

6/04/2004 04:17pm

PAID: 26.00

DECLARATION OF RECREATIONAL COVENANT

WEINER, SHEAROUSE, WEITZ,
GREENBERG & SHAW
14 E. STATE STREET
P.O. BOX 10105
SAVANNAH, GEORGIA 31412-0205

FOR

THE HIGHLANDS

Susan D. Prouse, Clerk
Superior Court of Chatham County
Chatham County, Georgia

THIS DECLARATION OF RECREATIONAL COVENANT ("Covenant") is made this 11th day of May 2004, by North Godley Developers, Inc. (the "Declarant"), Highlands Owners Association, Inc. (the "Association") and Highlands Enterprises, Inc. ("Vendee Member"), all on behalf of themselves, their successors, successors-in-title and assigns.

BACKGROUND STATEMENT

Declarant is the developer of the planned community located in Savannah, Chatham County, Georgia and known as "The Highlands". Declarant has executed and filed that certain Declaration of Covenants, Conditions and Restrictions for The Highlands recorded on the 27th day of October, 2003, in Deed Book 260K Page 167, with the Office of the Clerk of the Superior Court of Chatham County, Georgia, as amended or supplemented from time to time (hereinafter referred to as the "Declaration"). Capitalized terms defined in Article I of the Declaration shall have the same meaning when used herein, unless a different meaning is expressly given herein.

Declarant is the owner of the real property described on Exhibit "A", attached hereto and incorporated herein (the "Amenity Area"), which constitutes Common Area of the Association under the Declaration.

The Association shall own, control, maintain and operate the Amenity Area, and the facilities and improvements thereon ("the Amenity Center"), for the benefit of Owners of Lots and Living Units in Tracts made subject to this Covenant, and shall levy assessments as provided herein for the costs of such ownership, control, maintenance and operation.

Vendee Member is the owner of the real property described in Exhibit "B" (hereinafter the "Tract"), attached hereto and incorporated herein, which is a development within The Highlands for which the use and enjoyment of the Amenity Area, and the improvements and facilities thereon, is desired.

Declarant, the Association and Vendee Member (the "Parties") desire to define their rights and obligations with regard to the Amenity Area and the use and enjoyment thereof by Owners of Lots or Living Units in the Tract. The Parties further desire to set out the obligations of the Association with regard to the Amenity Area and the method by which costs will be assessed to operate, control,

N. Godley Dev
04-1178-19

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maintain, preserve and repair the Amenity Area and the improvements and facilities thereon.

Article I
Declaration of Intent and Binding Effect

Declarant, as the owner of the Amenity Area, and Vendee Member, as the owner of the Tract, hereby declare that all of the Tract and the Amenity Area shall be subject to the covenants, conditions, restrictions and easements contained herein, and that the Lots or Living Units in the Tract shall be held, sold and conveyed subject to the terms of this Covenant. This Covenant shall be binding upon all persons having any right, title, or interest in any portion of the Tract, their heirs, successors, successors-in-title, and assigns, and shall be binding upon Declarant, the Association and any successors, successors-in-title and assigns to all or any portion of the Amenity Area.

Article II
Obligation of the Parties

2.1. Declarant Obligations.

(a) Declarant shall plan, construct and begin the operation of the Amenity Center for the social and recreational use of the Owners of Lots and Living Units within Tracts in The Highlands subject to this Covenant, said Amenity Center to include, but not be limited to, a club house, swimming pool, tennis courts, playground, health equipment and other such facilities and improvements to be determined by the Association.

(b) Declarant shall transfer all of its interest in the Amenity Area, including the improvements and facilities thereon, to the Association, according to 2.2 below, upon the earlier of:

(i) December 31, 2008.

(ii) when Declarant and the Association expressly agree to such transfer.

2.2. Association Obligations.

(a) Upon completion of the Amenity Center, the Association shall lease the Amenity Center from the Declarant for a rental rate equal to Declarant's debt service under the construction costs, triple net, until such time as the Association acquires the Amenity Center.

(b) The Association agrees to acquire and purchase the Amenity

Area from Declarant for Declarant's cost basis, plus any unpaid rent or other payment obligations due and payable under paragraph (a) above, less any Amenity Impact Fees paid to Declarant pursuant hereto.

(c) The Amenity Area is and shall be Common Area of the Association as defined in the Declaration and shall be owned, controlled, operated and maintained for the benefit of all Owners of property within the Tract subject to this Covenant and any other Tracts that have been or shall hereafter be made subject to this Covenant.

(d) The Amenity Area shall be treated as Common Area as to Tracts made subject to this Covenant, and the Association shall keep separate accounts, books and records with respect to its ownership, control, maintenance, and operation of the Amenity Area.

