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STATE OF NORTH CAROLINA

RESTATED DECLARATION OF COVENANTS
AND RESTRICTIONS FOR GOVERNORS CLUB

COUNTY OF CHATHAM

THIS RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS FOR GOVERNORS CLUB is made as of the 26th day of March, 2014, by the Board of Directors of the Governors Club Property Owners Association, Inc., (the "Master Association"), a North Carolina nonprofit corporation, for the sole purpose of compiling into one document the forty recorded amendments to the Declaration of Covenants and Restrictions for Governors Club, for ease of use and convenience of the Members of the Master Association. To the extent this document conflicts with the Declaration of Covenants and Restrictions for Governors Club, as amended and recorded in the Chatham County Registry as is further described below, said recorded documents shall control.

WITNESSETH

WHEREAS, Governors Club Limited Partnership, a Delaware Partnership established a general plan and uniform scheme of development for the improvement of property designated as Phases One; Two; Three; Four; Five; Six; Seven; Eight; Nine; Nine-A; Ten, Section A; Eleven; Twelve-A; Thirteen; Fourteen-A; Fourteen-B; Fifteen; Sixteen; Seventeen and Eighteen of Governors Club, and the Golf Club Property as set forth in the Declaration of Covenants and Restrictions for Governors Club, recorded in Book 538 at Page 505 of the Chatham County Registry and as amended of record, including in Book 545 at Page 311, Book 549 at Page 813, Book 553 at Page 122, Book 561 at Page 181, Book 567 at Page 724, Book 571 at Page 421, Book 571 at Page 883, Book 575 at Page 660, Book 589 at Page 802, Book 590 at Page 650, Book 607 at Page 24, Book 607 at Page 51, Book 612 at Page 481, Book 614 at Page 200, Book 614 at Page 206, Book 619 at Page 958, Book 621 at Page 359, and Book 637 at Page 797, Book 649 at Page 210, Book 652 at Page 428, Book 662 at Page 291, Book 666 at Page 195, Book 674 at Page 685, Book 677 at Page 681, Book 678 at Page 951, Book 687 at Page 754, Book 687 at Page 782, Book 695 at Page 131,

Book 698 at Page 332, Book 709 at Page 951, Book 715 at Page 563, Book 727 at Page 384, Book 733 at Page 941, Book 739 at Page 82, Book 739 at Page 105, Book 770 at Page 653, Book 793 at Page 320, Book 826 at Page 57, Book 845 at Page 647, Book 868 at Page 995, and Book 1724 at Page 368, all of the Chatham County Registry (collectively, the "Declaration").

WHEREAS, the Board of Directors has determined that given the numerous amendments to the Declaration, it is in the best interests of the Members of the Master Association to compile a document containing all such amendments of record, and wish to restate the Declaration in one document to reflect the previous forty amendments.

WHEREAS, the Board on behalf of itself and the Members of the Master Association also acknowledges that Members of the Master Association previously chose to adopt the Planned Community Act, Chapter 47F of the North Carolina General Statutes, which also applies to Governors Club.

NOW, THEREFORE, the Board of Directors hereby presents the following Restated Declaration of Covenants and Restrictions for Governors Club including the First through the Fortieth Amendments, which are compiled and restated in the entirety as follows:

RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
GOVERNORS CLUB

ARTICLE 1 - DEFINITIONS

The following terms, as used in this Declaration, shall have the following meanings:

1.1 "Architectural Review Board" or "A.R.B." shall mean and refer to that permanent committee of the Master Association, created for the purpose of establishing and enforcing criteria for the construction of Improvements within the Property.

1.2 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Master Association as they may exist from time to time.

1.3 "Assessment" shall mean and refer to those charges made by the Master Association from time to time, against Units and the Golf Club Owner, for the purposes, and subject to the terms, set forth herein.

1.4 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Master Association.

1.5 "By-Laws" shall mean and refer to the By-Laws of the Master Association as they may exist from time to time.

1.6 "Club Cottage" shall mean and refer to the dwelling constructed on a Club Cottage Lot, as designated and approved by the A.R.B.

1.7 "Club Cottage Association" shall mean and refer to Governors Club Cottage Maintenance Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

1.8 "Club Cottage Lot" shall mean and refer to any lot located within Phase Six of Governors Club or shown as a "Club Cottage Lot" on the Development Plan or any amendment to the Development Plan, together with the dwelling constructed thereon, if any.

1.9 "Club Cottage Member" shall mean and refer to the Owner of a Club Cottage Lot who is a member of the Master Association.

1.10 "Common Areas" shall mean and refer to all portions of the Property which are intended for the common use and enjoyment of only the Owners in a particular Maintenance Association, and which are identified and dedicated to the Maintenance Association on any recorded subdivision plats of the Property, or conveyed to the Maintenance Association by deed or in this Declaration or any other declaration of covenants and restrictions that may hereafter be recorded in the County.

1.11 "Common Expenses" shall mean and refer to all expenses incurred by the Master Association in connection with its ownership, maintenance and other obligations set forth herein.

1.12 "Common Property" shall mean and refer to all portions of the Property which are intended for the common use and enjoyment of the Owners, and which are identified and dedicated to the Master Association on any recorded subdivision plats of the Property, or conveyed to the Master Association by deed or in this Declaration or any other declaration of covenants and restrictions that may hereafter be recorded in the County.

1.13 "Common Surplus" shall mean and refer to the excess of all receipts of the Master Association, including but not limited to Assessments, rents, profits and revenues in excess of the amount of Common Expenses.

1.14 "County" shall mean and refer to Chatham County, North Carolina.

1.15 "Declarant" shall mean and refer to Governors Club Property Owners Association, Inc., a North Carolina non-profit corporation. This amendment is specifically intended to formally divest any rights which may remain vested in the original declarants, Governors Club Development Corporation and Governors Club Limited Partnership, and any of their affiliates or assigns, and to ensure such rights are transferred to the Governors Club Property Owners Association, Inc. Nothing herein, however, shall affect any rights of access the original declarants or their affiliates or assigns may have to properties owned by them which are located within Governors Club.

1.16 "Declaration" shall mean and refer to this instrument and all exhibits hereto, as the same may be amended from time to time.

1.17 "Development Plan" or "Master Plan" shall mean and refer to that certain graphic representation of the proposed manner of the development of GOVERNORS CLUB, which is attached hereto as Exhibit "B," and the graphic representation of the proposed manner of development of any future additional property to be added to Governors Club. Declarant reserves the right for as long as Declarant owns any property within Governors Club to change the number of Units within GOVERNORS CLUB and to change the mix of Unit types in its sole and absolute discretion without the approval by any Owners other than Declarant, except that after December 31, 2007 the approval of the Board shall be required.

1.18 "Development(s)" shall mean and refer to such residential developments, including, without limitation, the Single-Family Lots, Club Cottage Lots, Villa Lots and Tracts, which are now or which may hereafter be located within Governors Club.

1.19 "Golf Club" shall mean and refer to all present and future organizations consisting of members who have use and enjoyment rights in the Golf Club Property.

1.20 "Golf Club Associate Member" shall mean and refer to any member of the Golf Club who is not a member of the Master Association.

1.21 "Golf Club Owner" shall mean and refer to the Governors Club, Inc., a North Carolina corporation, and its successors and assigns which operates the Golf Club Property.

1.22 "Golf Club Principal Member" shall mean and refer to any member of the Golf Club who is also a member of the Master Association.

1.23 "Golf Club Property" shall mean and refer to those properties and the improvements thereon which are designated as Golf Club Property on the plat "Composite Map, Governors Club Golf Club Property," dated December 12, 1996, by McKim and Creed Engineers, including without limitation the golf and tennis facilities, and such other properties and improvements as may now or hereafter be constructed, acquired or designated as "Golf Club Property" by Declarant or by the Golf Club Owner.

1.24 "Governors Club" shall mean and refer to the planned development project which is located in Chatham County, North Carolina, and known as Governors Club, as same is legally described in the zoning applications and approvals; plus any additional property added to that project by Declarant and made subject to these or substantially similar covenants and restrictions.

1.25 "Governors Crest Lot" shall mean and refer to any Lot located within Phase Eighteen, Governors Crest, Governors Club, together with the Single-Family Residence, if any, constructed on such lot.

1.26 "Governors Square Homesite" shall mean and refer to any Lot located within Governors Square of Governors Club, Phase Three, together with the Single-Family Residence, if any, constructed on such Lot. Governors Square Homesites are also respectively referred to herein as "Village Home Lot", "Single-Family Lot", or "Lot."

1.27 "Highland Pond Lot" shall mean and refer to any Lot located within Highland Pond, Phases Nine and Nine-A of Governors Club, together with the Single-Family Residence, if any, constructed on such Lot, except that the Lots numbered 632 and 633 as shown on the plat of Phase Nine, Highland Pond, Governors Club, recorded in Plat Slide 92-115, as modified by the plat recorded in Plat Slide 93-257, shall not be considered Highland Pond Lots.

1.28 "Highland Pond Preserve" shall mean and refer to the lot designated as "Highland Pond Preserve" on the plat of Phase Nine of Governors Club.

1.29 "Improvements" shall mean and refer to all structures of any kind, including, without limitation, any building, fence, wall, sign, paving, grading, parking and building addition, pool, alteration, screen enclosure, sewer, draining, disposal system, satellite dishes, antennas, electronic and other signaling devices, decorative building, landscaping or landscape device (including, existing and planted trees and shrubbery) or object.

1.30 "Institutional Mortgagee" shall mean and refer to a bank, bank holding company, trust company or subsidiary thereof, savings and loan association, insurance company, union pension fund, mortgage company approved by Declarant, an agency of the United States Government, Federal National Mortgage Association, or Declarant, which holds a first mortgage of public record on a Unit, and the holder of any mortgage of public record given or assumed by Declarant, whether a first mortgage or otherwise, and their successors and assigns.

1.31 "Lot" shall mean and refer to any lot located within the areas of Governors Club designated as a "Village Home Lot," a "Single-Family Lot," a "Club Cottage Lot," a "Villa Lot" or a "Patio Home" on the Development Plan or any amendment to the Development Plan, or shown on the recorded plats of the Property, including Lots 1 through 181, Lots 203 through 260, Lots 262 through 484, Lots 486 through 586, Lot 587-A, Lot 587B, Lots 588 through 685, Lots 687 through 690, Lots 692 through 698, Lots 700 through 714, Lots 742 through Lot 878, Lots 880 through 984, Lot 986, and Lots 988 through 1255, together with the dwellings constructed thereon, if any.

1.32 "Maintenance Area" shall mean and refer to those properties and the Improvements thereon which are designated as Maintenance Area on the Development Plan or on any plats of the Property recorded by the Declarant, the Association or, with regard to Golf Club Property, the Golf Club Owner, including but not limited to Tract 7 of the Golf Club Property as shown on Sheet 12 of the Composite Map of Governors Club Golf Club Property.

1.33 "Maintenance Association" shall mean and refer to an association created or to be created for the purpose of providing maintenance services and to own and operate Common Areas, and shall include Governors Square Maintenance Association, Inc., Tryon Courte Maintenance Association, Inc., Club Cottage Maintenance Association, Inc., Vance Villa Association, Inc., Walker Falls Maintenance Association, Inc., and Stone Brook Maintenance Association, Inc.

1.34 "Master Association" shall mean and refer to Governors Club Property Owners Association, Inc., a North Carolina corporation, not-for-profit, its successors and assigns.

1.35 "Master Association Property" shall mean and refer to all real and personal property, other than the Common Property, which may be acquired by the Master Association for the benefit and private use and enjoyment of all Owners.

1.36 "Member" shall mean and refer to Single-Family Member, Club Cottage Member and the Declarant. Declarant shall be a Member of the Master Association from and after the date of recordation of this Declaration in the public records of the County.

1.37 "Morehead Forest Lot" shall mean and refer to any Lot located within Governors Club, Phase Four, together with the Single-Family Residence, if any, constructed on such Lot.

1.38 "Occupied Lot" shall mean and refer to any Lot with a dwelling for which a certificate of occupancy has been issued.

1.39 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit, excluding however, Declarant and any mortgagee unless and until such Declarant and mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.40 "Property" shall mean and refer to that real property legally described in Exhibit "A", attached hereto and incorporated herein by reference and, such additional property as may be submitted to this Declaration from time to time, pursuant to Article 2 of this Declaration.

1.41 "Saddle Ridge Lot" shall mean and refer to any Lot located within Phases Fourteen-A and Fourteen-B, Saddle Ridge, Governors Club, together with the Single-Family Residence, if any, constructed on such Lot, except that Lots numbered 857 and 858 as shown on the plat of Phase Fourteen-A, Saddle Ridge, Governors Club shall not be considered Saddle Ridge Lots.

1.42 "Single-Family Lot" shall mean and refer to any lot located within the areas of Governors Club designated as a "Village Home Lot," a "Single-Family Lot," a "Golf Villa," a "Villa Lot," or a "Patio Home" on the Development Plan or on any amendment to the Development Plan, together with the dwelling, if any, constructed on such lot. All lots in Phases One; Two; Three; Four; Five; Seven; Eight; Nine; Nine-A; Ten, Sections A and B; Eleven; Twelve-A; Thirteen; Fourteen-A; Fourteen-B; Fifteen; Sixteen; Seventeen; Eighteen; and Nineteen of Governors Club, but not Phase Six (Club Cottage Lots), are Single-Family Lots.

1.43 "Single-Family Member" shall mean and refer to the Owner of a Single-Family lot who is a member of the Master Association.

1.44 "Single-Family Residence" shall mean and refer to, a single-family dwelling constructed or to be constructed on a Single-Family Lot, a Village Home Lot, or a Villa Lot.

1.45 "Stone Brook Association" shall mean Stone Brook Maintenance Association, Inc. a North Carolina nonprofit corporation, its successors and assigns.

1.46 "Stone Brook Lot" shall mean any of Lots 957 through 1065 located within Phase Sixteen, Stone Brook, Governors Club, together with the Single-Family Residence, if any, constructed thereon.

1.47 "Street" shall mean and refer to any street, highway or other thoroughfare which is constructed by Declarant within Governors Club and is dedicated to the Master Association or an Association by deed or on any plat of the Property, whether the same is designated as a street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk, or other similar designation, and shall also include all drives that are designated as "driveway-common area" on the recorded plats. "Street" shall not mean the driveways serving Villa Lots nor the carpaths serving the Golf Club Property.

1.48 "Surface Water Management System" shall mean and refer to those lakes, canals drainage swales, collection facilities, storm drainage culverts and other facilities created and used for drainage of the Property.

1.49 "Tryon Courte Association" shall mean and refer to Tryon Courte Maintenance Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

1.50 "Tryon Courte Lot" shall mean and refer to any lot located within Phase Seven of Governors Club, together with the dwelling constructed thereon, if any.

1.51 "Unit" shall mean and refer to a Single-Family Lot (including Villa Lot and Village Home Lot), or Club Cottage Lot.

1.52 "Villa Association" shall mean Vance Villa Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

1.53 "Villa Building" shall mean any building on a Villa Tract containing two or more single family dwellings.

1.54 "Villa Lot" shall mean any lot located within Phase Ten of Governors Club, together with the dwelling constructed thereon, if any.

1.55 "Villa Residence" shall mean and refer to a single family dwelling on a Villa Lot.

1.56 "Villa Tract" shall mean a tract of land located within Phase Ten of Governors Club upon which one Villa Building may be located and which may be subdivided into Common Areas and Villa Lots.

1.57 "Village Home Lot" shall mean and refer to any lot designated as a "VHL," "Village Home Lot" or a "Patio Home" on the Development Plan or on any amendment to the Development Plan and to any Lot located within Governors Square, Phase Three; Tryon Courte, Phase Seven; Walker Falls, Phase Eleven; or Stone Brook, Lots 957 through 1065, Phase Sixteen of Governors Club, together with the Single-Family Residence, if any, constructed on such lot.

1.58 "Walker Falls Association" shall mean and refer to Walker Falls Maintenance Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

1.59 "Walker Falls Lot" shall mean and refer to any lot located within Phase Eleven of Governors Club, together with the dwelling constructed thereon, if any.

