



April 17, 2008

Dear Neighbor,

We are excited to announce that Southern Village Racquet & Swim Club has new owners. The new owners, South Village Club, LLC, have seven shareholders, each a club member with a home in Southern Village.

Our purchase was motivated by our desires to improve the quality of the services and facilities for club members. Our commitment is to provide thoughtful, capable and locally engaged management. To fulfill these purposes, the new owners have retained Berkeley Property Management to handle the day-to-day operation of the club. Berkeley will be accessible and responsive to members. We believe you will see a noticeable improvement immediately.

We have retained an engineer to evaluate the property and discovered the facilities as they currently exist to be sound, but suffering from maintenance needs which had been deferred by the previous owner. Berkeley will undertake overdue maintenance as its first priority.

We look forward to welcoming back former and current members for the upcoming summer season. To support club operations the 2008 membership dues will be \$650, billed annually.

We have great plans for the future and want you to be a part of an improved member experience. Southern Village Club can be the premier neighborhood club in Chapel Hill. We appreciate your support and enthusiasm as we begin this process. We look forward to seeing you at the club this summer.

If you have questions or suggestions, please feel free to contact me.

Sincerely,

Mark Costley
President, Southern Village Club, LLC

601 Brookgreen Drive, Chapel Hill, NC 27516