to time by applicable law. No Tenant of the Park shall have their lease terminated or be asked to remove their mobile home from the Park, so long as their lease remains in good standing. If a Tenant defaults under the terms of their lease, Declarant shall have all the rights and remedies available under the terms of any applicable lease, or other applicable law, to cause the removal of the Tenant or mobile home in question, and to pursue money damages and other remedies

which may be permitted by law. Declarant shall make commercially reasonable efforts to maintain the occupancy of the Park at full occupancy for the full fifteen (15) year period of this provision of this Declaration.

3. Accepting Local Mobile Homes: Declarant shall notify the Town in writing by email, read receipt requested, addressed to the Town Manager, when a lot in the Park becomes available for a new mobile home. The Town then will have the right to make this fact known to current residents of other existing mobile home parks within the jurisdiction of the Town. Declarant shall hold any available lot for 60 days from the date on which the Town receives this notification to allow persons contacted by the Town an opportunity to apply to lease the lot. Nothing in this Declaration shall require Declarant to lease a lot in the Park to any person who is not a Tenant on the date of this Declaration, in accordance with the terms hereof.
4. Conversion to Annual Leases: Tenants who are Tenants as of the date of this Declaration shall be given the option by Declarant in writing by certified mail as well as by email, read receipt requested, to convert their present monthly leases to annual leases within 30 days of the date of this Declaration, and they shall have 30 days from the date on which they receive this written option to accept or decline this option. If a Tenant fails to respond within 30 days from the date of receipt, then they shall be deemed to have declined the option to convert their lease to an annual lease.

- II. Market Rate Protection for Tenants: In January of 2025, January of 2029, and January of 2033, Declarant shall retain a NC licensed real estate broker (the "Expert") with professional expertise in mobile home parks to survey mobile home park rents in the greater Raleigh and Charlotte markets. Within 60 days of being retained, the Expert will confirm in writing to the Declarant, with a copy sent in writing by certified U.S mail, return receipt requested to the Town Manager, whether the lot rent rates at the Park are within 15 percent of the rental rates charged by comparable mobile home parks in the greater Raleigh and Charlotte markets. If the Expert determines that rents at the Park are more than 15 percent higher than those at the comparable mobile home parks in the Raleigh and Charlotte Markets, Declarant shall reduce the rental rates charged to Tenants who are Tenants on the date the rental rates are reduced, until they are within 15 percent of the rates charged by those comparable Mobile Home Parks, within 30 days of the date on which it receives the expert report. DEFAULT.

In the event of a breach of this Declaration by any fee simple owner of the Property subject to this Declaration, then Declarant, the Town and the Tenants shall have the right to enforce this Declaration by seeking a decree of specific performance or money damages, as provided by applicable law from the North Carolina General Court of Justice, Superior Court Division, located in Orange County, North Carolina, which shall be the exclusive forum for the adjudication of any disputes relating to this Declaration. However, nothing in this Declaration shall be construed to prevent the Town from taking ordinary zoning enforcement action in response to violations of its applicable ordinances which may occur on the Property from time to time, including, without limitation, the terms of the Rezoning.

III. DURATION; AMENDMENT.

- A. Duration. This Declaration shall remain in full force and effect and shall run with and bind the Property until February 24, 2036.
- B. Amendment. This Declaration shall not be amended except by an instrument in writing signed by Declarant and the Town, and duly recorded in the Orange County Registry. This Declaration may be amended without the signature of the Tenants.
- C. Termination. This Declaration may be Terminated prior to February 24, 2036 by a writing signed by the Declarant and the Town, and duly recorded in the Orange County Registry.

IV. RUNS WITH THE LAND.

All provisions of this Declaration shall be appurtenant to and run with the title to the Property and shall be binding upon and inure to the benefit of the heirs, assigns, and successors in title to Declarant and the Town.