1.60 "Water Tank Site" shall mean and refer to the lot designated as " Water Tank Site" on the plat of Phase Eight of Governors Club.

1.61 "Wilkinson Park Lot" shall mean and refer to any Lot located within Phase Seventeen, Wilkinson Park, Governors Club, together with the Single-Family Residence, if any, constructed on such Lot.

[See Section 5.2 Additional Definitions.]

ARTICLE 2 - PROPERTY SUBJECT TO THIS DECLARATION

2.1 Existing Property. The initial property which shall be subject to this Declaration upon the recordation hereof in the Public Records of the County is the Property.

2.2 [Deleted per Fortieth Amendment]

ARTICLE 3 - GOVERNORS CLUB PROPERTY OWNERS ASSOCIATION

3.1 Formation. At or about the time of the recording of this Declaration, Declarant has caused the Master Association to be formed by the filing of the Articles of Incorporation therefor in the office of the Secretary of State of North Carolina. The Master Association is formed to operate, maintain and ultimately own the Common Property; to enforce the covenants, conditions, restrictions and other provisions set forth in this Declaration and in the Declaration of Covenants and Restrictions for the development, and for the enforcement of the rules and regulations, including traffic regulations, promulgated by the Master Association. The Master Association shall have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Articles of Incorporation and the By-Laws of the Master Association. Subject to the additional limitations provided herein and in the Articles of Incorporation and By-Laws, the Master Association shall have all of the powers and be subject to all of the limitations of a not-for-profit corporation as contained in the North Carolina statutes in existence as of the date of recording this Declaration. The purposes and powers of the Master Association shall be all of the purposes and powers set forth in this Declaration and in its Articles of Incorporation and By-Laws. The Master Association shall provide an entity for the execution, performance, administration and enforcement of all terms and conditions of this Declaration. Declarant, by including additional property within the imposition of this Declaration, may cause additional membership in the Master Association and may designate the ownership basis for such additional membership.

3.2 Membership.

3.2.1 General. Each Owner of a Lot, upon his acquisition of the Lot, shall automatically become a member of the Master Association and shall remain a member for so long as such Owner remains the Owner of the Lot. Such membership shall be mandatory and may not be terminated by any Owner. No person or entity who holds an interest of any type or nature whatsoever in a Lot only as security for the performance of an obligation may be appointed as a member of the Master Association. Declarant shall be considered a member of the Master Association from and after the date of recordation of this Declaration in the public records of the County. Any association created for the purpose of providing maintenance services for, and owning, maintaining, and operating property common to the Governors Square Homesites, other Village Home Lots, the Villa Lots or the Club Cottage Lots shall not be a member of the Master Association.

3.2.2 Classes of Membership. Membership in the Master Association shall be divided into the following two specific classes: (i) Single-Family Members and (ii) Club Cottage Members. Each class of membership shall have specific members of the Board of Directors representing it, pursuant to the Bylaws of the Master Association.

3.3 Voting. After transfer of control by the Declarant, the Master Association shall have two (2) classes of voting membership. Only Members of a specific class shall be entitled to vote for the (Board member(s) representing that Class) and on matters solely affecting that particular class. Whether a matter solely affects only one class of voting membership shall be determined by the majority vote of the entire Board of Directors. All Members shall be entitled to vote on all other matters coming before the membership. Anything contained herein to the contrary notwithstanding, until December 31, 2000, the Declarant shall be entitled to cast that number of votes equal to the number of Units made subject to this Declaration, less the number of Units which are owned by an Owner other than the Declarant. Thereafter, the Declarant shall be entitled to cast that number of votes equal to the number of Units for which it is paying General Assessments.

3.4 Administration of the Master Association. The affairs of the Master Association shall be administered by the Board of Directors in accordance with this Declaration, the Articles of Incorporation and the By-Laws of the Master Association. The Articles of Incorporation and By-Laws may be amended in the manner set forth therein; provided, however, that no such amendment shall conflict with the terms of this Declaration nor adversely affect the rights of Declarant, without Declarant's prior written approval; and provided further that no amendment, alteration or rescission may be made which affects the rights or privileges of any Institutional Mortgagee, without the express prior written consent of the Institutional Mortgagee so affected. Any attempt to amend contrary to these prohibitions shall be of no force or effect.

3.5 Suspension of Membership Rights. No Member shall have any vested right, interest or privilege in or to the assets, functions, affairs or franchises of the Master Association, or any right, interest or privilege which may be transferable, or which shall continue after the Member's membership ceases, or while the Member is not in good standing. A Member shall be considered "not in good standing" during any period of time in which the Member is delinquent in the payment of any Assessment, or in violation of any provision of this Declaration, any rules or regulations promulgated by the Master Association, the Traffic Regulations, or in violation of any provision of

the Declaration of Covenants and Restrictions for any development or any rules or regulations promulgated by an Association. All such determinations shall be made by a majority of the Board of Directors. While not in good standing, the Member shall not be entitled to vote or exercise any other right or privilege of membership of the Master Association.

3.6 Control by Declarant. Anything contained herein to the contrary notwithstanding, Declarant shall have the right to retain control of the Master Association until January 1, 1998. At the time of turnover of control of the Master Association, the Master Association shall record a Notice of Turnover in the public records of the County. So long as Declarant retains control of the Master Association, Declarant shall have the right to appoint all members of the Board of Directors (whose terms shall expire on January 1, 1998) and the Architectural Review Board and to approve the appointment of all officers of the Master Association (the terms of which officers shall expire upon the election of new officers), and no action of the membership of the Master Association shall be effective unless, and until, approved by Declarant. However, prior to turnover the Members shall be entitled to elect five (5) members of the Board to take office immediately upon turnover. After turnover of control of the Master Association the number of Directors shall be seven (7) and the Declarant shall have the right to appoint one (1) member of the Board of Directors who shall serve at Declarant's pleasure until December 31, 2007, when that member's term shall expire. Declarant earlier may relinquish this right to appoint upon six months' notice. The Members may elect a successor to the Declarant's seat on the Board six months in advance of the vacancy occurring; and such member-elect shall serve as an alternate member pending taking office. After turnover, the Declarant shall have the right to appoint all members of the Architectural Review Board as provided in section 10.1 below. Directors appointed by the Declarant need not be a Member of the Master Association or an Owner. In the event that Declarant shall enter into any contracts or other agreements prior to January 1, 1998 for the benefit of Owners, or the Master Association, Declarant may, at its option, assign its obligations under the agreements to the Master Association, and in such event, the Master Association shall be required to accept such obligations.

ARTICLE 4 - COMMON PROPERTY, COUNTRY CLUB PROPERTY AND ASSOCIATION PROPERTY

4.1 Common Property. The Common Property is intended for the use and enjoyment of the owners and their guests and invitees. Title to the Common Property shall remain vested in Declarant until the date that Declarant voluntarily relinquishes control of the Master Association, as such date is defined hereinabove. Notwithstanding the manner in which fee simple title is held, the Master Association shall be responsible for the management, maintenance and operation of the Common Property and the Master Association Property, and for the payment of all property taxes and other assessments which are liens against the Common Property and the Master Association Property, from and after the date of recordation of this Declaration. Simultaneously with its relinquishment of control of the Master Association, Declarant shall convey all of its right, title and interest in the Common Property to the Master Association.

4.2 Golf Club Property. The Golf Club Property is intended for the use of the members of the Golf Club and their guests and invitees. The Golf Club Owner is responsible for the management, maintenance and operation of the Golf Club Property. The lakes and other portions of the Surface Water Management System located on the Golf Club Property shall be maintained by the

Golf Club Owner as required by regulating agencies. The Golf Club Owner is also responsible for the management, maintenance and operation of the dams of all lakes located on the Golf Club Property. The Master Association is responsible for the roads across those dams. Golf Club membership, rules and regulations are provided for in the bylaws and rules of the Golf Club.

4.3 Master Association Property. The Master Association shall have the power and authority to acquire and convey such interest in real and personal property as it may deem beneficial to its Members, provided, that any such acquisition or conveyance to be made prior to December 31, 2007 is approved in advance in writing by the Declarant. Such interests may include fee simple or other absolute ownership interests, leaseholds, or such other possessory use interests as the Master Association may determine to be beneficial to its members.

4.4 Maintenance of Master Association Property and Common Property. The Master Association is authorized to and shall, either by virtue of the appointment of a real estate management agent, or through its own personnel, be responsible for the maintenance and repair of the Master Association Property and the Common Property, including the performance of obligations which may be placed upon the Common Property by applicable regulatory agencies. This maintenance obligation shall commence upon the Declarant's designation of the completion of any property or facility or portion thereof, which designation may be made solely at the discretion of the Declarant. Specifically, the property the Master Association shall maintain and be responsible for shall include, but not be limited to the following:

4.4.1 Privacy. Such privacy system(s), gatehouse(s) and other privacy facilities which shall be operated and maintained for the benefit of the Units within Governors Club.

4.4.2 Streets. All Streets within Governors Club which are dedicated to the Master Association on any plat of any portion of the Property and which are deemed complete by Declarant.

4.4.3 Surface Waters. The Surface Water Management System, which shall be maintained as required by regulatory agencies. The Golf Club Owner is primarily responsible for the lakes and all other portions of the Surface Water Management System located on the Golf Club Property. The Master Association shall use reasonable efforts to limit as much as is practical the impact of surface water on the Golf Club Owner's use of the Golf Club Property. If the Golf Club Owner fails to install an adequate Surface Water Management System or adequately repair and maintain its portion of the Surface Water Management System, the Master Association shall have the right, after written notice, to go upon the Golf Club Property and perform the work and the Golf Club Owner shall pay the costs.

4.4.4 Landscaping. All landscaping of the Common Property and Master Association Property, including, without limitation, all sodding, irrigation systems and the planting and care of trees and shrubbery. The Master Association, by rules and guidelines adopted by the Board of Directors, may require that each Owner of an Occupied Lot or, if the Owner's Occupied Lot is being maintained by a Maintenance Association, that the Maintenance Association landscape and maintain areas of Common Property between the Occupied Lot and Street pavement.

4.4.5 Signs. All signs located on the Common Property.

4.4.6 Maintenance Structures. All maintenance buildings located or to be located on the Common Property.

4.4.7 Fences. All fencing located on the Common Property and all perimeter fencing for which the Master Association holds an easement for construction and maintenance.

4.4.8 Contracts. Declarant, its affiliates, successors or assigns, may be the management agent for the Master Association and may hire such employees, including, but not limited to: attorneys, accountants, bookkeepers, gardeners and laborers, as the Declarant may deem necessary in order to maintain the Master Association Property and the Common Property. No agreement between the Master Association and Declarant, its successors or assigns shall be held invalid solely for the reason that at the time of entering into the agreement, employees, officers or agents of the Declarant or its affiliates, successors or assigns are officers, directors and/or employees of the Master Association. In the event any maintenance is performed on Golf Club Property by the Master Association, under contract or otherwise, the costs of such maintenance will be billed to and paid by the Golf Club Owner, and in the event any maintenance is performed on Master Association Property by the Golf Club Owner, under contract or otherwise, the costs of such maintenance will be billed to and paid by the Master Association.

4.5 Rules and Regulations Governing Use of the Master Association Property and Common Property. The Master Association, through its Board of Directors, shall regulate the use of the Common Property and may from time to time promulgate such rules and regulations consistent with Declaration, governing the use thereof as it may deem to be in the best interest of its Members. Without limiting the foregoing, the Master Association shall have the right to promulgate rules and regulations governing use of golf carts within the Property. No rules or regulations may be adopted which would adversely affect the rights of any Institutional Mortgagee, without the prior written consent of such Institutional Mortgagee. A copy of all rules and regulations established hereunder and any amendments thereto shall be made available to all Members of the Master Association at the office of the Master Association. Such rules and regulations, and all provisions, restrictions and covenants contained in this Declaration and the declarations of covenants covering any portions of the Property, including, without limitation, all architectural and use restrictions contained therein, may be enforced by legal or equitable action by the Master Association.

4.6 Traffic Regulations. The Master Association, through its Board of Directors, shall have the right to post motor vehicle speed limits throughout Governors Club, and to promulgate traffic regulations (the speed limits and traffic regulations are collectively referred to herein as the "Traffic Regulations") for use of the Streets. A copy of all Traffic Regulations established hereunder and any amendments thereto shall be made available to all Members, to all members of the Golf Club and to all those persons who use the Streets at the office of the Master Association, the gatehouses and the Golf Club clubhouse. The Master Association, through its Board of Directors, shall also have the right to establish enforcement mechanisms for violation of the Traffic Regulations, including without limitation, the assessment of fines which shall be collected as an individual Assessment from Owners, the removal of vehicles from the Property, the suspension of an Owner's rights and easements of enjoyment, as provided hereinbelow and the denial of access to any other person. Those who violate the Traffic Regulations shall be entitled to notice and a hearing

before the Board of Directors, prior to the imposition of any fine, the removal of any vehicle, the deprivation of any rights or the enforcement of any other penalty for violation of the Traffic Regulations.

4.7 Owners Easement of Enjoyment. Subject to the provisions hereinbelow, each Owner shall have a right and easement of enjoyment in and to the Common Property, which easement shall be appurtenant to, and shall pass with, the title to each Unit.

4.8 Extent of Owner's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

4.8.1 The right of Declarant and the Master Association to borrow money for the purpose of improving the Common Property to which each holds title and, in connection therewith, to mortgage the Common Property.

4.8.2 The right of Declarant and the Master Association to take such steps as are reasonably necessary to protect the Common Property to which each holds title and, in connection therewith, to mortgage the Common Property.

4.8.3 The right of the Master Association to suspend the enjoyment rights and easement of any Owner for any period during which an Assessment remains unpaid by the Owner, and for any period during which the Owner is in violation of this Declaration, the Declaration of Covenants and Restrictions for any Development, or any of the rules and regulations promulgated by the Master Association, or by any Maintenance Association or the Traffic Regulations.

4.8.4 The right of the Master Association to properly maintain the Common Property.

4.8.5 The rules and regulations and the Traffic Regulations covering the use and enjoyment of the Common Property, as promulgated by the Master Association.

4.8.6 The right of Declarant to dedicate or transfer all, or any part, of the Common Property to any governmental or quasi-governmental agency, authority, utility, water management or water control district.

4.8.7 Restrictions contained on any plat, or other instrument filed separately, with respect to all or any portion of the Property.

4.8.8 All of the provisions of this Declaration, the Declaration of Covenants for the Developments, and the Articles of Incorporation and By-Laws of the Master Association and the associations for any Development, if any, and all exhibits thereto, and all rules and regulations adopted by the Master Association and the associations, if any, and the Traffic Regulations, as same may be amended from time to time.

4.8.9 The right of the Master Association to dedicate or transfer all or any part of the Common Property and the Master Association Property to any public agency, authority, or utility

for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication, transfer or determination as to the purposes or conditions thereof shall be effective unless approved by a two-thirds (2/3) vote of the total membership at a duly called meeting of the Master Association, and unless written notice of the proposed agreement and action thereunder is sent to all Members at least ninety (90) days in advance of any action, and provided further, that any such dedication or transfer made prior to December 31, 2007 is approved in advance in writing by the Declarant.

4.8.10 The right of the Declarant to develop Governors Club, including additional property, and to sell or lease Units to purchasers or lessees. As a material condition for ownership of a Unit in Governors Club, each Owner releases Declarant (and with regard to the use of the Maintenance Area only, each Owner releases the Golf Club Owner) from any claim that the Owner might have for interference with his quiet enjoyment of the Common Property or the Master Association Property due to the development of Governors Club, whether or not the construction operations are performed on the Common Property, the Master Association Property, the Maintenance Area, additional property, or on any Units owned by Declarant, and each Owner acknowledges and agrees that Declarant shall have the sole right of design, construction, development and improvement of the Common Property, the Master Association Property and the Units of Governors Club, and additional property (with the exception only of Single-Family Residences).