(e) The Association shall have the power to levy annual and special assessments against Owners of Lots and Living Units within the Tract to cover its costs to own, control, maintain and operate the Amenity Area, and shall have a lien upon all Lots and Living Units within the Tract to secure payment of same, subject to foreclosure by the Association for unpaid assessments. Any assessments levied as provided herein shall be in addition to assessments levied pursuant to the Declaration.

2.3 Obligations of Vendee Member.

(a) The Vendee Member, its successors, successors-in-title and assigns agree to reimburse Declarant (or the Association once it has acquired the Amenity Area, as the case may be) for the actual costs of the acquisition, improvement, and initial operation of the Amenity Area through the payment of an Amenity Impact Fee in the amount of \$ 1,517.00 (hereinafter "Amenity Impact Fee"), to be due and payable upon the initial sale or the initial occupancy of a Lot or Living Unit as a residence, whichever shall first occur, but in no event shall any Amenity Impact Fee remain unpaid beyond the date provided in b(i) below.

(b) The Vendee Member, for each Lot and Living Unit owned within the Tract, hereby covenants and agrees for itself, its successors, successors-in-title and assigns, and each Owner of any Lot or Living Unit within the Tract by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree, as to any Lot or Living Unit, for himself, his heirs, successors and assigns, to pay to the Association:

1. any Amenity Impact Fees unpaid after December 31, 2008 ("Amenity Impact Fees");
2. annual assessments or charges as provided herein for

each Lot or Living Unit owed; and

3. special assessments for capital improvements to the Amenity Area, other than the cost of initial construction of the Amenity Center.

The Association may levy, in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction or repair or replacement of a capital improvement upon the Amenity Area, including the necessary fixtures or personal property related thereto, provided that any such assessment shall have the consent of 2/3 of the votes of Members of the Association (excluding those Members representing Tracts within The Highlands that are not subject to this Covenant), who are voting in person or by proxy at a meeting duly called for this purpose.

All such assessments shall be fixed, established and collected as herein provided, and the assessments levied herein shall be in addition to any annual or special assessments levied pursuant to the Declaration. Amenity Impact Fees, annual assessments and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge upon each Lot or Living Unit against which such assessment is made and for which such Amenity Impact Fee is due. Each assessment and Amenity Impact Fee, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the owner of such property at the time when the assessment or Amenity Impact Fee becomes due. The personal obligation for Amenity Impact Fees or delinquent assessments shall not pass to the successor-in-title unless expressly assumed by them.

(c) The amount of annual and special assessments shall be determined as provided in Article III, Section 4 of the Declaration, unless otherwise provided by the following:

- (i) Until January 1, 2005, the annual assessment provided hereunder shall be \$ 330.00 per Lot or Living Unit.
- (ii) The maximum annual assessment may be increased by an amount not to exceed ten (10%) percent of the maximum annual assessment of the previous year at the discretion of the Board of Directors of the Association.
- (iii) The maximum annual assessment may be increased without limitation by the affirmative vote of a majority of Members of the Association (excluding those Members representing Tracts within the Highlands that are not

subject to this Covenant) who are voting in person or by proxy at a meeting duly called for this purpose.

Article III

General

3.1. Notice. Any notice provided for in this Covenant shall be served personally or shall be mailed by registered or certified mail to the addresses specified below unless written notice is provided in accordance with this Section, unless a different address for delivery of notices is provided to the Parties, in which case the notice should be addressed to such different address:

(a) if to the Declarant: North Godley Developers, Inc.
2702 Whatley Avenue, Suite B-1
Savannah, Georgia 31404

(b) if to the Vendee Member: Highlands Enterprises, Inc.
P.O. Box 1127
Richmond Hill, Georgia 31324

(c) if to the Association: Highlands Owners Association, Inc.
2702 Whatley Avenue, Suite B-1
Savannah, Georgia 31404

All such notices shall, for all purposes, be deemed delivered and received (a) upon personal delivery to the addressee, or (b) on the third day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

3.2. Amendment. The Declarant may at any time and from time to time subject additional property to this Covenant and may modify the terms of this Covenant as to such property, as the character of such additional property may require, so long as such modification does not materially affect the rights provided hereunder to the parties hereto, and their successors, successors in title and assigns.

Otherwise, this Covenant may be amended only by an instrument signed by the Declarant and the majority of Vendee Members or Subassociation Members for Tracts subject to this Covenant.

Amendments to this Covenant shall become effective upon recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted.