V. GENERAL PROVISIONS.

- A. Interpretation. The captions of the sections of this Declaration are for convenience only and shall not govern or influence the interpretation hereof.
- B. North Carolina Law. This Declaration shall be governed by the laws of the State of North Carolina, without regard to principles of conflicts of law.
- C. Effective Date. This Declaration shall take effect upon its recordation in the Orange County Registry.
- D. Severability. Invalidation of any of the provisions of this Declaration shall in no way affect any of the other provisions of this Declaration.
- E. Estoppel Certificate. Within thirty (30) days of receipt of a written request made to the Town Attorney, by certified mail, return receipt requested, the Town shall execute a certification stating that this Declaration is in effect, and that Declarant is not in violation of this Declaration, or in the alternative, specifying the nature of any existing violation, if one exists.

[Declarant signature on following page.]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the ____ day of _____, 2021.

DECLARANT

Jones Estates Group, LLC

By: _____

Name: _____

Its: _____

STATE OF _____

COUNTY OF _____

I certify that the following person personally appeared before me this day and acknowledged to me that he voluntarily signed the foregoing documents for the purposes stated therein and in the capacity indicated:_____.

[Affix Seal]

Notary Public

Print Name: _____

My Commission Expires:_____

Date: _____

Exhibit A
Description of the Property

Exhibit B

Park Property and the Commercial Tract

The following Orange County parcels identified by Parcel Identifier Number (PIN) 9789-29-7279 and 9789-39-2409, described below, shall be rezoned to Neighborhood Commercial-Conditional Zoning District (NC-CZD) and Office/Institutional-2-Conditional Zoning District (OI-2-CZD):

New Parcel #1 Legal Description – Zone Neighborhood Commercial-Conditional Zoning District (NC-CZD):

beginning at a point on the eastern right of way of Martin Luther King Junior Boulevard; thence N78°20'52"E a distance of 257.93'; thence S11°20'49"E a distance of 265.36'; thence S78°39'11"W a distance of 259.39'; thence N11°37'00"W a distance of 67.56'; thence N11°37'20"W a distance of 30.00'; thence N11°37'20"W a distance of 51.55'; thence N11°06'20"W a distance of 93.87'; thence N06°31'20"W a distance of 21.08', which is the point of beginning, having an area of 68,739.55 square feet, or 1.578 acres plus one-half of the abutting Martin Luther King Junior Boulevard right-of-way.

New Parcel #2 Legal Description – Zone Office/Institutional-2-Conditional Zoning District (OI-2-CZD):

beginning at a point on the eastern right of way of Martin Luther King Junior Boulevard; thence N78°39'11"E a distance of 259.39'; thence N11°20'49"W a distance of 265.36'; thence N78°20'52"E a distance of 119.42'; thence S59°24'39"E a distance of 47.22'; thence S11°20'49"E a distance of 338.80'; thence S87°13'16"W a distance of 254.54'; thence S01°26'25"E a distance of 32.56'; thence N88°37'12"W a distance of 160.26'; thence N11°37'20"W a distance of 30.76'; thence N11°37'00"W a distance of 32.45', which is the point of beginning, having an area of 75,123.73 square feet, or 1.725 acres plus one-half of the abutting Martin Luther King Junior Boulevard right-of-way.

New Parcel #3 Legal Description – Zone Office/Institutional-2-Conditional Zoning District (OI-2-CZD):

beginning at a point on the eastern right of way of Martin Luther King Junior Boulevard; thence N79°38'47"E a distance of 352.29'; thence N85°55'23"E a distance of 446.13'; thence S79°36'38"E a distance of 277.05'; thence S18°22'41"W a distance of 679.83'; thence N88°37'12"W a distance of 603.58'; thence N01°26'25"W a distance of 32.56'; thence N87°13'16"E a distance of 254.54'; thence N11°20'49"W a distance of 338.80'; thence N59°24'39"W a distance of 47.22'; thence S78°20'52"W a distance of 377.35'; thence N06°31'20"W a distance of 77.82'; thence N04°22'27"W a distance of 183.88', which is the point of beginning, having an area of 462,379.49 square feet, or 10.615 acres plus one-half of the abutting Martin Luther King Junior Boulevard right-of-way.

Exhibit C
Park Property

Insert Relocation Plan