4.8.11 The right of the Declarant to dedicate nonexclusive mutual easements across the Common Property to other properties of Governors Club, including additions to Governors Club. The Declarant shall have the right to transact any business necessary to consummate sales of property throughout Governors Club and to develop Governors Club, including, but not limited to, the right to post and display a sign or signs at its office location; and to use the Common Property for access to its office and to show Units. Structures and appurtenances pertaining to the development of property within Governors Club shall not be considered Common Property and shall remain the property of the Declarant. After turnover of control of the Master Association, and regardless of whether Declarant owns or has any use rights to any property in Governors Club, Declarant or its assignee shall have the right, but not the obligation, to continue to maintain an office on the Property and to exercise the rights granted to Declarant under Section 13.6 hereinbelow at no cost or charge of any kind. The office shall be used as a real estate brokerage office to assist Owners in the sale or lease of their Units and obtaining necessary approvals for such transfers. No other commercial or real estate offices shall be located on the Common Property after turnover of control of the Master Association.

4.9 Continual Maintenance. In the event of a permanent dissolution of the Master Association, the Members shall immediately thereupon hold title to the Common Property as tenants in common and shall collectively provide for the continued maintenance and upkeep thereof. In no event shall the County be obligated to accept any dedication offered to them by the Master Association or the Members pursuant to this section, but said County may accept such a dedication and any such acceptance must be made by formal resolution of the then empowered County Board of Commissioners.

4.10 Golf Club Membership. All persons using the Golf Club facilities shall do so only pursuant to and under the auspices of a valid Membership Certificate. Each person using the Golf

Club facilities shall be subject to such rules and regulations of the Golf Club as are in effect as of the date of use, and shall be required to pay such fees and membership dues as may be assessed by the Golf Club, pursuant to separate documents established for the Golf Club.

ARTICLE 5- EASEMENTS

In addition to terms defined in Article 1 above, other terms used are defined in Section 5.2.

5.1 Easement Grants. The following easements are hereby granted and reserved to or by Declarant over, across and through the Property:

5.1.1 Easements for the installation and maintenance of utilities are reserved by the Declarant and may be granted by Declarant to the Master Association, the Golf Club Owner and to public and private utilities across the front, side and rear Lot lines of each Lot, in the dimensions set forth below, or as otherwise shown on the recorded subdivision plats of the Property, for present and future utility services to Governors Club, including, but not limited to, water lines, sanitary sewer lines, storm drainage culverts, sprinkler lines, natural gas lines, electrical wires, television wires, telephone cables, irrigation lines, security wires, street lights, communication lines, communication devices, and other services, known and unknown is follows:

a. Village Home Lots: The easement shall run along the entire length of each front and rear lot line for a width of ten (10) feet. On Walker Falls Lots the easement shall run along the entire length of each side lot line for a width of five (5) feet on the patio wall side (as defined by the A.R.B.) and ten (10) feet on the remaining side lot line. On all other Village Home Lots the easement shall run along the entire length of each side lot line for a width equal to the applicable side lot setbacks.

b. Villa Lots: On Villa Lots located on Villa Tracts with Villa Buildings constructed upon them, the easement shall be on the portion of the lot exterior to the Villa Building and within Party Walls; and shall be used only for service to other Villa Lots on the same Villa Tract. On all other Villa Lots the easement shall run along the length of each front, rear and side lot line for a width of ten (10) feet or for the width of the applicable setback or for the actual distance from the dwelling site thereon to each such lot line, whichever is less, or as otherwise specifically shown on the plats of the Property. No dwelling site shall be located over an existing utility service line.

c. All other Single-Family Lots: The easement shall run along the entire length of each front, rear and side lot line for a width of ten (10) feet.

d. Villa Tracts: The easement shall run across all Common Areas, including the Villa Association Property. Until a Villa Tract is subdivided into Villa Lots and Common Area, the easement shall run across the entire Villa Tract except that the Owner may except the area designated for the Villa building.

e. Club Cottage Lots: The easement shall run along the entire length of each front, rear and side lot line for a width of ten (10) feet or for the actual distance from the dwelling site thereon to each such lot line, whichever is less. No site shall be located over an existing utility service line.

Within these easement areas, no structure, planting or other material (other than sod), which may interfere with the installation and maintenance of utility facilities, shall be placed or permitted to remain unless such structure, planting or other material was installed by the Declarant. The Declarant, the Master Association and their respective successors and assigns (or such other entity as is indicated on the, plats of the Property) are hereby granted access to all easements within which such facilities are located for the purpose of operation, maintenance and replacement thereof.

In the event that Lots are recombined or reconfigured with the joinder of the Declarant or the Master Association, then the easements reserved herein shall run along the newly established Lot lines and the easements along the old Lot lines shall be abolished, unless some easement is expressly reserved.

5.1.2 Easements for the installation and maintenance of drainage facilities and the Surface Water Management System are granted to the Master Association and Golf Club, as shown on the recorded subdivision plats of the Property, to run along the entire length of each front, rear and side Lot line of Single-Family Lots (except Villa Lots located on Villa Tracts), Villa Tracts, and Club Cottage Lots, for the same widths set forth in 5.1.1(a), (b), (c), (d), and (e) above or as otherwise shown on the recorded plats. In the event that Lots are recombined or reconfigured with the joinder of the Declarant or the Master Association, then the easements reserved herein shall run along the newly established Lot lines and the easements along the old Lot lines shall be abolished, unless some existing drainage facility is in place or some easement is expressly reserved. In addition, an easement for the impoundment of waters is reserved upon each lake-front Lot for a width necessary to accommodate an increase in the elevation of any lake waters one (1) foot above its spill-way elevation. Within these easement areas, no structure, planting or material (other than sod), which may interfere with the installation and maintenance of drainage facilities or which may obstruct or retard the flow of water through lakes, streams or drainage channels, shall be placed or permitted to remain, unless such structure, planting or other materials was installed by the Declarant. The Declarant, the Master Association and the Golf Club and their respective successors and assigns, shall have access to all such drainage easements for the purpose of operation and maintenance of the lakes, streams and Surface Water Management System. Ownership of the lakes located on the Golf Club Property and use of the water therein are reserved to the Golf Club Owner. Ownership and use of the lakes located on Common Property are reserved to the Master Association.

5.1.3 The Common Property and the Common Areas are hereby declared to be subject to a perpetual, non-exclusive easement in favor of the Master Association, employees and agents of the Master Association, and of any management entity contracted by the Master Association in order that such employees, agents or management entity may carry out their duties.

5.1.4 An easement is hereby granted to each Institutional Mortgagee for the purpose of access to the property subject to its mortgage.

5.1.5 Easements are hereby reserved through the Common Property, including, without limitation, the Streets and the easements shown on the plat(s) of the Property, for use by Unit Owners and by Declarant, for their use and the use of their agents, employees, licensees and invitees, for all purposes in connection with the use, development and sales of the Property. Only the Declarant or the Master Association may dedicate any street, road, or driveway easements through the Property, including the Common Property.

5.1.6 A perpetual easement is hereby granted to members of the Golf Club and their guests, and to the Golf Club Owner and its agents and employees to permit the doing of every act necessary and reasonably incident to the playing of golf on the golf course adjacent to the Units and other Property and the maintenance thereof, provided, however, this shall not include the intrusion of golf carts upon any Unit or its Lot or any Villa Tract. These acts shall include, but not be limited to, the recovery of but not the play of golf balls from Units, the flight of golf balls over and upon Units, the use of the necessary and usual equipment upon the golf course, the creation of the usual and common noise level associated with the playing of the game of golf, together with all such other common and usual activities associated with the game of golf and with all the normal and usual activities associated with the operation and maintenance of a golf club. "Out of Bounds" stakes shall not be permitted and the U.S.G.A. Rules of Golf, as modified by the Golf Club, shall control play. The Declarant shall have the right to prescribe in writing to the members of the Golf Club and the Golf Club Owner the manner and extent to which the rights under this easement shall be exercised. In addition, the Declarant may, in its sole discretion, limit or withdraw or prohibit certain of the acts authorized by this easement. After transfer of control to the Master Association by Declarant, these rights shall be negotiated between the Golf Club and the Master Association. Provided, however, they shall not be withdrawn or limited without the consent of the Golf Club.

5.1.7 A non-exclusive easement is hereby granted for ingress and egress over, across and through all Streets for access to and from the Golf Club Property to Declarant and all members, employees and guests of the Golf Club, regardless of whether such members, employees or guests are also Owners. This easement is subject to all reasonable rules and regulations promulgated by the Master Association from time to time.

5.1.8 The Declarant reserves the right, without the consent or approval of any Association or the Owners being required, to grant such additional easements or to relocate existing easements on any portion of the Common Property, and on any portion of property owned by Declarant, as the Declarant shall deem necessary or desirable for the proper operation and maintenance of Governors Club, any portion thereof, or any addition thereto, or for the general health and welfare of the Owners, provided such additional easements or relocation of existing easements will not prevent or unreasonably interfere with the use or enjoyment of the Units, and provided further, that the Property and the Improvements constructed thereon will not be structurally weakened thereby.

5.1.9 Easement of Entry by Master Association and Declarant. Declarant reserves for itself and the Master Association, their successors, assigns and agents, a special easement for the right to enter upon any of the Property, such entry to be made by personnel with tractors or other suitable devices, for the purposes of mowing, removing, cleaning, cutting or pruning underbrush, weeds or other unsightly growth, or for the purpose of building or repairing any land contour, street

embankment, slope or other earth work, which in the opinion of the Declarant or the Master Association detracts from or is necessary to maintain the Streets and the overall beauty, ecology, setting and safety of the Property. Any such entrance shall not be deemed a trespass. The Declarant or the Master Association and its agents may likewise enter upon any Property to remove any trash which has collected or to remove any unauthorized Improvement, vehicle or other object, without such entrance and removal being deemed a trespass. The provisions in this paragraph shall not be construed as an obligation on the part of Declarant or the Master Association to undertake any of the foregoing. The rights reserved to the Declarant under this section shall terminate December 31, 2007.

5.1.10 Perimeter Fence Easement. The Declarant reserves for itself and the Master Association, their successors, assigns and agents, an easement and right, without the consent or approval of any Association or the owners being required, to construct a perimeter fence or wall on part or all of the perimeter of the Property depicted upon the Development Plan, as same may be amended from time to time, such easement attaching to the property within fifteen (15) feet of the outside edge of the Property and applying without distinguishing between Common Property and individual Lots, and includes the right to usual and necessary access to any such wall or fence constructed for purposes of maintenance, repair, removal, and replacement. No gate or other opening in any fence or wall may be made without the consent of the Declarant. The provisions in this paragraph shall not be construed as an obligation on the part of Declarant or the Master Association to undertake any of the foregoing. The rights reserved to the Declarant under this section shall terminate December 31, 2007.

5.1.11 Water Tank Site. The Declarant may grant to Chatham County a nonexclusive easement for ingress and egress over, across and through all Streets for access to and from the Water Tank Site, provided such easement is to be used only for the repair, maintenance and replacement of the water tank, the site and the water system elements. This easement shall be subject to all reasonable rules and regulations promulgated by the Master Association from time to time. Upon the grant of such easement, Chatham County shall not be required to pay Assessments, except as provided in Section 6.6.

5.1.12 Highland Pond Preserve. The Declarant may grant to any subsequent Owner of the Highland Pond Preserve a nonexclusive easement for ingress and egress over, across and through all Streets for access to and from the Highland Pond Preserve, provided such easement will not prevent or unreasonably interfere with nor unduly burden the use and enjoyment of the Units. This easement shall be subject to all reasonable rules and regulations promulgated by the Master Association from time to time. Upon the grant of such easement, the Owner shall pay Assessments as do the Owners of other Lots.

5.1.13 Trail Easement. A nonexclusive trail easement fifteen feet in width is hereby granted to the Declarant and the Master Association for walking, hiking, running, and for nature trails and appurtenant facilities across Lots #634, 636, 637, 638, 639, 640, 643, 645, 649, 650, 651, 652, 653, 654, 655, 658, 659, 660, 661, 662, 663, 664, and 665 (located as described below) for use and enjoyment by the Owners, only under such rules as may be promulgated by the Master Association from time to time. The trail easement is fifteen feet in width, lies on the above numbered Lots, and is located adjacent to certain boundary lines of those lots as follows: along the northern boundary lines of Lot 640, the Highland Pond Preserve Lot, Lots 639, 638, 658, 661, 662, 663, 664,

and 665; along the eastern boundary lines of Lots 638, 637, 636, 634, and 645; along the southern boundary lines of Lots 645, 649, 650, 651, 652, and 653; and along the western boundary lines of Lots 653, 654, 655, 658, 659, 660, 661, 643, and 663, so that it runs continuously from the northeastern corner of Lot 645 to the southwestern corner of Lot 653, then along the western boundary of Phase Nine-A to the northwestern corner of Lot 663, and then along the northern boundary of Phases Nine-A and Nine to the northeastern corner of Lot 638, and then along the eastern boundary of Phase Nine to the southeastern corner of Lot 634, the end of the easement. The trail easement on Lot 645 runs along the New Lot Line as shown on the plat "Recombination of Lots 633 & 645, Phase Nine, Governors Club, dated May 4, 1993" and recorded in Plat Slide 93-257, Chatham County Registry. The original trail easement along the Old Lot Line of Lot 645, as shown on the referenced plat, is abolished. In the event the Master Association adopts rules allowing use of the trail easement or makes Improvements to the trail easement, then the Master Association shall be responsible for the maintenance and management of such Improvements. The trail easement shall be maintained as a natural area, any trail shall be no more than four feet wide, and no tree greater than four inches diameter (dbh) may be cut.

5.1.14 The Declarant reserves for itself and the Master Association the power and authority, without the consent or approval of any Association or the Owners being required, to create, terminate, locate, relocate and control the use of any easements or rights of way of whatever nature, which are not included in the Development Plan or dedicated as Streets on the recorded plats of the Property. The Declarant further reserves for itself and the Master Association the power and authority, without the consent or approval of any Association or the Owners being required, to levy and collect from any non-Owner the cost of construction or maintenance, or both, of any easement or right of way of whatever nature, that the non-Owner uses or claims a right to use.

5.1.15 Sidewalk Easement on Stone Brook Lots. Declarant reserves for itself and the Stone Brook Association, their successors, assigns and agents, a sidewalk easement ten (10) feet in width across all Stone Brook Lots for use and enjoyment by the owners of Stone Brook Lots and others, only under such rules as may be promulgated by the Stone Brook Association from time to time. The sidewalk easement is ten (10) feet in width, on the Stone Brook Lots adjacent to the boundaries between Stone Brook Lots and all road rights-of-way, and includes the right to usual and necessary access for purposes of construction, maintenance, repair, removal, and replacement. The provisions in this paragraph shall not be construed as an obligation on the part of Declarant or the Stone Brook Association to undertake construction of any sidewalks. In the event sidewalks are constructed on the easements reserved herein or in the road rights-of-way adjacent to the Stone Brook Lots, the Stone Brook Association shall be responsible for the maintenance and management of such sidewalks.

5.1.16 Golf Club Property. Rights and easements across the Golf Club Property are reserved by Declarant as follows:

The right of the Declarant to modify the boundary lines of the Golf Club Property in a manner which does not materially affect the use of the property as a country club facility; the right of the Declarant to grant easements, dedications, agreements, licenses, restrictions, reservations, covenants and rights-of-way; and the right of the Declarant to plat or replat the Property, including the Golf Club Property, and to take such other actions as the Declarant, its affiliates or assignees,

may deem necessary or appropriate. The Golf Club Owner shall execute and deliver and cause the holders of any liens with an interest in the Golf Club Property to execute and deliver any and all documents and instruments which the Declarant deems necessary or convenient in its sole and absolute discretion to exercise the rights and privileges reserved to the Declarant. The Declarant shall give the Golf Club Owner reasonable prior notice of its intent to exercise any of the rights reserved to the Declarant in this section; the Declarant shall make reasonable efforts to cooperate with the Golf Club Owner to minimize the impact of the exercise of those rights upon the use and enjoyment of the Golf Club Property; and in the event that the Declarant's exercise of any of the rights reserved to the Declarant in this section results in the disturbance or destruction of any sod or other Improvements on the Golf Club Property, the Declarant shall, restore those Improvements to substantially the same condition as they existing prior to the exercise of Declarant's rights hereunder.