3.3. Duration: Termination. Unless terminated by agreement of those

persons whose consent is needed to amend, this Covenant shall have perpetual duration. If Georgia law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Covenant shall run for a period of 20 years and shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless an instrument signed by the Holders of not less than ninety (90%) percent of the votes in the Association has been executed, amending or abrogating this Declaration; provided, however, that no such amendment or change shall be effective unless made and executed at least six (6) months in advance of the effective date of such change and unless written notice of the proposed amendment is sent to every Member of the Association at least ninety (90) days in advance of any action taken. If any provision of this Covenant is judicially determined to be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

3.4 Construction: Severability. This Covenant shall be governed by and construed under Georgia law. Invalidation of any provision of this Covenant, in whole or in part, by judgment or court order shall not affect other provisions.

3.5 Waiver. No failure to exercise any right or power under this Covenant or to insist upon strict compliance with this Covenant and no custom or practice at variance with the terms of this Covenant shall constitute a waiver of the right thereafter to demand exact compliance with the terms of this Covenant.

3.6 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

3.7 Enforcement. The Association, Declarant and any Vendee Member or Owner of a Lot or Living Unit within a Tract subject to this Covenant, shall have the right to enforce all conditions, covenants or charges now or hereafter imposed by the provisions of this Covenant. Failure by the Association, Declarant, Vendee Member or any Owner of a Lot or Living Unit to enforce the Covenants herein contained shall be in no event be deemed the waiver or inability of the right to enforce the conditions, covenants or charges imposed by this Covenant.

3.8 Conflict. In the event of any irreconcilable conflict between this Covenant and the Articles of Incorporation and/or Bylaws of the Association, the provisions of this Covenant shall control.

3.9 Gender. All pronouns used herein shall be deemed to include the masculine, feminine and non-personal entities, as well as singular and plural wherever the context provides or permits.

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IN WITNESS WHEREOF, the Declarant, Vendee Member and Association have executed this Covenant as of the date first above written.

DECLARANT:

NORTH GODLEY DEVELOPERS,
INC., a Georgia corporation

Signed, sealed, and delivered
this 20 day of May,
2004.

By: _____
Its: President

Attest: Carol Vincent
Its: Assistant Secretary

Witness _____

Tiffany W. Schrum
Notary Public

TIFFANY W. SCHRUM
Notary Public, Chatham County, Georgia
My Commission Expires April 15, 2005



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270 M 463

VENDEE MEMBER:

HIGHLANDS ENTERPRISES, INC.,
a Georgia corporation

Signed, sealed, and delivered
this 20 day of May,
2004 in the presence of:

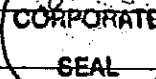
By: [Signature]
Its: President

Attest: _____
Its: _____

Witness _____

Tiffany W. Schrum
Notary Public

TIFFANY W. SCHRUM
Notary Public, Chatham County, Georgia
My Commission Expires April 15, 2005



ASSOCIATION:

HIGHLANDS OWNERS
ASSOCIATION, INC.

Signed, sealed, and delivered
this 20 day of May,
2004 in the presence of:

By: _____
Its: President

Attest: Carol Vincent
Its: Assistant Secretary

Witness _____

Tiffany W. Schrum
Notary Public

TIFFANY W. SCHRUM
Notary Public, Chatham County, Georgia
My Commission Expires April 15, 2005



EXHIBIT "A"

ALL that certain lot, tract or parcel of land situate lying and being in Chatham County, Georgia, being approximately 8.004 acres and being known as the Recreation Site for the Highlands at Godley Station, being more particularly shown and described as the "Recreation Site" on that certain map or plat entitled "The Highlands at Godley Station, A Major Subdivision of an Approximately 1967.978 Acre Portion of International Paper Realty Corporation's, Godley #2 Tract, 8th G.M. District, Savannah, Chatham County, Georgia", recorded in Subdivision Map Book 29-S, Folio 66A, et seq. in the records of the Clerk of the Superior Court of Chatham County, Georgia. Said map or plat is incorporated herein by reference for more particular description of the property herein described.

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EXHIBIT 8

All that certain piece, parcel, or tract of land containing 75.00 acres, more or less, as identified as Parcel J on a plat dated November 4, 2003, prepared by Kern-Coleman & Co., LLC and recorded in the Office of the Clerk of Superior Court for Chatham County, Georgia, in Book 29-S, Page 39-A.