5.1.17 Wastewater Treatment Utility. Declarant reserves for and dedicates to itself, the Utility, its successors and assigns, and the Golf Club Owner a non-exclusive easement for ingress and egress over the Golf Club Property, the Common Property and the Plant for the purposes of installing and maintaining a wastewater collection system and holding ponds, handling and discharging Treated Wastewater, and expanding the Spray Area in accordance with the terms of the Permits, performing wastewater testing, taking samplings, borings and making other examinations.

5.1.18 Irrigation Easement. A non-exclusive easement is hereby granted to the Golf Club Owner, its successors and assigns, over the Spray Area, the Common Property and the Utility's property for the purposes of installing, inspecting, replacing, repairing, operating and maintaining such appurtenances and facilities as needed to take Treated Wastewater and spray it.

5.1.19 Nursery Easement. The Golf Club Owner is granted a non-exclusive easement for the installation and maintenance of a nursery to grow sod and other plants for use and installation on the Golf Club Property and other Property across that portion of the Duke Power Company transmission line right of way which lies east of the eastern crossing of Morehead.

5.1.20 Dams. A non-exclusive easement is hereby granted to the Golf Club Owner, its successors and assigns, over the dams of Lake Morehead and Upper Lake Morehead, including across the Common Property and Streets across those dams, to improve, inspect and maintain those dams. In the event that the exercise of these rights causes the disturbance or destruction of any portion of the Streets, then the Golf Club Owner shall restore the Streets to substantially the same condition as they previously existed.

5.1.21 Maintenance Area Easement. A non-exclusive easement is hereby reserved and granted to and for the Declarant, the Golf Club Owner, the Master Association and the Utility across the Maintenance Area for access to and from all portions of the Maintenance Area and the Streets and State Road 1008; and also across the 60 foot utility and access easement which leads from the Maintenance Area to S. R. 1007. Such easement shall be located across the Maintenance Area at locations determined by the respective owners which provide reasonable access for all users.

5.2 Additional Definitions. In addition to Article I, terms are defined as follows:

5.2.1 "Permits" shall mean all permits for wastewater collection, treatment and spray irrigation disposal issued by local, state and federal agencies and all other laws, rules, regulations and permits applicable to the operation of the Plant and Spray Irrigation System from time to time.

5.2.2 "Plant" shall mean the wastewater treatment plant located within Governors Club, the collection system which delivers wastewater to the treatment plant and to the holding ponds, the fifty day pond pumphouse, monitoring wells and all other facilities used in the collection, treatment, holding and discharge of the wastewater except the Spray Irrigation System.

5.2.3 "Spray Area" shall mean all areas of the Golf Club Property, Common Property and other land upon which the Utility has obtained or obtains Permits to dispose of wastewater by spray irrigation.

5.2.4 "Spray Irrigation System" shall mean all water lines, pumps, irrigation and spray devices, controls and other devices used in the taking of Treated Wastewater and spraying it upon the Spray Area.

5.2.5 "Treated Wastewater" shall mean the wastewater which has been treated by the Utility to the point that it meets all quality standards required by the Permits.

5.2.6 "Utility" shall mean Governors Club Limited Partnership, d.b.a. Governors Club Sewer Utility and any subsequent owners and operators of the Plant.

ARTICLE 6 - ASSESSMENTS AND LIEN

6.1 Authority of Master Association. The Master Association, through its Board of Directors, shall have the power and authority to make and collect Assessments as hereinafter set forth.

6.2 General Assessments. General Assessments shall be determined annually for the purpose of maintenance and management of the Master Association, the Master Association Property, the Common Property and for the purpose of promoting the safety and welfare of the Owners, provided however, that such General Assessments are not attributable to only one specific class of membership. Without limiting the foregoing, General Assessments shall be used for the payment of: operation, maintenance and management of the Master Association Property; operations and maintenance of the Surface Water Management System; property taxes and assessments against and insurance coverage for the Common Property and the Master Association Property; legal and accounting fees; maintenance of the Streets; security costs; management fees; normal repairs and replacements; charges for utilities used upon the Common Property and the Master Association Property; cleaning services; expenses and liabilities incurred by the Master Association in the enforcement of its rights and duties against Members, Owners or others; maintenance of vacant property; the creation of reasonable reserves; and all other expenses deemed by the Board of Directors of the Master Association to be necessary and proper for management, maintenance, repair, operation and enforcement.

6.3 Basis and Collection of General Assessments The Master Association shall annually estimate the Common Expense it expects to incur and the period of time involved therein and may assess the individual Lot Owners and the Golf Club Owner sufficient monies to meet this estimate. No other provision of this Declaration to the contrary notwithstanding, however, no general, special or emergency assessment shall be levied against the Declarant or any property owned by the Declarant. All Units shall be assessed at a uniform rate, provided, however, that the rate of Assessment for Lots without Residences shall be seventy-five percent (75%) of that assessed for a Lot. Assessments against the Lots will be collected from the individual Lot Owners. As additional property is subjected to this Declaration by the Declarant, Declarant shall have the right to determine, in its sole discretion, the basis for assessment of such additional property, provided that after December 31, 2000, the Board approves, which approval shall not be unreasonably withheld. If the Master Association subjects additional property to this Declaration, the Master Association shall have the right to determine, in its sole discretion, the basis for assessment of such additional property. In the imposition of a General Assessment against the Golf Club Owner by the Master Association, the Golf Club Owner shall be assessed fifty percent (50%) of the difference between the dues paid by Golf Club Associate Members and the amount of dues the Golf Club Associate Members would have paid as Golf Club Principal Members, provided, however, that such Assessment shall not exceed five percent (5%) of the total General Assessment of the Master Association. Prior to December 31, 1989, the maximum annual assessment shall not exceed Five Hundred Dollars (\$500.00) per Unit. Thereafter, the maximum General Assessment that may be made by the Board of Directors, without a vote of the membership, shall increase by ten percent (10%) annually. Should the Master Association, through its Board of Directors, at any time determine that the Assessments made are not sufficient to pay the expenses, or in the event of emergency, the Board of Directors shall have authority to levy and collect additional General Assessments to meet such needs. General Assessments shall be collectible in advance monthly, quarterly, semi-annually or annually, as the Board of Directors shall determine.

6.4 Special Assessments. The Master Association shall have the power and authority to levy and collect special Assessments from the individual Lot Owners and the Golf Club Owner. Without limiting the foregoing, special Assessments shall be used for the payment of: the acquisition of property; the cost of construction of capital Improvements to the Common Property or the Master Association Property; the cost of construction, reconstruction, unexpected repair or replacement of a capital Improvement, including the necessary fixtures and personal property related thereto, and the expense of indemnification of each director and officer of the Master Association and each member of the A.R.B. Special Assessments shall be assessed at a uniform rate for each Unit assessed; provided, however that as additional property is subjected to this Declaration, Declarant shall have the right to determine in its sole discretion, the basis for assessment of such additional property, provided that after December 31, 2000, the Board approves, which approval shall not be unreasonably withheld. The Golf Club Owner shall be assessed at such amount as shall be determined by the Board of Directors of the Master Association, in its sole discretion, but shall not exceed five percent (5%) of the total special Assessment. If a special Assessment shall exceed Three Hundred Dollars (\$300.00) per Unit, it shall require the approval of the Members of the Master Association, to be obtained at a duly convened regular or special meeting at which a quorum exists and which is called at least in part to secure this approval. Approval shall be by an affirmative vote of at least sixty percent (60%) of the votes present in person or by proxy. Special Assessments shall be collectible in such matter as the Board of Directors shall determine.

6.5 Emergency Special Assessments. The Master Association may levy an emergency special Assessment when, in the sole determination of the Board of Directors, there is potential danger of damage to persons or property. Such emergency special Assessments may be utilized to pay for preventative, protective or remedial construction, reconstruction, improvements, repairs or replacements. Events justifying emergency special Assessments include, but are not limited to, hurricanes, floods, and fires. Emergency special Assessments shall be collectible from individual Lot Owners and the Golf Club Owner, in such manner as the Board of Directors shall determine.

6.6 Individual Assessments. The Master Association shall have the power and authority to levy and collect an individual Assessment against a particular Unit, a Maintenance Association, the Highland Pond Preserve, the Water Tank Site, or the Golf Club Owner, for the cost of maintenance, repairs or replacements within or without the Unit, any Maintenance Association property, the Highland Pond Preserve, the Water Tank Site or the Golf Club Property, as the case may be, which the owner thereof or the Golf Club Owner has failed or refused to perform, and which failure or refusal has, in the opinion of the Master Association, endangered or impaired the use or value of other portions of the Property. The Master Association shall have a right of entry onto the Property and the Golf Club Property to perform necessary maintenance, repairs, and replacements, including the right to abate or eliminate any nuisance, which right of entry shall be exercised only after the giving of reasonable prior notice and opportunity on the part of the owner to abate or eliminate any non-emergency nuisance. The individual Assessment may include an administrative fee charged by the Master Association in an amount to be determined by the Board of Directors in its discretion from time to time. All individual Assessments shall be collectible in such manner as the Master Association shall determine. All Association By-Laws and Declarations shall provide for such individual assessment by the Master Association.

6.7 Effect of Non-Payment of Assessments. All notices of Assessments from the Master Association to the Lot Owners, any Maintenance Association, and the Golf Club Owner shall designate when the Assessment is due and payable. If any Assessment is not paid on the date when due, the Assessment shall then become delinquent, with a late charge of twenty-five dollars (\$25.00), and shall bear interest at the rate of eighteen percent (18%) per annum, from the date when due until paid. The Assessment, together with interest thereon and the costs of collection thereof, including attorneys' fees, shall be a continuing lien against all Units owned or governed by, and all property owned by, the Lot Owner, or the Maintenance Association against which the Assessment is made, all property owned by the Golf Club Owner, including without limitation, the Golf Club Property, as the case may be, and shall also be the continuing personal obligation of the Maintenance Association, the Lot Owner, or the Golf Club Owner, as the case may be. Any successor in title to any Owner or Golf Club Owner shall be held to constructive notice of the records of the Master Association to determine the existence of any delinquency in the payment of Assessments by a Lot Owner, or by the Golf Club Owner, as the case may be. The Master Association may also record a claim of lien in the Public Records of the County against all Units owned or governed by and/or all property owned by the delinquent Lot Owner or Maintenance Association, against all Lots and/or all property owned by the Golf Club Owner, as the case may be, setting forth the amount of the unpaid Assessment, the rate of interest due thereon, and the costs of collection thereof. If any Assessment, or any installment thereof, shall not be paid within thirty (30) days following the due date, the Master Association may declare the entire Assessment immediately due and payable.

The Master Association may, at any time thereafter, bring an action to foreclose the lien against any one or more of the Units, or the Golf Club Property, in the manner in which deeds of trust on real property are foreclosed, under a power of sale under Article 2A of Chapter 45 of the General Statutes, and/or a suit on the personal obligation of the Association Member, the Maintenance Association, the Lot Owner, or the Golf Club Owner, as the case may be. There shall be added to the amount of such Assessment the costs of such action, including attorneys' fees, and in the event a Judgment is obtained, such Judgment shall include interest on the Assessment as above provided and attorneys' fees incurred by the Master Association, together with the costs of the action. Regardless of the date of recordation of any claim of lien, the effective date thereof shall relate back, and it shall take priority, as of the date of recordation of this Declaration. Each Owner of a Unit in a Maintenance Association may relieve his Unit of the Assessment lien by paying to the Master Association the proportionate amount of the Assessment of an Association that is attributable to his Unit, as determined by the Master Association which shall execute and record a release of lien with respect to such Unit. The Golf Club Owner may relieve its property of the Assessment lien by paying to the Master Association the proportionate amount of the Assessment attributable to its property, as determined by the Board of Directors of the Master Association. Upon such payment, the Master Association shall execute and record a release of lien with respect to such Unit or the Golf Club Property, as the case may be.

6.8 Addition Assessments. The Assessments provided for herein shall be in addition to any other assessments, charges or taxes which may be levied by any of the Maintenance Associations or other entity.

6.9 Certificate of Assessments. The Master Association shall prepare a roster of the Maintenance Associations, the Lot Owners, the Golf Club Owner and the Assessments applicable thereto, which roster shall be kept in the office of the Master Association and shall be open to inspection by all Members, Owners and the Golf Club Owner. The Master Association shall, upon demand by a Member, Owner, or the Golf Club Owner, prepare a Certificate of Assessments signed by an officer of the Master Association, setting forth whether the Assessments of a Maintenance Association, Lot Owner or the Golf Club Owner have been paid and/or the amount which is due as of the date of the Certificate. As to parties without knowledge of error who rely thereon, such Certificate shall be presumptive evidence of payment or partial payment of any Assessment therein stated as having been paid or partially paid.

6.10 Subordination to Lien of Mortgages. Regardless of the effective date of the lien of any Assessments made by the Master Association, such Assessment lien shall be subordinate and inferior to the lien of the mortgage of any Institutional Mortgagee. The Assessment lien shall also be subordinate to the lien of any mortgage securing a loan or loans made to the Declarant, whether a first mortgage or otherwise. Such subordination shall, however, apply only to the Assessments which have become due and payable prior to a final sale or transfer of the mortgaged Unit pursuant to a decree of foreclosure, or in any other proceeding or conveyance in lieu of foreclosure of the mortgage. No sale or other transfer shall relieve any Unit from liability for any Assessment becoming due thereafter, nor from the lien of any such subsequent Assessment. Any delinquent Assessments which are extinguished pursuant to a sale or transfer in connection with the foreclosure of a mortgage or any proceeding or deed in lieu of foreclosure shall be allocated and assessed to all Lots, or to the

Golf Club Owner, as the case may be. The written opinion of the Master Association that the Assessment lien is subordinate to a mortgage lien shall be dispositive of any questions of subordination, provided, however, that such opinion shall have no effect upon the priority of a mortgage security a loan or loans made to the Declarant.

6.11 Exempt Property. The following property shall be permanently exempt from the payment of all Assessments by the Association:

6.11.1 All property dedicated to, or owned by, the Master Association, or a Maintenance Association.

6.11.2 Any portion of the Property dedicated or conveyed to any municipal corporation.

6.11.3 Any portion of the Property exempted from ad valorem taxation by the laws of the State of North Carolina.

6.11.4 Any portion of the Property owned by Declarant.

ARTICLE 7 - MAINTENANCE OF PROPERTY

7.1 Association Responsibilities.

7.1.1 Villa Lots. There may be an association responsible for the maintenance of and operation of a Villa Development, of Villa Common Areas, Lots and Villa Buildings; however, such Villa Association shall not be a member of the Master Association. The association may also perform other duties and responsibilities as provided in the Declaration of Covenants for Vance Villas.

7.1.2 Club Cottage Lots. There may be an association for the purpose of providing maintenance of Club Cottage Common Areas, Lots and Cottages, however, such Maintenance Association shall not be a member of the Master Association. The association may also perform other duties and responsibilities as provided in the Declaration of Covenants for Club Cottage Maintenance.

7.1.3 Single-Family Lots. There shall be no other separate Association for the Single-Family Lots, except there may be an association created by the Declarant for the purpose of providing maintenance and other services for Villa Lots and Tracts and for Governors Square Homesites or other Village Home Lots, provided, however, any such maintenance association shall not be a member of the Master Association.

7.1.4 Common Property and Common Elements. Each Association and Maintenance Association shall also be responsible for the maintenance of all common property or common area (as same are defined in the Declaration of Covenants for such Development) such as landscaping, swimming pools, tennis courts or other amenities dedicated to the Maintenance

Association on the plat of any portion of the Property, or as otherwise established by other legal documentation affecting such common property or common elements.

7.2 Unit Owner Responsibilities.

7.2.1 Villa Lot. The Owner of a Villa Lot shall be responsible for all maintenance and repair of that Villa Lot, including the Villa Residence. If a Villa Residence located in a Villa Building is damaged by casualty, the Owner must immediately clear the site of the casualty and reconstruct the Villa Residence in conformity with A.R.B. specifications. The assignment of these duties to a maintenance association will not relieve the Owner of responsibility. If a Villa Residence which is not located in a Villa Building is damaged by casualty, the Owner must immediately clear the site of the casualty. If the Villa Residence is reconstructed, the reconstruction must be substantially in accordance with the original plans and specifications of the Villa Residence, or if not, then according to plans and specifications approved by the A.R.B.

7.2.2 Club Cottage Lots. The Owner of a Club Cottage Lot shall be responsible for all maintenance and repair of that Club Cottage Lot, including the dwelling located thereon. If a Club Cottage is damaged by casualty, the Owner must immediately clear the site of the casualty. Any reconstruction must be in conformity with the A.R.B. specifications. The assignment of any of these duties to a maintenance association will not relieve the Owner of responsibility.

7.2.3 Single-Family Lots. The Owner of any other Single-Family Lot shall be responsible for all maintenance and repair of such Single-Family Lot, including, without limitation, the Single-Family Residence located thereon. If a Single-Family Residence is damaged by casualty, the Owner must immediately clear the site of casualty. If reconstructed, the reconstruction must be substantially in accordance with the original plans and specifications of the Single-Family Residence, or if not, then according to plans and specifications approved by the Architectural Review Board.

7.3 Water Tank Site Maintenance. The owner of the Water Tank Site shall be responsible for all maintenance and repair of the site, the tank, and all Improvements thereon. The owner of the water tank shall maintain the site and all improvements thereon in excellent repair and shall maintain a neat and orderly appearance. The owner of the site shall plant and regularly maintain the landscape buffer as specified by the Architectural Review Board in order to have the tank site as aesthetically attractive as possible. The Master Association and the respective owners of the landscape buffer shall have the right to enhance and maintain the buffer in a manner approved by the Architectural Review Board, so long as such enhancement does not interfere with the maintenance of the tank or the Water Tank Site.

7.4 Master Association Responsibilities. The Master Association shall be responsible for the maintenance of all Master Association Property and all Common Property, pursuant to Section 4.4 of this Declaration.

7.5 Maintenance of Golf Club Property. The Golf Club Owner shall be solely responsible for the maintenance and repair of the Golf Club Property.

7.6 Individual Assessment. Notwithstanding anything contained in this section to the contrary, the expense of any maintenance, repair or reconstruction of any portion of the Common Property, the Master Association Property or such other property as is to be maintained by the Master Association, necessitated solely by the negligent or willful acts of an Owner or his invitees, licensees, family or guests shall be born solely by such Owner, and his Unit shall be subject to an individual Assessment for such expense by the Master Association. No Owner shall have the right to repair, alter, add to, replace, paint or in any other way maintain the Common Property, the Master Association Property or such other property to be maintained by the Master Association or the Golf Club Property, except in accordance with the rules and regulations of, or an agreement with, the Master Association or the Golf Club.

7.7 Architectural Review Board. All repairs and replacements which are to be made by an Owner or owner pursuant to the provisions set forth hereinabove, shall be subject to the approval of the Architectural Review Board, as set forth in Article 11 of this Declaration.

ARTICLE 8 - ADDITIONAL USE RESTRICTIONS

The Declaration of Covenants and Restrictions (including any Declaration of Covenants for Maintenance) shall include use, architectural and landscaping restrictions which shall govern portions of the Property. Such architectural, landscaping and use restrictions, and all other provisions, restrictions and covenants in the foregoing Declarations of Covenants (including any Declaration of Covenants for Maintenance), as well as all rules and regulations adopted by the Master Association or Maintenance Associations, may be enforced by legal or equitable action of the Master Association.

ARTICLE 9 - INSURANCE

The Master Association is hereby authorized to purchase property and casualty insurance, other than title insurance, on the Common Property and the Master Association Property as well as liability, indemnity and fidelity insurance, in such amounts and with such companies as the Board of Directors shall deem appropriate.

ARTICLE 10 - ARCHITECTURAL AND LANDSCAPE CONTROL

10.1 Architectural Review Board. It is the intent of Declarant to create a general plan and uniform scheme of development of the Property and to create within the Property a residential community of high quality and harmonious Improvements. Accordingly, the Architectural Review Board (the "A.R.B.") shall have the right to approve or disapprove all architectural, landscaping and locating of any proposed Improvements within the Property, as well as the general plan for development of all Units within the Property, except that the A.R.B. shall not have the right to approve or disapprove golf course layout or ordinary golf course maintenance within the Golf Club Property. Also, the A.R.B. shall have such other rights as granted in this Declaration and by the Master Association. The A.R.B. may, in its sole discretion, impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning or other governmental codes. The procedures of the A.R.B. shall be as set forth below.

10.1.1 The A.R.B. shall be a permanent committee of the Master Association and shall administer and perform the architectural and landscape review and control functions of the Master Association. The A.R.B. shall consist of not less than five (5) nor more than nine (9) voting members who shall initially be named by the Declarant and who shall hold office at the pleasure of the Declarant. The manager of the Master Association shall be a nonvoting member of the A.R.B. Until there are 950 Occupied Lots within Governors Club, or December 31, 2007, the first to occur, or at such earlier date as Declarant may decide upon six months' notice to the Board, the Declarant shall have the right: to appoint all members of the A.R.B. provided that two members and an alternate for each of those members shall be nominated by the Board. Six months prior to Declarant's relinquishment of control, two members appointed by Declarant shall resign and the Board shall nominate two members for those seats and designate an A.R.B. member to serve as vice-chairman of the A.R.B., who will become Chairman on the date of relinquishment; and to remove and replace all members appointed to the A.R.B. The Declarant shall determine which member of the A.R.B. shall serve as its Chairman, or which members of the A.R.B. shall serve as Co-Chairmen. The appointment of the chairman of the A.R.B. shall be subject to the approval of the Board, which approval shall not be unreasonably withheld. In the event of the failure, refusal or inability to act of any of the members appointed by the Declarant, and in the event that the Declarant fails to fill any such vacancy within thirty (30) days of such occurrence, the remaining members of the A.R.B. shall fill such vacancy by appointment. At such time as there are 950 Occupied Lots within Governors Club, or December 31, 2007, the first to occur, or at such earlier date as Declarant may decide, the Declarant shall assign to the Master Association the rights, powers, duties and obligations of the A.R.B., whereupon the Board of Directors shall determine how many persons shall serve on the A.R.B., provided that the A.R.B. shall at all times consist of no less than five (5) members, shall appoint the members of the A.R.B., shall provide for the terms of the members of the A.R.B., and shall determine which member of the A.R.B. shall serve as its Chairman. There shall be no requirement that any of the members of the A.R.B. be a member of either the Master Association or an Owner within Governors Club. Any three (3) members of the A.R.B. shall constitute a quorum to transact business at any meeting, and the action of the majority present shall constitute the action of the A.R.B.

10.1.2 No Improvements shall be constructed, erected, removed, or planted, nor shall any addition to or any change, replacement or alteration be made, unless and until the approval thereof shall be obtained in writing from the A.R.B.

10.1.3 Each applicant shall submit a preliminary application to the A.R.B. with respect to any proposed Improvement or Improvements that he may contemplate. The preliminary application shall include such information as may be required by the application form promulgated by A.R.B. Prior to the commencement of any work on such Improvement, the plans and specifications therefor, including the identity of each contractor and subcontractor which is intended to be engaged for the construction of same, shall be subject to a final review and approval by the A.R.B. At that time, the applicant shall submit to the A.R.B. such additional information as the A.R.B. may reasonably require, which may include, without limitation, three (3) sets of plans and specifications for the proposed improvements sealed by an architect licensed in the State of North Carolina so that the A.R.B. may be able to adequately make the determinations required of it pursuant to this Declaration, a surface water drainage plan showing existing and design grade and/or contours relating to the predetermined ground floor finish elevation as established by Declarant,

three (3) sets of plans and specifications for the Unit, the landscaping design plan and irrigation system showing all proposed Improvements, including their site locations, three (3) copies of a detailed tree survey, showing all existing trees of four (4) inches or more in diameter and vegetation stands, and a written application on such form and together with such fees, as may be provided or required by the A.R.B. The A.R.B. may also require, without limitation, submission of samples of building materials and colors proposed to be used, as well as requiring the location of the proposed Improvements to be staked out on the ground.

10.1.4 In the event the information submitted to the A.R.B. is, in the A.R.B.'s opinion, incomplete or insufficient in any manner, the A.R.B. may request and require the submission of additional or supplemental information.

10.1.5 No later than thirty (30) days after receipt of all information required by the A.R.B. for final review (unless the applicant waives this time requirement), the A.R.B. shall respond to the applicant in writing. The A.R.B. shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the A.R.B.'s sole discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the A.R.B. shall consider the suitability of the proposed Improvements, and the materials of which the same are to be built, the site upon which such Improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the A.R.B. fails to respond within said thirty (30) day period (or such additional time as may be allowed by the applicant, pursuant to a written waiver), the plans and specifications shall be deemed approved by the A.R.B.

10.1.6 In the event commencement of construction of a proposed Improvement does not occur within five (5) months of approval by the A.R.B. (or the Board of Directors, in the event the decision of the A.R.B. is appealed to the Board of Directors), the approval of the A.R.B. and/or the Board of Directors will terminate and the Improvement will be treated as if originally disapproved. Unless specific waiver is approved by the A.R.B., the construction of any Improvement shall be completed within eighteen (18) months after commencement of construction. For purposes of this Section, "commencement of construction" shall mean and refer to the first to occur of any of the following events in connection with the proposed Improvement: the clearing of the site of existing trees, shrubs or foliage; the commencement of significant excavation at the site; the assembling of significant construction supplies or material at the site; the demolition or removal of an existing structure at the site; the preparation of the foundation; or the erection of part or all of the structure.

10.1.7 Upon approval by the A.R.B. of any plans and specifications submitted to the A.R.B., the A.R.B. shall notify the applicant in writing, which notification shall set forth any qualifications or conditions of approval. In the event that the A.R.B. disapproves any plans and specifications submitted to the A.R.B., the A.R.B. shall so notify the applicant in writing, stating the grounds upon which such disapproval is based. Any applicant may request a formal meeting with the A.R.B. to review the plans and specifications disapproved, said meeting to take place no later than thirty (30) days after written request for such meeting is received by the A.R.B. (unless applicant waives this time requirement in writing). The A.R.B. shall make a final written decision no later than thirty (30) days after such meeting. In the event the A.R.B. fails to provide such written decision

within said thirty (30) days, the plans and specifications shall be deemed approved. Upon continued disapproval, the applicant may appeal the decision of the A.R.B. to the Board of Directors of the Master Association within thirty (30) days of the A.R.B.'s written review and disapproval. Review by the Board of Directors shall take place no later than thirty (30) days subsequent to the receipt by the Board of Directors (unless applicant waives this time requirement in writing). If the Board of Directors fails to hold such a meeting within thirty (30) days after receipt of request of such meeting, then the plans and specifications shall be deemed approved. The Board of Directors shall make a final decision no later than thirty (30) days after such meeting. In the event the Board of Directors fails to provide such written decision within said thirty (30) days of the A.R.B.'s decision, such plans and specifications shall be deemed approved. The decision of the Board of Directors shall be final and binding upon the applicant, his heirs, legal representatives, successors and assigns; provided, however, that no Improvement shall be erected or shall be allowed to remain which violates any of the covenants, conditions or restrictions contained in this Declaration, the Declaration of Covenants for the Developments, or which violates any zoning or building ordinance or regulation.

10.1.8 Any and all alterations, deletions, additions and changes of any type or nature whatsoever to the plans and/or specifications approved by the A.R.B. shall be subject to the approval of the A.R.B. in the same manner as is required for approval of original plans and/or specifications.

10.1.9 There is specifically reserved unto the A.R.B., and to any agent or member of the A.R.B., the right of entry and inspection upon any portion of the Property for the purpose of determination by the A.R.B., whether there exists any construction of any Improvement which violates the terms of any approval by the A.R.B. or the terms of this Declaration, the Declaration of Covenants for the Developments, or any amendments thereto, or of any other covenants, conditions and restrictions to which any deed or other instrument of conveyance makes reference. If any Improvement of any nature shall be constructed or altered without the prior written approval of the A.R.B., the Owner or Maintenance Association shall, upon demand of the Master Association, cause such Improvement to be removed, or restored in order to comply with the plans and specifications originally approved by the A.R.B. The Owner or Maintenance Association shall be liable for the payment of all costs of such removal or restoration, including all costs and attorneys' fees incurred by the Master Association. Such costs may also be the basis for an individual Assessment. The A.R.B. is specifically empowered, upon receipt of Board of Directors' approval to enforce the architectural and landscaping provisions of this Declaration and any Declaration of Covenants for the Developments, by any legal or equitable remedy, and in the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, or to remove any unapproved Improvement or restore any tree or natural area, the Master Association shall be entitled to the recovery of court costs, expenses and attorneys' fees in connection therewith. All costs, expenses and attorneys' fees of the A.R.B., including those incurred in connection with its enforcement or other powers, as provided herein, shall be borne by the Master Association; provided, however, that nothing herein shall be deemed to negate the Master Association's right to an award of the Master Association's and the A.R.B.'s attorneys' fees and costs if the Master Association is the prevailing party in any administrative or judicial proceeding. In the event that any Owner or Maintenance Association fails to comply with the architectural and landscape provisions contained herein or in any Declaration of Covenants for the Developments, or other rules and regulations promulgated by the A.R.B., the A.R.B. may, in addition to all other remedies contained herein, record against that

Owner's Unit a Certificate of Non-Compliance stating that the Improvements on the Unit fail to meet the requirements of the A.R.B.

10.1.10 The A.R.B. is empowered to publish or modify from time to time, design and development standards for the entire Governors Club project or for one or more of the developments, or for the Single-Family Lots, including, but not limited to, the following:

- a. Roof and roof design.
- b. Fences, walls and similar structures.
- c. Exterior building materials and colors.
- d. Exterior landscaping.
- e. Signs and graphics, mail boxes, address numbers and exterior lighting.
- f. Building set backs, side yards and related height, bulk and design criteria.
- g. Pedestrian and bicycle ways, sidewalks, pathways and trails.
- h. Plumbing and wastewater fixtures and systems.

The design and development standards for Village Home Lots, Villa Tracts, Villa Lots, and Club Cottage Lots may also include specific site, landscaping and building plans and specifications. The nature and the type of Improvements that may be made by an Owner may be limited to those included in the plans and specifications designated by the A.R.B.

10.1.11 Anything contained herein to the contrary notwithstanding, any Improvements of any nature made or to be made by the Declarant, including, without limitation, Improvements made or to be made to the Common Property, shall not be subject to the review of the A.R.B.

10.1.12 The A.R.B. may adopt a schedule of reasonable fees for processing requests for approval. Such fees, if any, shall be payable to the Master Association at the time that the plans and specifications and other documents are submitted to the A.R.B. The payment of such fees, as well as other expenses of the A.R.B. required to be paid, shall be deemed to be an individual Assessment, enforceable against the Owner and the Unit as provided hereinabove. The A.R.B. is expressly reserved the right and power, exercisable in its sole discretion, to procure the services of a consultant of its own choosing for purposes of assisting the A.R.B. in its review of any plans or specifications, and the cost of such consulting services shall be the responsibility of the respective applicant or Owner of the subject property.

10.1.13 Neither the Declarant, the directors or officers of the Master Association, the members of the A.R.B., nor any person acting on behalf of any of them, shall be liable for any costs or damages incurred by and Owner or Association within Governors Club or any other party whatsoever, due to any mistakes in judgment, negligence or any action of the A.R.B. in connection with the approval or disapproval of plans and specifications. Each Owner or Association and occupant of any property within Governors Club agrees, as do their successors and assigns by acquiring title thereto or an interest therein, or by assuming possession thereof, that they shall not bring any action or suit against the Declarant, the directors or officers of the Master Association, the members of the A.R.B., or their respective agents, in order to recover any damages caused by the

actions of the A.R.B. The Master Association shall indemnify, defend and hold the A.R.B. and each of its members harmless from all costs, expenses and liabilities, including attorneys' fees, of all nature resulting by virtue of the acts of the A.R.B. or its members. Neither the Declarant, the directors or officers of the Master Association, the members of the A.R.B., nor any person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any Improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

ARTICLE 11 - USE RESTRICTIONS

11.1 Restrictions on use of Single-Family Lots and Club Cottage Lots. The following restrictions shall apply to Single-Family Lots, including Village Home Lots and Villa Lots, and to Club Cottage Lots, as indicated. The term "Lots" indicates applicability to all.