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FILED FOR RECORD

WEINER, SHEAROUSE, WEITZ,
GREENBERG & SHAW
14 E. STATE STREET
P.O. BOX 10108
SAVANNAH, GEORGIA 31412-0205

**SUPPLEMENTAL AMENDMENT TO
DECLARATION OF RECREATIONAL COVENANT
FOR THE HIGHLANDS**

6/04/2004 04:22pm

PAID: 14.00

Susan D. Prouse, Clerk
Superior Court of Chatham County
Chatham County, Georgia

THIS SUPPLEMENTAL AMENDMENT to Declaration of Recreational Covenant for The Highlands ("Supplemental Amendment") is made this 25th day of May, 2004 by **NORTH GODLEY DEVELOPERS, INC.** (the "Declarant"), **HIGHLANDS OWNERS ASSOCIATION, INC.** (the "Association") and **NORTH GODLEY DEVELOPERS, INC.** ("Vendee Member"), all on behalf of themselves, their successors, successor-in-title and assigns.

WHEREAS, Declarant and the Association entered into that certain Declaration of Recreational Covenant for The Highlands recorded in Deed Book 270 W, Page 457, in the records of the Clerk of the Superior Court of Chatham County, Georgia; and

WHEREAS, Vendee Member desires to subject its Tract within The Highlands to the Recreational Covenant and accordingly enters into this Supplemental Amendment;

NOW THEREFORE, Declarant, the Association and Vendee Member hereby declare that the property described on Exhibit "A", attached hereto and incorporated herein, shall be held, transferred, sold, conveyed and occupied subject to the Recreational Covenant, and that each of them shall have the rights, obligations and duties set forth in the Recreational Covenant. All capitalized terms used herein shall have the same meaning as used in the Recreational Covenant, unless and to the extent a different meaning is expressly given herein.

[SIGNATURES ON FOLLOWING PAGE]

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N. Dev.
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IN WITNESS WHEREOF, the Declarant, Vendee Member and Association have executed this Covenant as of the date first above written.

DECLARANT:

NORTH GODLEY DEVELOPERS, INC., a Georgia corporation

Signed, sealed, and delivered this 25 day of May, 2004.

Jimmy C. Davis
Witness

[Signature]
Notary Public



By: [Signature]
Its: President

Attest: Carol Hunter
Its: Assistant Secretary



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270 M 482

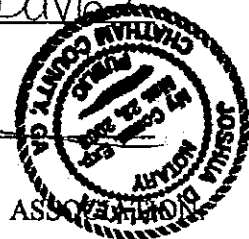
VENDEE MEMBER

NORTH GODLEY DEVELOPERS, INC., a Georgia corporation

Signed, sealed, and delivered this 25 day of May, 2004 in the presence of:

Jimmy C. Davis
Witness

[Signature]
Notary Public



By: [Signature]
Its:

Attest: Carol Hunter
Its: Assistant Secretary



ASSOCIATION

HIGHLANDS OWNERS ASSOCIATION, INC.

Signed, sealed, and delivered this 25 day of May, 2004 in the presence of:

Jimmy C. Davis
Witness

[Signature]
Notary Public



By: [Signature]
Its: President

Attest: Carol Hunter
Its: Assistant Secretary

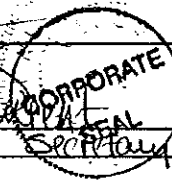


EXHIBIT "A"
TRACT K-1, PHASE 1 - THE HIGHLANDS

All that certain, lot, tract or parcel of land situate, lying and being in the 8th G.M. District, Chatham County, Georgia, containing approximately 50.952 acres and known as Phase 1 of Tract K-1, The Highlands, and being shown as Phase 1 on that plat entitled "PHASE 1 & 2 OF TRACT K-1, THE HIGHLANDS SUBDIVISION, 8TH G.M. DISTRICT, CITY OF SAVANNAH, CHATHAM COUNTY, GEORGIA", prepared by Terry Mack Coleman, Georgia Registered Land Surveyor No. 2486, dated April 29, 2004, and recorded in Plat Record Book 27-P, Folio 90, in the records of the Clerk of the Superior Court of Chatham County, Georgia, said plat being incorporated herein and made a part hereof by this reference.

Said property is a portion of the property known as the Godley 2 Tract and conveyed to The Foxfield Company and Godley Station Enterprises, LLC by Limited Warranty Deed from International Paper Realty Corporation, dated December 27, 2002, and recorded in Deed Book 245-B, page 7, Chatham County, Georgia records.

And Also, All that certain, lot, tract or parcel of land situate, lying and being in the 8th G.M. District, Chatham County, Georgia, containing approximately 29.181 acres and known as Phase 2 of Tract K-1, The Highlands, and being shown as Phase 2 on that plat entitled "PHASE 1 & 2 OF TRACT K-1, THE HIGHLANDS SUBDIVISION, 8TH G.M. DISTRICT, CITY OF SAVANNAH, CHATHAM COUNTY, GEORGIA", prepared by Terry Mack Coleman, Georgia Registered Land Surveyor No. 2486, dated April 29, 2004, and recorded in Plat Record Book 27-P, Folio 90, in the records of the Clerk of the Superior Court of Chatham County, Georgia, said plat being incorporated herein and made a part hereof by this reference.