11.1.1 Lot Restrictions. One (1) Lot, as shown on the plats for the Single-Family Lots, shall be the minimum land area upon which a Single-Family Residence may be constructed. One (1) Lot, as shown on the plats for the Club Cottages Lots, shall be the minimum land area upon which a Club Cottage may be located. One (1) Tract, as shown on the plats for Phase Ten, shall be the minimum land area upon which a Villa Building may be located.

11.1.2 Floor Area. Each Single-Family Residence shall have the following minimum square footage of heated floor space:

- a. Village Home Lot Residences:
 - (i) Governors Square Homesites and Stone Brook Lot Residences - One thousand eight hundred (1,800) square feet, if one-story; one thousand five hundred (1,500) square feet on the ground floor and five hundred (500) square feet on the second floor, if two-story.
 - (ii) Tryon Courte Lot Residences - One thousand five hundred (1,500) square feet on the ground floor.
 - (iii) Walker Falls Lot Residences - One thousand eight hundred (1,800) square feet on the ground floor.
- b. Morehead Forest Lot. Saddle Ridge Lot. and Wilkinson Park Lot Residences: One thousand five hundred (1,500) square feet on the first floor.
- c. Villa Residences located in Villa Buildings: One thousand five hundred (1,500) square feet.
- d. Villa Residences not located in Villa Buildings: Two thousand two hundred (2,200) square feet total; one thousand four hundred fifty (1,450) on the ground floor.

- e. Highland Pond Lot Residences: Two thousand six hundred (2,600) square feet if one story; two thousand (2,000) square feet on the ground floor and six hundred (600) square feet on the second floor, if two story.
- f. All other Single-Family Residences: Two thousand two hundred (2,200) square feet, if one-story; one thousand eight hundred (1,800) square feet on the ground floor and six hundred (600) square feet on the second floor, if two-story.

The design of all floor areas are subject to A.R.B. approval. The calculation of square footage shall not include: garages, covered walks, open and/or screen porches, patios and pool areas. Square footage measurements shall be taken from inside exterior walls of Single-Family Residences. The A.R.B. may grant variances as regards first floor minimum footage for designs to fit the particular topography of any building site, Club Cottages shall have the square footage specified by the A.R.B.

11.1.2.1 Maximum Footprint of Stone Brook Lot Residences and Wilkinson Park Lot Residences. A Residence constructed on a Stone Brook Lot or a Wilkinson Park Lot may cover a maximum of two thousand eight hundred (2,800) square feet of the ground area of the Stone Brook Lot or the Wilkinson Park Lot. The calculation of the ground area covered by a residence for purposes of this Section shall include all roofed areas both heated and unheated, but shall not include the ground area covered by a one-story garage, a one-story breezeway to a garage or uncovered decks and patios.

11.1.3 Garages. Each Single-Family Residence, including each Villa Residence, shall have sufficient enclosed garage space for any and all family-owned or leased vehicles, and each garage shall contain at least two (2) spaces for said vehicles. Garage doors shall be kept in closed position when garage is not being used. No carports will be permitted. The A.R.B. shall be the sole judge of whether detached or attached garages shall be permitted in each case. The A.R.B. may waive the requirements of this Section where the topography of the particular building site makes compliance therewith impracticable. Club Cottage Lots shall not have garages, unless and except as specified by the A.R.B.

11.1.4 Clearing and Removal of Trees. In reviewing building plans, the A.R.B. shall take into account the natural vegetation, such as trees and shrubs, located on or near a Unit, and shall encourage the Owner to incorporate them in his landscaping plan. No Lot may be cleared for any reason without the prior written approval of the A.R.B. No trees of four (4) or more inches in diameter at two (2) feet above the natural grade shall be cut or removed without the prior written approval of the A.R.B. When such a tree is removed the Owner will replace it with a similar tree of equal value on another portion of the Lot, if so directed by the A.R.B.

11.1.5 Landscaping. The A.R.B. must approve all landscape plans for all Property, including Lots, except that A.R.B. approval shall not be required for golf course layout or ordinary golf course maintenance within the Golf Club Property.

11.1.6 Accessory Buildings. No accessory buildings of any kind will be permitted on any Lot, except cabanas which will be permitted within the prescribed setbacks with the prior written approval of the A.R.B.

11.1.7 Construction Phase. During construction of a Single-Family Residence, Villa Building, Club Cottage, or other Improvement, the Lot shall be kept in a neat and orderly condition so as not to cause an unsightly condition of the Lot. In the event the Owner or his agent or employee (including, without limitation, any contractor or subcontractor) shall fail to maintain the construction site as specified herein and such failure continues for at least seven (7) days following delivery of written notice thereof from the Master Association, the Master Association shall have the right, exercisable in its sole discretion, to remove any rubbish, refuse, any unsightly debris and/or growths from the Lot. In the event the Master Association, after such notice, causes the subject work to be done, then, and in that event, the costs of such work, together with interest thereon at the maximum rate permitted by the civil usury laws of the State of North Carolina, shall be charged to the Owner as an individual Assessment, and shall become a lien on the subject Lot, which lien shall be effective, have priority and be enforceable pursuant to the procedures set forth in Article 6 of this Declaration.

11.1.8 Temporary Structures. No structure or object of a temporary character, such as, but not limited to, trailers, construction trailers, tents, shacks, sheds and garages, barns, or other temporary or other outbuildings shall be erected, kept or maintained on any Lot for any use whatsoever, either temporarily or permanently, except that a temporary construction office may be used on a building site when approved, in advance, by the A.R.B. The architectural site plan shall indicate the location of such temporary structure and shall include drawings reflecting the appearance of same.

11.1.9 Maintenance of Lots. All Lots shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. All Lots and all areas between Lot lines and pavements shall be maintained by the Owners in the manner required by the Master Association. In the event an Owner fails to maintain his Lot as aforesaid, the Master Association shall have the right, exercisable in its sole discretion, to mow, burn or clear any weeds, grass, underbrush or unsightly debris and/or growths from and Lot deemed by the Master Association to be a health menace, fire hazard or a detraction from the aesthetic appearance of Governors Club provided, however, that at least seven (7) days prior notice shall be given by the Master Association to the Owner of such Lot before such work is done by the Master Association. In the event the Master Association, after such notice, causes the subject work to be done, then, in that event, the costs of such work, together with interest thereon at the maximum rate permitted by the civil usury laws of the State of North Carolina shall be charged to the Owners and shall become a lien on the subject Lot, which lien shall be effective, have priority and be enforceable pursuant to the procedures set forth in Article 6 of this Declaration. Such entry by the Master Association shall not be deemed a trespass. The Master Association may also, at the request of any Lot Owner, including the Declarant, and for an agreed charge to the Lot Owner, maintain any undeveloped Lots, so as to prevent such undeveloped Lots from becoming unsightly as defined hereinabove. The costs of such work, together with interest thereon at the maximum rate permitted by the civil usury laws of the State of North Carolina, shall be charged to the owner and shall become a lien on the subject Lot, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in Article 6 of this Declaration.

11.1.10 Subdivision of Lots. No Lot shall be resubdivided to form a lot smaller than a Lot; except that the Owner of Lot 620 may divide that Lot into two (2) Lots, so long as each such Lot otherwise meets all other requirements of the Declaration, the division is lawfully platted of record, and the division does not result in any setback or other violation of the Declaration. Each of the two Lots formed from Lot 620 shall be treated as separate and distinct Lots for all purposes, including, but not limited to, voting and assessment purposes. Any Owner of more than one (1) contiguous Lot may apply to the A.R.B. for permission to use such Lot as a site for a Single-Family Residence or Club Cottage; and, upon the written consent of the A.R.B., said contiguous Lots shall then be defined as the "Lot" for purposes of this Declaration, except that such Lots shall continue to be treated as separate and distinct Lots for purposes of voting and Assessments. The Owner of such Lots shall not be required to comply with the side yard setback set forth herein, except that such Owner shall be required to comply with the outside side yard setback Lot line of the combined Lots.

11.1.11 Setbacks. Club Cottage Lots and Villa Lots do not have minimum setback requirements except as shown on the recorded Plats. Every Club Cottage, Villa Building and other Improvement on those lots shall be sited as specified by the A.R.B.. The setbacks for Governors Crest Lots are as shown on the recorded Plat. All Single-Family Lots (except Vance Villa Lots) shall have the following minimum setback requirements, unless otherwise indicated on the recorded plats:

a. Front Yard Setbacks

(i) Village Home Lots - Fifteen (15) foot setback from the abutting street right of way. The A.R.B., in its sole discretion, can reduce this setback with respect to a particular Village Home Lot, but in no event shall such setback be less than nine (9) feet from the abutting street right of way.

(ii) Morehead Forest Lots, Saddle Ridge Lots and Wilkinson Park Lots - Twenty-five (25) foot setback from abutting street right of way. In the case of corner Lots, there shall be a setback of twenty-five (25) feet from both intersecting street rights of way. The A.R.B., in its sole discretion, can reduce or eliminate this setback with respect to a particular Saddle Ridge Lot to accommodate the topography of the particular Saddle Ridge Lot.

(iii) Highland Pond Lots - Sixty (60) foot setback from the abutting street right of way.

(iv) All other Single-Family Lots. - Forty (40) foot front yard setback from the abutting street right of way. In the case of corner Lots the intersecting Street setback shall be thirty-five (35) feet from the Street right of way and the A.R.B. shall determine the fronting street.

b. Rear Yard Setbacks shall be generally opposite the front yard, but final determination shall be made by the A.R.B. The minimum distance shall be as follows:

i. Lots adjacent to the Golf Club: Village Home Lots and Morehead Forest Lots - thirty (30) feet; Saddle Ridge Lots - forty (40) feet; and all other Single-Family Lots - sixty (60) feet, except for Lots 449, 450, 451 and 452, the setbacks for which shall be as shown on the plat of Governors Club Phase Five.

ii. Lots not adjacent to the Golf Club: Village Home Lots - twenty (20) feet; Morehead Forest Lots, Saddle Ridge Lots, Wilkinson Park Lots and Phase Nineteen Lots - twenty-five (25) feet; all other Single-Family Lots - fifty (50) feet.

c. Side Lot Setbacks. The remaining setbacks (other than front yard or rear yard setbacks) shall be as follows:

i. Walker Falls Lots - Five (5) foot setback on the patio wall side (as defined by the A.R.B.) and ten (10) foot setback from the remaining side lot line.

ii. Stone Brook Lots - Not less than five (5) feet from each property line.

iii. All other Village Home Lots - For improvements constructed before January 1, 1994, three (3) foot setback on the patio wall side (as defined by the A.R.B.) and seven (7) foot setback from the remaining side line. For improvements constructed after January 1, 1994, not less than five (5) feet from each property line and not less than ten (10) feet from the improvements on any adjacent Village Home Lot. If the A.R.B. determines that modifications of these five (5) foot setbacks are required in order for the improvements on a particular Village Home Lot to be constructed at least ten (10) feet from improvements already constructed or already approved by the A.R.B. on an adjoining Village Home Lot, the A.R.B. can increase or decrease the five (5) foot setback to not more than seven (7) feet nor less than three (3) feet.

iv. Morehead Forest Lots, Lots located within Phases Eight and Nineteen and Wilkinson Park Lots - Not less than ten (10) feet from each property line.

v. Saddle Ridge Lots - Not less than twelve (12) feet from each property line.

vi Highland Pond Lots - Not less than twenty (20) feet from each property line.

vii. All other Single-Family Lots - Not less than fifteen (15) feet from each property line.

d. No structure of any kind, including, without limitation, fences higher than four (4) feet, shall be permitted in any building setback area, except that roof overhangs may intrude into setback areas on Village Home Lots subject to approval of the A.R.B. and except that air-conditioning equipment, water softeners, sprinkler controls and other similar utilitarian devices are permitted provided they do not extend more than four (4) feet into the setback area and provided further that they are all sited and screened from view in a manner approved by the A.R.B.

e. The Declarant shall have the right to waive minor violations of the setback requirements contained in this Section 11.1.11 or shown on the recorded Plats, if said violation does not exceed twenty-five percent (25%) of the required setback. After the Declarant has turned over control of the Master Association, the Master Association shall have the right to waive minor setback requirements as is given to the Declarant herein.

f. Anything herein to the contrary notwithstanding, the A.R.B. may, when concurred in by the Board of Directors of the Master Association (before or after transfer of control by Declarant), vary the building setback lines recited herein or shown on the recorded Plats by as much as forty percent (40%). Any such variance shall be evidenced by a certificate of variance or compliance in recordable form.

11.1.12 Fences, Walls and Hedges. The composition, location and height of any fence, wall or hedge to be constructed on the Property shall be approved in advance by the A.R.B. The A.R.B. shall require the composition of any fence, wall or hedge to be consistent with the material used in the surrounding Single-Family Residences and other fences, if any. Chain link fencing may not be used except for the outer perimeter fencing, fencing around tennis courts, fencing around swimming pools, and the Maintenance Area, as determined by the Developer or Master Association. Fencing design must accompany the final working drawings submitted to the A.R.B. for any proposed Single-Family Residence.

11.1.13 Swimming Pools. Any swimming pool or jacuzzi to be constructed on the Property shall be constructed in the ground and subject to the requirements of the A.R.B., which shall include, but not be limited to, the following:

a. Composition to be of material thoroughly tested and accepted by the industry for such construction.

b. Swimming pools, pool decks, fencing, screen enclosures, patio and terrace slabs may not extend into the minimum yard setback areas, except by special permit from A.R.B.

c. Landscape, pool, recreation and security lighting shall be designed so as to not be an annoyance to the surrounding residents. Such lighting shall not be controlled by light sensitive switches. Time clock controls may be used but in no event shall such lighting be permitted to be on after eleven o'clock (11:00) p.m.

d. If an Owner elects to purchase two (2) adjoining Lots and to use one (1) of those Lots for recreational purposes, the Lot used for recreational purposes must be adequately screened by landscaping and/or walls or fences on both the front and sides, as required by the A.R.B. It shall be the intent of the A.R.B. to screen any such recreational facilities from the public view.

e. Pools may be heated only through methods approved by the A.R.B.

11.1.14 Swales. Each Lot Owner shall refrain from altering or interfering with the functioning of all swale areas abutting his Lot.

11.1.15 Driveway. All driveways and parking areas shall have hard impervious, dustless surfaces, such as asphalt, concrete, brick or uncrushed stone. Driveways may connect to Streets at only two (2) points for each Lot and such connection shall provide continuity of any drainage swale or curb and shall blend into the Street pavement. No curbside parking areas may be created by extending any portion of Street pavement, except as approved for the Village Home Lots, Villa Tracts, and Club Cottage Lots. The design and location of all driveways and parking areas shall be approved in advance by the A.R.B.

11.1.16 Utilities. The central water and sewage system provided for service of the Property shall be used by all Owners. Each Owner shall connect his water line to the water distribution main serving his Lot and shall connect his sewer line to the sewage collection line serving his Lot and shall pay all availability charges, connection charges, periodic charges, and the like in connection therewith. Each Owner shall maintain and repair his water and sewer lines up to the point of delivery and collection. No individual water supply system shall be permitted except for irrigation purposes. No water shall be obtained from any lake, stream or water body except by the Master Association or the Golf Club Owner. No septic tank or drain field shall be allowed on any Lot. Water for irrigation of a Lot may be supplied by an underground well located on that Lot, once same is approved by the A.R.B.