Said property is a portion of the property known as the Godley 2 Tract and conveyed to The Foxfield Company and Godley Station Enterprises, LLC by Limited Warranty Deed from International Paper Realty Corporation, dated December 27, 2002, and recorded in Deed Book 245-B, page 7, Chatham County, Georgia records.

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4/26/2005 03:40pm

PAID: 14.00

Daniel W. Hasey, Clerk
Superior Court of Chatham County
Chatham County, Georgia

JEFFER SHEAROUSE, VET...
GALLENBERG & SHAW
14 E. STATE STREET
P.O. BOX 10105
DANVILLE, GEORGIA 31712-0105

**SUPPLEMENTAL AMENDMENT TO
DECLARATION OF RECREATIONAL COVENANT
FOR THE HIGHLANDS**

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THIS SUPPLEMENTAL AMENDMENT to Declaration of Recreational Covenant for The Highlands ("Supplemental Amendment") is made this 21 day of September, 2004, by **NORTH GODLEY DEVELOPERS, INC.** (the "Declarant"), **HIGHLANDS OWNERS ASSOCIATION, INC.** (the "Association") and **GENESIS REAL ESTATE GROUP, LLC** ("Vendee Member"), all on behalf of themselves, their successors, successor-in-title and assigns.

WHEREAS, Declarant and the Association entered into that certain Declaration of Recreational Covenant for The Highlands recorded in Deed Book 270-W, Page 457, in the records of the Clerk of the Superior Court of Chatham County, Georgia (hereinafter the "Recreational Covenant"); and

WHEREAS, Vendee Member desires to subject its Tracts within The Highlands to the Recreational Covenant and accordingly enters into this Supplemental Amendment, obligating itself as Vendee Member under the Recreational Covenant;

NOW THEREFORE, Declarant, the Association and Vendee Member hereby declare that the property described on Exhibit "A", attached hereto and incorporated herein, shall be held, transferred, sold, conveyed and occupied subject to the Recreational Covenant, and that each of them shall have the rights, obligations and duties set forth in the Recreational Covenant. All capitalized terms used herein shall have the same meaning as used in the Recreational Covenant, unless and to the extent a different meaning is expressly given herein.

IN WITNESS WHEREOF, the Declarant, Association and Vendee Member has executed the Covenant as of the date first above written

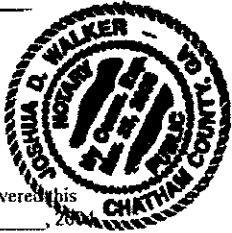
NORTH GODLEY DEVELOPERS, INC.

By: [Signature]
Its: Secretary
Attest: [Signature]
Its: Assistant Secretary

Signed, sealed and delivered this
11 day of April, 2004
in the presence of:

[Signature]
Witness

[Signature]
Notary Public



Signed, sealed and delivered this
11 day of April, 2004
in the presence of:

[Signature]
Witness

[Signature]
Notary Public



HIGHLANDS OWNERS ASSOCIATION, INC.

By: [Signature]
Its: President
Attest: [Signature]
Its: Assistant Secretary

GENESIS REAL ESTATE GROUP, LLC

By: [Signature]
Its: [Signature]
Attest: [Signature]
Its: [Signature]

Signed, sealed and delivered this
24 day of September 2004
in the presence of:

[Signature]
Witness

[Signature]
Notary Public

NOTARY PUBLIC CHATHAM COUNTY, GA
MY COMMISSION EXPIRES MARCH 25 08

SEAL

SEAL

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021

EXHIBIT A

PARCEL 1

All that certain, lot, tract, parcel of land situate, lying and being in the 8th G.M. District, Chatham County, Georgia, and shown as **Parcel "C," The Highlands at Godley Station** on that plat entitled "The Highlands at Godley Station, a subdivision of an approximately 1967.978 acre portion of International Paper Realty Corporation's Godley # 2 Tract, 8th G.M. District, Savannah, Chatham County, Georgia", prepared by Terry Mack Coleman, Georgia Registered Land Surveyor No. 2486, dated October 8, 2003, and recorded in Subdivisor Map Book 26-P, Page 35A *et seq.*, Chatham County, Georgia records, said plat being incorporated herein and made a part hereof by this reference.

PARCEL 2

All that certain, lot, tract, parcel of land situate, lying and being in the 8th G.M. District, Chatham County, Georgia, and shown as **Parcel "F", The Highlands at Godley Station**, on that Plat entitled "The Highlands at Godley Station, a subdivision of approximately 1967.978 acre portion of International Paper Realty Corporation's Godley # 2 Tract, 8th G.M. District, Savannah, Chatham County, Georgia", prepared by Terry Mack Coleman, Georgia Registered Land Surveyor No. 2486, dated October 2, 2003, revised October 10, 2003, and recorded in Subdivision Map Book 26-P, Page 35A *et seq.*, Chatham County, Georgia records, said plat being incorporated herein and made a part hereof by this reference.

PARCEL 3

All that certain, lot, tract, parcel of land situate, lying and being in the 8th G.M. District, Chatham County, Georgia, and shown as **Parcel "I", The Highlands at Godley Station**, on that Plat entitled "The Highlands at Godley Station, a subdivision of approximately 1967.978 acre portion of International Paper Realty Corporation's Godley # 2 Tract, 8th G.M. District, Savannah, Chatham County, Georgia", prepared by Terry Mack Coleman, Georgia Registered Land Surveyor No. 2486, dated October 2, 2003, revised October 10, 2003, and recorded in Subdivision Map Book 26-P, Page 35A *et seq.*, Chatham County, Georgia records, said plat being incorporated herein and made a part hereof by this reference.

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022

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FILED FOR RECORD
2/13/2007 04:20pm
PAID: 30.00
Daniel W. Massey, Clerk
Superior Court of Chatham County
Chatham County, Georgia

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After recording, please return to:
Harold B. Yellin, Esq.
Hunter, Maclean, Exley & Dunn, P.C.
200 E. Saint Julian Street
Savannah, GA 31412

Declaration of Recreational Covenant
for
The Highlands

DECLARATION OF RECREATIONAL COVENANT

FOR

THE HIGHLANDS

THIS DECLARATION OF RECREATIONAL COVENANT ("Covenant") is made this 31st day of January, 2006, by North Godley Developers, Inc. (the "Declarant"), Highlands Owners Association, Inc. (the "Association") and Sunburst Properties of Savannah, LLC ("Vendee Member"), all on behalf of themselves, their successors, successors-in-title and assigns.

BACKGROUND STATEMENT

Declarant is the developer of the planned community located in Savannah, Chatham County, Georgia and known as "The Highlands". Declarant has executed and filed that certain Declaration of Covenants, Conditions and Restrictions for The Highlands recorded on the 27th day of October, 2003, in Deed Book 260-W, Page 167, with the Office of the Clerk of the Superior Court of Chatham County, Georgia, as amended or supplemented from time to time (hereinafter referred to as the "Declaration"). Capitalized terms defined in Article I of the Declaration shall have the same meaning when used herein, unless a different meaning is expressly given herein.

Declarant is the owner of the real property described on Exhibit "A", attached hereto and incorporated herein (the "Amenity Area"), which constitutes Common Area of the Association under the Declaration.

The Association shall own, control, maintain and operate the Amenity Area, and the facilities and improvements thereon ("the Amenity Center"), for the benefit of Owners of Lots and Living Units in Tracts made subject to this Covenant, and shall levy assessments as provided herein for the costs of such ownership, control, maintenance and operation.

Vendee Member is the owner of the real property described in Exhibit "B" (hereinafter the "Tract"), attached hereto and incorporated herein, which is a development within The Highlands for which the use and enjoyment of the Amenity Area, and the improvements and facilities thereon, is desired.

Declarant, the Association and Vendee Member (the "Parties") desire to define their rights and obligations with regard to the Amenity Area and the use and enjoyment thereof by Owners of Lots or Living Units in the Tract. The Parties further desire to set out the obligations of the Association with regard to the Amenity Area and the method by which costs will be assessed to operate, control,

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maintain, preserve and repair the Amenity Area and the improvements and facilities thereon.

Article I
Declaration of Intent and Binding Effect

Declarant, as the owner of the Amenity Area, and Vendee Member, as the owner of the Tract, hereby declare that all of the Tract and the Amenity Area shall be subject to the covenants, conditions, restrictions and easements contained herein, and that the Lots or Living Units in the Tract shall be held, sold and conveyed subject to the terms of this Covenant. This Covenant shall be binding upon all persons having any right, title, or interest in any portion of the Tract, their heirs, successors, successors-in-title, and assigns, and shall be binding upon Declarant, the Association and any successors, successors-in-title and assigns to all or any portion of the Amenity Area.

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Article II
Obligation of the Parties

2.1. Declarant Obligations.

(a) Declarant shall plan, construct and begin the operation of the Amenity Center for the social and recreational use of the Owners of Lots and Living Units within Tracts in The Highlands subject to this Covenant, said Amenity Center to include, but not be limited to, a club house, swimming pool, tennis courts, playground, health equipment and other such facilities and improvements to be determined by the Association.