11.1.17 Lot Filling. No Lot or Villa Tract may be cleared, graded, cut or filled for any reason until the A.R.B. has reviewed and approved the preliminary application for the Single-Family Residence, Villa Building or Club Cottage. The site plan, along with the tree survey and other documents required by the A.R.B., must clearly delineate the extent of clearing, grading, cutting and filling.

11.1.18 Lots Bordering on Wet Lands. Lots bordering on wet lands as shown and delineated on the Development Plan shall be required to leave undisturbed a minimum upland dimension of ten (10) feet for the entire length of natural vegetation abutting the wet lands bordering on any portion of such Lots. Such undisturbed areas shall be noted on the landscape plan for each Lot as being undisturbed.

11.1.19 Lots Bordering on Lakes. Lots bordering on lakes shall be required to provide shoreline gradings, using swale and earthen berm design, to detain a minimum of one (1) inch of surface water run-off from all impervious paved surfaces. Such design shall appear on the landscaping plan for the Lot, and shall be evidenced by grade elevations and profile drawings showing typical cross-sections. A combination of the above alternatives shall be encouraged by the A.R.B. to provide a more natural lake shoreline. Each Owner shall be responsible for providing to the A.R.B. sedimentation control plans and devices to insure that the development of all Improvements shall not cause filling or damage to the Lakes. No docks, piers, or suspended walkways of any kind shall be constructed in or out over any of the Lakes within Governors Club, except by Declarant.

11.2 Restrictions on Use of Club Cottage Lots, Single-Family Lots and the Property. The following restrictions shall apply to all Single-Family Lots, Club Cottage Lots, Villa Tracts and the Property, as indicated.

11.2.1 Residential Use. All Single-Family Residences shall be used only as single-family, private residential dwellings and for no other purpose. No business or commercial buildings may be erected on any Single-Family Lot or Villa Tract and no business may be conducted on any part thereof, except as specifically reserved herein. No Single-Family Residence may be rented or leased for use as a dwelling by someone other than the Owner of the Single-Family Residence for an initial term of less than six (6) months. All Club Cottages shall be used only as follows: (i) as single-family private residential dwellings; (ii) as private residential dwellings for invited guests or employees of the Owner; (iii) as residential lodging on a daily basis, upon such terms and conditions as established by the Club Cottage Association and approved by the Golf Club Owner. The Golf Club Owner may require that any short-term (less than thirty [30] days) rental or leasing be done by or through the Golf Club Owner or designee of the Golf Club Owner, if the Golf Club Owner is providing a first class daily guest rental program. In the event the Golf Club Owner is not providing such program, and the Club Cottage Association, by a majority vote of the Club Cottage Owners who use or desire to use their units for daily rentals select a different manager, then the Golf Club Owner shall approve reasonable terms and conditions for that program. In addition, a Club Cottage may be used (iv) for such commercial or office use as may from time to time be specifically allowed under the rules adopted by the Club Cottage Association and approved in writing by the Golf Club so long as such use is compatible with the purposes of this Declaration; and (v) the Golf Club Owner may use any Club Cottage Lot it owns or leases for Golf Club purposes, including, but not limited to pro shop, guest lodging, restaurant, social events, office and day care. If the Master Association finds that any use of Club Cottages permitted by sections (iv) or (v) adversely affects property values or diminishes or threatens the general health, safety or welfare of the property owners or residents of Governors Club, it may abolish any rule allowing that use and the Owner or tenant shall immediately cease that use.

11.2.2 Clotheslines. No clothesline or outside drying area shall be located on any Lot or Villa Tract.

11.2.3 Residence Graphics. The size and design of all signs, numbering for the Unit, mailboxes and other such materials shall be approved by the A.R.B. and shall display continuity and conformity throughout Governors Club. Except in connection with development or sales of property throughout Governors Club by Declarant, no signs, billboards, advertisements or notices of any kind, including, without limitation, "For Sale" or "For Rent" signs, shall be displayed for public view on any Villa Tract or Lot or on the Property, except at the Declarant's office location, without the prior written approval of the A.R.B., or except as may be required by legal proceedings, it being understood that the A.R.B. will not grant permission for signs unless their erection is reasonably necessary to avert serious hardships to the Owner. If such permission is granted, the A.R.B. reserves the right to restrict size, color, content and location of such sign(s). No sign shall be nailed or attached to any tree. The A.R.B. shall have the right to adopt reasonable rules regarding signs to be used during construction of residences and other buildings, such as Owner identification, name of contractor or architect, etc.

11.2.4 Garbage and Trash Containers. No Villa Tract or Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers and, except as required during trash collection, all containers shall be kept within an enclosure which the A.R.B. shall require to be constructed on each Lot.

11.2.5 Antenna and other rooftop accessories. No radio, television or other electronic antenna, aerial or satellite receiving dish, or other reception or transmission device may be erected or maintained anywhere on the Property or on the exterior of any residence (unless installed by the Declarant or the Master Association), without the prior written approval of the A.R.B. The A.R.B. shall adopt guidelines and procedures for approval of antennae in compliance with the regulations of the Federal Communications Commission.

11.2.6 Nuisances. No use or practice which is either an annoyance to Owners or an interference with the peaceful possession and use of the Property by Owners shall be allowed. No Owner shall commit or permit any nuisance or any immoral or illegal activity on or about the Property. For greater clarification, no Owner shall knowingly or willfully make or create any unnecessary, excessive or offensive noise or disturbance which destroys the peace, quiet and/or comfort of the Owners, or allow any such noise or disturbance to be made on or about his Unit.

11.2.7 Boats, Trailers and Motor Vehicles. Except as specifically allowed and approved in advance by the Master Association, no commercial vehicles, boats, boat trailers, buses, house trailers, motor homes, trucks, camping trailers, vans, motorcycles, motor scooters, go-carts, motorbikes or other similar vehicles, whether of a recreational nature or otherwise, with the exception only of four-wheel passenger automobiles and pickup trucks, shall be placed, parked or stored upon any Villa Tract or Lot. The Master Association shall grant an Owner permission to bring onto the property a boat, boat trailer, motor home, camping trailer, or van upon application by the Lot owner if the Master Association finds that an A.R.B. approved garage is available for storage of the vehicle and the vehicle is owned by the Lot Owner. Upon showing written evidence of such approval at the entry, the Owner may bring such vehicle onto the property and park it inside the

approved garage. The Owner shall not have his boat outside for more than twenty-four (24) hours preparing it for storage.

Vehicles of repairmen, delivery men, moving vans, temporary guest or vehicles owned or leased by members of the Owner's family may be parked at curbside or on the driveways and private parking areas of a Lot or Villa Tract for no longer than eight (8) hours in a twenty-four (24) hour period. Furthermore, guests of an Owner, visiting for an extended period of time, may park their vehicles on the driveways and private parking areas of a Lot or Villa Tract for the duration of their stay. Private parking areas shall be designated by the A.R.B. for each Club Cottage without a garage, for extended parking of passenger automobiles by Owners and their guests. Such guests may not park at curbside except as set forth hereinabove. The Master Association shall have the right to authorize the towing of any vehicles which are in violation of these provisions, or the Traffic Regulations promulgated by the Master Association, and to collect the cost thereof from Owners, as an Individual Assessment.

11.2.8 The residents of each Single-Family Residence shall be limited to a single housekeeping unit operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen or dining area, with no more occupants than two per bedroom.

11.2.9 All Single-Family Residences shall be constructed wholly within the Property, and legal access to all Lots shall be exclusively by way of the Streets and driveways within the Development Plan or as dedicated on the recorded plats of the Property.

11.3 Additional Protective Covenants. Declarant may include, in any contract, plat, or deed for any Lot, Villa Tract, or other Property, additional protective covenants and restrictions not inconsistent with those contained herein.

11.4 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or on the Common Property. However, dogs, cats and other common household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred or maintained for commercial purposes, and provided that no more than two (2) of any combination of such animals are so kept on a Lot at any time. No animals shall be allowed to run loose at any time.

11.5 Rules and Regulations. No person shall use the Common Property, or the Master Association Property, or any Unit, or any other Property, in any manner contrary to, or not in accordance with, such rules and regulations as may be promulgated by the Master Association, the Association governing the Development in which the Unit is located, or such Traffic Regulations as may be promulgated by the Master Association from time to time.

11.6 Restrictions on use of Water Tank Site. The Water Tank Site shall be used by the Declarant or Chatham County only for the erection, maintenance, and repair of a water tank, necessary water tank controls and instrumentation, fencing, and landscaping as provided in the conditional use permit for Governors Club Planned Unit Development and in the subsequent tank and site plans approved by Chatham County, the Declarant, and the Architectural Review Board. No other improvements nor uses shall be made without the prior written approval of the Declarant (for so long as Declarant owns any Property) and the Master Association.

11.7 Storage, Accessory Buildings, Utility Enclosures, and Waste Receptacles on the Property. Except as otherwise specifically provided herein, the Property shall not be used for the outdoor storage of anything, including but not limited to construction materials, vehicles, waste and maintenance equipment and supplies, except in the Maintenance Area and other locations designated on the plats or designated by the Declarant or the Master Association. Waste receptacles will not be kept out-of-doors except as specifically approved by the Declarant or the Architectural Review Board. Storage, maintenance and accessory buildings shall not be constructed or maintained on the property except in the Maintenance Area and in other locations specifically approved by either the Declarant or the Master Association and the Architectural Review Board. Except as may be otherwise approved by either the Declarant or the Master Association and the Architectural Review Board, all cable, electric, gas, telephone, sewer, sewer grinder pumps, sewage and water pump stations and other utilities shall be installed and maintained underground; except that the water tank on the Water Tank Site and telephone and electrical junction boxes and electrical transformers may be installed above ground in utility boxes as approved by the Declarant and the Architectural Review Board.

11.8 Restrictions on use of Highland Pond Preserve. The Highland Pond Preserve shall be used by its owner only for scientific study and research purposes, as may be further specified by rules promulgated by the Master Association from time to time. The Declarant shall have the right to convey the Highland Pond Preserve to the Botanical Garden Foundation, Inc. or to another nonprofit organization organized for similar purposes.

11.9 Restrictions on Use of Golf Club Property. The Golf Club Property shall be used for golf, tennis, fitness center, swimming, recreational, fitness, lakes, irrigation, social events, pro shop, restaurant, commercial, office, guest facilities, day care, educational, guest lodging and other Golf Club activities. The Golf Club Property may also be used by it or leased to others for such other commercial, office, transportation, educational and other institutional or utility use as may from time to time be specifically approved in writing by the Board. Improvements of the Golf Club Property to intentionally obstruct the view from any Lot shall not be made. The twenty-seven (27) hole golf course constructed by the Declarant shall be used and maintained as a golf course. The portion of the Golf Club Property which lies within the Maintenance Area may be used as Maintenance Area.

11.10 Restrictions on the Use of Maintenance Area. The Maintenance Area shall be used by the Declarant, the Maintenance Associations, the Master Association, the Golf Club Owner, contractors, utilities and others for office, maintenance, storage, utility operations of all types, parking, repair, cleaning and processing in connection with the maintenance, construction, operation and the provision of construction, repair, maintenance, sewer utility, other utility and other services to the Governors Club planned unit development, Lots in the planned unit development, or other portions thereof.

11.11 Restrictions on Limited Use and Restricted Building Areas on Lots in Phase Twenty-One. Lots 1271, 1272 and 1273 in Phase Twenty-One (the "Phase Twenty-One Lots") shall be subject to additional restrictions contained in this section. Within the areas specified as "Limited Use" on the recorded plats of the Phase Twenty-One Lots, Improvements shall be limited to Improvements which are accessory to the Single-Family Residence on each Phase Twenty-One Lot.

The Improvements allowed within the Limited Use areas shall include covered, unenclosed, attached screened porches and verandas; attached or detached extended exterior structures such as terraces or elevated decks composed primarily of wood; covered, unenclosed, detached garden structures such as cabanas, gazebos, pergolas and trellises; planted, landscaped garden areas; retaining walls loose-laid to a maximum height of thirty (30) inches; paved walking paths; paved driveways and utility service lines. Within the Limited Use areas, retaining walls constructed on concrete footings, paved surfaces constructed on non-permeable base materials, storage or maintenance structures, utility enclosures, waste receptacles, temporary structures and construction facilities shall be prohibited. Improvements creating impervious surface will be limited to a maximum of one thousand (1,000) square feet in each of the Limited Use areas on the Phase Twenty-One Lots, except that driveways shall not be included in calculating the impervious surface area. Nothing contained in this section is intended to prohibit driveways and walkways within the Limited Use areas from being paved with impervious materials approved by the A.R.B. The total area in each of the Limited Use areas on the Phase Twenty-One Lots upon which Improvements may be constructed will be limited to forty percent (40%) of each Limited Use area. Driveways and walkways shall not be included in calculating the percentage of usable area within each Limited Use area. The design and location of all Improvements within the Limited Use areas on the Phase Twenty-One Lots shall be fully subject to review and approval of the A.R.B. to the same extent as all other Improvements on the Phase Twenty-One Lots. The areas identified as "Restricted Building Areas" on the recorded plats of the Phase Twenty-One Lots shall be left in their natural state without clearing of vegetation except where it is dangerous to property or persons, except that driveways approved by the A.R.B. may be constructed and maintained within the Restricted Building Areas.

ARTICLE 12 - INDEMNIFICATION OF OFFICERS, DIRECTORS AND MEMBERS OF THE A.R.B. AND MEMBERS OF THE MASTER ASSOCIATION

Every officer and director of the Master Association and member of the A.R.B. shall be indemnified by the Master Association against all expenses and liability, including attorneys' fees, incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been an officer, director, or member of the A.R.B. or the Master Association, whether or not he is an officer, director, or member of the A.R.B. or Master Association is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the officer, director, or member of the A.R.B. or Master Association seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Master Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer, director or member of the A.R.B. or Master Association may be entitled.

ARTICLE 13 - GENERAL PROVISIONS

13.1 Assignment. Any or all of the rights, powers and obligations, easements and estates reserved by or granted to the Declarant or the Master Association or the Maintenance Associations may be assigned by the Declarant, the Master Association or the Maintenance Associations, as the case may be. Any such assignment or transfer shall be made by an appropriate instrument in writing

in which the assignee or transferee shall join for the purpose of evidencing its consent to such assignment and its acceptance of the rights and powers, duties and obligations herein contained. Such assignee or transferee shall thereupon have the same rights and powers to be subject to the same obligations and duties as are herein given to the Declarant, the Master Association and/or the Maintenance Associations. After such assignment, Declarant, the Master Association and/or the Maintenance Associations shall be relieved and released of all obligations with respect to such rights, powers, obligations, easements or estates.

13.2 Amendment. This Declaration may be amended upon the recordation of an appropriate instrument in the Public Records of the County, subject however, to the following provisions:

13.2.1 Pursuant to Section 47F-2-117(a) of the North Carolina General Statutes (NC Planned Community Act), this Declaration may be amended only by the affirmative vote or written agreement signed by the owners of lots to which sixty-seven percent (67%) of the votes of the Master Association are allocated.

13.2.2 [Deleted per Fortieth Amendment].

13.2.3 No amendment or change to this Declaration or to the exhibits hereto shall be effective to affect or impair the validity or priority of a first mortgage held by an Institutional Mortgagee encumbering a Unit, or to affect or impair the rights granted herein to Institutional Mortgagees, without the written consent thereto by the Institutional Mortgagee owning and holding the mortgage encumbering the Units, which consent shall be executed with the formalities required for deeds and recorded with the amendment. Further, no amendment or change to this Declaration shall be effective to affect or impair the ability of Exempt Condominiums Residents to lease their Units for fifteen (15) years after the recording of this instrument.

13.2.4 Any duly adopted amendment to this Declaration shall run with and bind the Property for the same period and to the same extent as do the covenants and restrictions set forth herein.

13.3 Duration. All of the covenants, restrictions and other provisions of this Declaration shall run with and bind the Property for an initial term of fifty (50) years from the date of recordation of this Declaration, after which time they shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed by at least seventy-five percent (75%) of the votes of the Members then existing, and by all Institutional Mortgagees, has been recorded, agreeing to change or terminate these covenants and restrictions.