(b) Declarant shall transfer all of its interest in the Amenity Area, including the improvements and facilities thereon, to the Association, for its cost basis (less all Amenity Impact Fees paid to Declarant plus an amount equal to all Amenity Impact Fees that Vendee Member owes to Declarant), upon the earlier of:

(i) December 31, 2008, or

(ii) when Declarant and the Association expressly agree to such transfer.

2.2. Association Obligations.

(a) The Association agrees to acquire and purchase the Amenity Area from Declarant for Declarant's cost basis as provided in Section 2.1 hereof.

(b) The Amenity Area is and shall be Common Area of the Association and shall be owned, controlled, operated and maintained for the

benefit of all Owners of property within the Tract subject to this Covenant and any other Tracts that have been or shall hereafter be made subject to this Covenant.

(c) The Amenity Area shall be treated as Common Area as to Tracts made subject to this Covenant, and the Association shall keep separate accounts, books and records with respect to its ownership, control, maintenance, and operation of the Amenity Area.

(d) The Association shall have the power to levy annual and special assessments against Owners of Lots and Living Units within the Tract to cover its costs to own, control, maintain and operate the Amenity Area, and shall have a lien upon all Lots and Living Units within the Tract to secure payment of same, subject to foreclosure by the Association for unpaid assessments. Any assessments levied as provided herein shall be in addition to assessments levied pursuant to the Declaration.

2.3 Obligations of Vendee Member.

(a) Declarant has or will enhance, enlarge and improve the Amenity Center to accommodate the increased capacity and use thereof by Owners of Lots and Living Units within the Tract. Vendee Member shall pay Declarant \$150,000 in connection with the improvements to the Amenity Center described in this paragraph, said payment to be made as follows:

- i. \$50,000 on the date hereof.
- ii. \$50,000 upon completion of one-half (1/2) of the improvements, as certified by Declarant's engineer
- iii. \$50,000 upon substantial completion of the Amenity Center as certified by Declarant's engineer. Substantial completion shall occur upon the issuance of a Certificate of Occupancy for the Amenity Center.

(b) The Vendee Member, its successors, successors-in-title and assigns agree to reimburse Declarant for the actual costs of the acquisition, improvement, and initial operation of the Amenity Area through the payment of an Amenity Impact Fee in the amount of \$ 1122.00 (hereinafter "Amenity Impact Fee"), to be due and payable upon the sale or the occupancy of a Lot or Living Unit as a residence, whichever shall first occur, but in no event shall any Amenity Impact Fee remain unpaid beyond the date provided in c(i) below. Notwithstanding anything contained herein to the contrary, Vendee Member shall receive a credit against Amenity Impact Fees owed equal to any amounts previously paid pursuant to paragraph 2.3(a) above.

(c) The Vendee Member, for each Lot and Living Unit owned within the Tract, hereby covenants and agrees for itself, its successors, successors-in-title and assigns, and each Owner of any Lot or Living Unit within the Tract by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree, as to any Lot or Living Unit, for himself, his heirs, successors and assigns, to pay to the Association:

1. any Amenity Impact Fees unpaid after December 31, 2011 ("Amenity Impact Fees");
2. annual assessments or charges as provided herein for each Lot or Living Unit owed; and
3. special assessments for capital improvements to the Amenity Area.

The Association may levy, in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction or repair or replacement of a capital improvement upon the Amenity Area, including the necessary fixtures or personal property related thereto, provided that any such assessment shall have the consent of 2/3 of the votes of Members of the Association (excluding those Members representing Tracts within The Highlands that are not subject to this Covenant), who are voting in person or by proxy at a meeting duly called for this purpose.

All such assessments shall be fixed, established and collected as herein provided, and the assessments levied herein shall be in addition to any annual or special assessments levied pursuant to the Declaration. Amenity Impact Fees, annual assessments and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge upon each Lot or Living Unit against which such assessment is made and for which such unpaid Amenity Impact Fee is due. Each assessment and Amenity Impact Fee, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the owner of such property at the time when the assessment or Amenity Impact Fee becomes due. The personal obligation for Amenity Impact Fees or delinquent assessments shall not pass to the successor-in-title unless expressly assumed by them.