13.4 Covenants Running with the Property. The agreements, covenants, conditions, restrictions, Assessments, liens and other provisions contained herein shall constitute a servitude upon the Property and each portion thereof, shall run with the Property, shall be binding upon the Owners of any portion thereof, and shall inure to the benefit of Declarant, the Master Association and the Owners.

13.5 Enforcement. Enforcement of the covenants, restrictions, conditions, obligations, reservations, rights, powers, Assessments, liens and other provisions contained herein shall be by a proceeding at law or in equity against any persons or entities violation or attempting to violate same and/or against the Property subject thereto to enforce any lien created by this Declaration. In the event that Declarant and the Master Association fail to enforce the terms of this Declaration, then any Member may do so. The failure or refusal of Declarant, the Master Association or any Member to enforce any of the provisions of this Declaration shall in no event be deemed to constitute a waiver of the right to do so thereafter. The cost of any such litigation shall be borne by the Owner in violation, provided that such proceeding results in a finding that such Owner was in violation of the covenants and restrictions contained herein or the covenants and restrictions contained in any declaration of covenants for a Development.

13.6 Declarant's Rights. Any other provision in this Declaration to the contrary notwithstanding, Declarant is irrevocably empowered to sell or lease Units on any terms to any purchasers or lessees. Declarant shall have the right to transact any business necessary to consummate sales of property throughout Governors Club including, but not limited to, the right to maintain an office(s) on the Property, in a location to be selected by Declarant, to have employees in such office, to construct and maintain other structures or appurtenances at that location which are necessary or desirable for the development of property throughout Governors Club; to post and display a sign or signs at the office location; and to use the Common Property for access to its offices and to show Units.

13.7 Notice. Any notice required or permitted to be given by this Declaration shall be given or made in writing by personal delivery or by certified mail addressed:

To the Declarant at:

GOVERNORS CLUB
DEVELOPMENT CORPORATION
Post Office Box 2615
Chapel Hill, North Carolina 27515

or to the Owner at:

The last known address of Owner as appears on the records of the
Master Association at the time of such delivery of mailing;

or to the Master Association at:

GOVERNORS CLUB PROPERTY
OWNERS ASSOCIATION, INC.
Post Office Box 2615
Chapel Hill, North Carolina 27515.

As additional property is subjected to this Declaration by amendment to the Declaration, the address of the governing Association shall be set forth in such amendment. Any notice given in

accordance with the provisions of this subsection shall be deemed to be effective, if personally delivered, on the date of such delivery, or if mailed by registered or certified mail, on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. Each party may give notice to each of the other parties of a change of its address for the purposes of giving notice under this subsection, which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Declaration.

13.8 Plats. In addition to this Declaration, and any subsequent declarations and amendments, the Property shall be subject to the additional covenants, restrictions, reservations and other terms and provisions set forth in the plats of portions of the Property, which are recorded or to be recorded in the Public Records of the County. Also, each owner and occupant of any Property must abide by all applicable laws, regulations and ordinances of the federal government, the County, and the State of North Carolina.

13.9 Gender and Number. The use of the singular herein shall include the plural, and the use of any gender shall include all genders.

13.10 Severability. Invalidation of any one of the covenants or restrictions contained herein by Judgment or Court Order shall in no way affect any other provision hereof, which shall remain in full force and effect.

13.11 Captions. The captions used in this Declaration and the exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon or used in construing the text of this Declaration or any exhibits hereto.

13.12 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

[Signature Page to Follow]

CERTIFICATION OF VALIDITY OF RESTATED DECLARATION
OF COVENANTS AND RESTRICTIONS FOR GOVERNORS CLUB

The undersigned, representing the Board of Directors of Governors Club Property Owners Association, Inc. ("Association"), does hereby certify that the foregoing Restated Declaration of Covenants and Restrictions for Governors Club is intended to be a compilation of the Declaration and amendments thereto, that is being recorded for the sole purpose of providing a comprehensive document for the convenience of the Members of the Master Association. The foregoing is not intended to and does not alter or take the place of the duly recorded Declaration and amendments thereto, which shall control in the event of any conflict.

GOVERNORS CLUB PROPERTY OWNERS
ASSOCIATION, INC.

By: Deanna L. Berry
President

ATTEST:

Kelley Hunter
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF Chatham

I, Janet Tisdale Zima, a Notary Public of the County and State aforesaid, certify that Kelley Hunter personally came before me this day and acknowledged that she is Secretary of Governors Club Property Owners Association, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Kelley Hunter as its Secretary.

Witness my hand and official stamp or seal, this 26th day of March, 2014.

Janet Tisdale Zima
Notary Public

Janet Tisdale Zima
Printed Name

My commission expires: Nov. 12, 2018

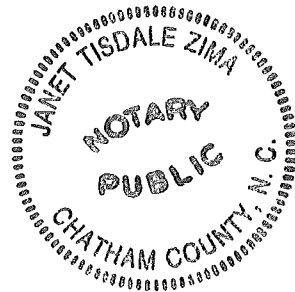


EXHIBIT A

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR GOVERNORS CLUB
DESCRIPTION OF PHASES ONE, TWO, THREE, FOUR, FIVE,
SIX, SEVEN, EIGHT, NINE, NINE-A, SECTIONS A AND B OF PHASE TEN,
ELEVEN, TWELVE-A, THIRTEEN, FOURTEEN-A, FOURTEEN-B,
FIFTEEN, SIXTEEN, SEVENTEEN, EIGHTEEN, NINETEEN,
TWENTY AND TWENTY-ONE AND
THE ENTRANCE AREA COMMON PROPERTY
AND THE GOLF CLUB PROPERTY

Governors Club, Phases One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Nine-A, Sections A and B of Phase Ten, Eleven, Twelve-A, Thirteen, Fourteen-A, Fourteen-B, Fifteen, Sixteen, Seventeen, Eighteen, Nineteen, Twenty and Twenty-One, the Entrance Area Common Property and the Golf Club Property; being all that property located in Williams Township, Chatham County, North Carolina, including, *inter alia*, Lots Number 1 through 685, 687 through 690, 692 through 698, 700 through 714 and 742 through 1273, and the roadway easements, Water Tank Site, Highland Pond Preserve, Common Property, and the Common Areas, as shown on the plats entitled "Governors Club, Phase One," dated December 20, 1988, including six sheets recorded in Plat Slides 89-56, 89-57, 89-58, 89-59, 89-60, and 89-61; the plats entitled "Governors Club, Phase Two," dated June 21, 1989, including four sheets recorded in Plat Slides 89-237, 89-238, 89-239, and 89-240; the plat entitled "Governors Square, Governors Club, Phase Three," dated December 12, 1989, recorded in Plat Slide 90-28; the plats entitled "Morehead Forest, Governors Club, Phase Four," dated May 21, 1990, including seven sheets recorded in Plat Slides 90-256, 90-257, 90-258, 90-259, 90-260, 90-261, and 90-262, as modified by the plat entitled "Recombination of Lots 360 thru 365, Phase Four, Morehead Forest, Governors Club," dated June 15, 1992, recorded in Plat Slide 93-288, as modified by the plat entitled "Revision of Lot 407, Morehead Forest", dated November 9, 1995, recorded in Plat Slide 96-107 and "Revision Plat of Lot 260, Governors Club Phase Four, Morehead Forest," dated May 29, 1996, recorded in Plat Slide 96-214; the plat entitled "Governors Club, Phase Five," dated October 26, 1990, recorded in Plat Slide 90-428, as modified by the plat entitled "Reconfiguration Plat, Lot 464, Phase Five, Governors Club," dated December 17, 1996, recorded in Plat Slide 97-110; the plat entitled "Governors Club Cottages, Phase Six of Governors Club," dated January 22, 1991, recorded in Plat Slide 91-95, as modified by the plats entitled "Recombination of Lot 465 and 466, Club Cottages, Phase Six, Governors Club" dated May 2, 1995, recorded in Plat Slide 95-172 and "Recombination of Lots 472 and 473, Club Cottages, Phase Six, Governors Club", dated October 27, 1995, recorded in Plat Slide 95-433 and "Recombination of Lots 469, 470 and 471, Club Cottages, Phase Six, Governors Club," dated October 31, 1995, recorded in Plat Slide 95-450 and "Recombination of Lots 475, 476 and 477, Club Cottages, Phase Six, Governors Club," dated October 31, 1995, recorded in Plat Slide 95-451 and "Revision of Drainage Easement, Lots 483 and 484, Club Cottages, Phase Six, Governors Club," dated October 31, 1995, recorded in Plat Slide 95-452; the plats entitled "Governors Club, Phase Seven, Tryon Courte," dated February 18, 1991, including three sheets recorded in Plat Slides 91-105, 91-106, and 91-107, as modified by the plat entitled "Recombination of Lot 486, Phase Seven, Governors Club," dated October 2, 1992, recorded in Plat Slide 93-171, and as modified by the plat entitled "Plat Revision, Lot 550, Sheet Three, Tryon Courte, Governors Club," dated June 27, 1991, recorded in Plat Slide 93-289; the plats

entitled "Phase Eight, Franklin Ridge of Governors Club," dated February 17, 1992, including three sheets recorded in Plat Slides 92-100, 92-101, and 92-102, as modified by the plat entitled "Plat Revision, Lots 585 thru 589, Phase Eight, Governors Club," dated November 5, 1992, recorded in Plat Slide 92-439 and as modified by the plat entitled "Final Plat Recombination Survey for Michael Slomiany and Kimberly F. Slomiany and Governors Club Limited Partnership (Golf Course Property), Lot 573, Governors Club, Phase Eight, Franklin Ridge," dated August 21, 1996 and recorded in Plat Slide 97-109; the plat entitled "Phase Nine, Highland Pond, Governors Club," dated February 17, 1992 recorded in Plat Slide 92-115, as modified by the plat entitled "Recombination of Lots 633 & 645, Phase Nine, Governors Club," dated May 4, 1993, recorded in Plat Slide 93-257; the plat entitled "Phase Nine-A, Highland Pond, Governors Club," dated August 11, 1992, recorded in Plat Slide 93-81; the plat entitled "Phase Ten, Section A, Vance Villas, Governors Club," dated August 4, 1992, recorded in Plat Slide 92-346, as modified by the plats entitled "Revision Plat for Tracts 8, 9, 10, and 11 of Vance Villa Tracts, Phase Ten, Section A, Governors Club," dated May 8, 1995, recorded in Plat Slide 95-170; the plat entitled "Final Plat, Vance Villa Lots 670 through 673, Tract 2, Phase Ten, Section A, Governors Club," dated February 1, 1994, recorded at Plat Slide 94-148, the plat entitled "Final Plat, Vance Villa Lots 678 through 681, Tract 4, Phase Ten, Section A, Governors Club," dated February 1, 1994, recorded at Plat Slide 94-44, the plat entitled "Final Plat, Vance Villa Lots 694 through 697, Tract 8, Phase Ten, Section A, Governors Club," dated June 15, 1995, recorded at Plat Slide 95-236, as modified by the plats entitled "Final Plat, Vance Villa Lots 694 through 697, Tract 8, Phase Ten, Section A, Governors Club" dated November 20, 1995, recorded at Plat Slide 95-473, and the plat entitled "Final Plat, Vance Villa Lots 702 through 705, Tract 10, Phase Ten, Section A Governors Club," dated May 15, 1995, recorded at Plat Slide 95-171; the plat entitled "Revision Plat for All of Vance Villa Phase Ten, Section A, except Tracts 2; 4.8 and 10, and Final Plat, Vance Villa, Phase Ten, Section B, Governors Club," dated October 18, 1996, recorded in Plat Slides 97-290, 97-291 and 97-292, as modified by the plats entitled Revision Plat for Portions of Vance Villa, Phase Ten, Sections A and B, Governors Club," dated July 23, 1997, recorded in Plat Slide 97-293 and the plat entitled "Recombination of Lots 676 and 677, Phase Ten, Governors Club," dated September 2, 1997, recorded in Plat Slide 97-413; the plat entitled "Phase Eleven, Walker Falls, Governors Club," dated November 6, 1992, recorded in Plat Slide 92-430; the plat entitled "Governors Club, Phase Twelve-A," dated March 11, 1993, recorded in Plat Slide 93-112, as modified by the plat entitled "Revision Plat, Governors Club, Phase Twelve-A, Street Name Revision," dated February 13, 1998, recorded in Plat Slide 98-409; the plats entitled "Governors Club, Phase Thirteen, Glenn Glade," dated March 15, 1993, including three sheets recorded in Plat Slides 93-113, 93-114 and 93-115, as modified by the plat entitled "Recombination Plat for Lots 816 and 817, Governors Club, Phase Thirteen, Glenn Glade" dated September 9, 1995 and recorded in Plat Slide 95-396, and as modified by the plat entitled "Second Recombination Plat for Lots 816 & 817, Governors Club, Phase Thirteen, Glenn Glade", dated November 7, 1995, recorded in Plat Slide 96-108; the plat entitled "Phase Fourteen-A, Saddle Ridge, Governors Club," dated February 11, 1994, recorded in Plat Slide 94-92, as modified by the plat entitled "Revised Plat of Lot 878 and Abolishing Lot 879, Governors Club, Phase Fourteen-A, Saddle Ridge," dated June 17, 1996, recorded in Plat Slide 96-260; the plat entitled "Phase Fourteen-B, Saddle Ridge, Governors Club" dated August 18, 1995, recorded in Plat Slide 95-374; as modified by the plat entitled "Reconfiguration Plat, Lot 1139, Phase Fourteen-B, Saddle Ridge, Governors Club," dated February 6, 1998, recorded in Plat Slide 98-410; the plat entitled "Phase Fifteen, Governors Club," dated February 11, 1994, recorded in Plat Slide 94-93; the plats entitled "Phase Sixteen, Governors Club," dated June 29, 1994, including five sheets recorded in Plat Slides 94-319, 94-320, 94-321, 94-322

and 94-323, as modified by the plat entitled "Recombination, Lots 941 & 942, Phase Sixteen,, Governors Club," dated September 5, 1994, recorded in Plat Slide 94-399, as modified by the plat entitled "Right of Way Revision, Intersection of Morehead & Worth and Reconfiguration of lots 937, 938 and 956, Phase Sixteen, Governors Club" dated September 15, 1994, recorded in Plat Slide 94-400, as modified by the plat entitled "Recombination Plat for Lots 945 and 946, Phase Sixteen, Governors Club," dated December 22, 1994 and recorded on Plat Slide 94-508; as modified by the plat entitled "Plat Revision, Lot 997, Sheet Five, Stone Brook," dated February 23, 1995, recorded in Plat Slide 95-69, and as modified by the plat entitled "Revised Plat of Lots 984 and 986 and Abolishing Lots 985 and 987, Governors Club, Phase Sixteen, Stone Brook" dated July 9, 1996, recorded in Plat Slide 96-261; the plats entitled "Phase Seventeen, Wilkinson Park, Governors Club," dated January 19, 1995, including four sheets recorded in Plat Slides 95-71, 95-72, 95-73 and 95-74; the plat entitled "Phase Eighteen, Governors Crest, Governors Club," dated February 19, 1996 recorded in Plat Slide 96-110; the plats entitled "Phase Nineteen, Governors Club," dated July 19, 1996, including three sheets recorded in Plat Slides 96-257, 96-258 and 96-259; the plat entitled "Composite Map, Governors Club Golf Club Property," dated December 12, 1996, including thirteen sheets recorded in Plat Slides 96-456 through 96-468; the Common Property shown on the plat entitled "Reconfiguration Plat for Governors Club, Governors Club Entrance Area Plat," dated September 16, 1997, recorded in Plat Slide 97-412; the plat entitled Governors Club, Phase Twenty," dated January 20, 1999, recorded in Plat Slide 99-237; and the plat entitled "Governors Club, Phase Twenty-One," dated May 26, 1998, recorded in Plat Slide 99-238, as modified by the plat entitled "Revision Plat for Governors Club, Phase Twenty-One," dated October 15, 1999, revised November 23, 1999, recorded in Plat Slide 2000-167 of the Chatham County Registry."