(d) The amount of annual and special assessments shall be determined as provided in Article III, Section 4 of the Declaration, unless otherwise provided by the following:

- (i) Until January 1, 2005, the maximum annual assessment provided hereunder shall be \$ 330.00 per Lot or Living Unit. The annual assessment as to each Lot or Living Unit shall commence at the time the Lot or Living Unit is conveyed by Vendee Member or at such time as the Lot or Living Unit is occupied by a tenant, whichever shall first occur.
- (ii) The maximum annual assessment may be increased by an amount not to exceed ten (10%) percent of the maximum annual assessment of the previous year at the discretion of the Board of Directors of the Association.
- (iii) The maximum annual assessment may be increased without limitation by the affirmative vote of a majority of Members of the Association (excluding those Members representing Tracts within the Highlands that are not subject to this Covenant) who are voting in person or by proxy at a meeting duly called for this purpose.

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320 2 006

Article III General

3.1. Notice. Any notice provided for in this Covenant shall be served personally or shall be mailed by registered or certified mail to the addresses specified below unless written notice is provided in accordance with this Section, unless a different address for delivery of notices is provided to the Parties, in which case the notice should be addressed to such different address:

- (a) if to the Declarant: North Godley Developers, Inc.
2702 Whatley Avenue, Suite B-1
Savannah, Georgia 31404
- (b) if to the Vendee Member: Sunburst Properties of Savannah, LLC
768 Travelers Blvd., Suite 101
Summerville, SC 29485
- (c) if to the Association: Highlands Owners Association, Inc.
2702 Whatley Avenue, Suite B-1
Savannah, Georgia 31404

All such notices shall, for all purposes, be deemed delivered and received (a)

upon personal delivery to the addressee, or (b) on the third day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

3.2. Amendment. The Declarant may at any time and from time to time subject additional property to this Covenant and may modify the terms of this Covenant as to such property, as the character of such additional property may require, so long as such modification does not materially affect the rights provided hereunder to the parties hereto, and their successors, successors in title and assigns.

Otherwise, this Covenant may be amended only by an instrument signed by the Declarant and the majority of Vendee Members or Subassociation Members for Tracts subject to this Covenant.

Amendments to this Covenant shall become effective upon recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted.

3.3. Duration: Termination. Unless terminated by agreement of those persons whose consent is needed to amend, this Covenant shall have perpetual duration. If Georgia law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Covenant shall run for a period of 20 years and shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless an instrument signed by the Holders of not less than ninety (90%) percent of the votes in the Association has been executed, amending or abrogating this Declaration; provided, however, that no such amendment or change shall be effective unless made and executed at least six (6) months in advance of the effective date of such change and unless written notice of the proposed amendment is sent to every Member of the Association at least ninety (90) days in advance of any action taken. If any provision of this Covenant is judicially determined to be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

3.4. Construction: Severability. This Covenant shall be governed by and construed under Georgia law. Invalidation of any provision of this Covenant, in whole or in part, by judgment or court order shall not affect other provisions.

3.5. Waiver. No failure to exercise any right or power under this Covenant or to insist upon strict compliance with this Covenant and no custom or practice at variance with the terms of this Covenant shall constitute a waiver of the right thereafter to demand exact compliance with the terms of this

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320 Z 007

Covenant.

3.6 Captions. The captions of each Article and Section hereof; as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

3.7 Enforcement. The Association, Declarant and any Vendee Member or Owner of a Lot or Living Unit within a Tract subject to this Covenant, shall have the right to enforce all conditions, covenants or charges now or hereafter imposed by the provisions of this Covenant. Failure by the Association, Declarant, Vendee Member or any Owner of a Lot or Living Unit to enforce the Covenants herein contained shall be in no event be deemed the waiver or inability of the right to enforce the conditions, covenants or charges imposed by this Covenant.

3.8 Conflict. In the event of any irreconcilable conflict between this Covenant and the Articles of Incorporation and/or Bylaws of the Association, the provisions of this Covenant shall control.

3.9 Gender. All pronouns used herein shall be deemed to include the masculine, feminine and non-personal entities, as well as singular and plural wherever the context provides or permits.

IN WITNESS WHEREOF, the Declarant, Vendee Member and Association have executed this Covenant as of the date first above written.

DECLARANT:

NORTH GODLEY DEVELOPERS,
INC., a Georgia corporation

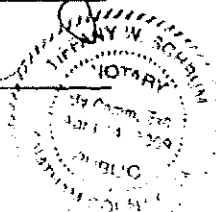
Signed, sealed, and delivered
this 31 day of January,
2006.

By: _____
Its: President

Trevor Feyler
Witness

Attest: _____
Its: Assistant Secretary

Tiffany W. Scudlin
Notary Public



VENDEE MEMBER: SUNBURST PROPERTIES OF
SAVANNAH, LLC

a Georgia limited liability company
Sunburst Properties, Inc. its sole member

Signed, sealed, and delivered
this 19 day of 2007
2006 in the presence of:

Karla Wilkins
Witness

By: [Signature]
Its: VICE PRESIDENT

Attest: [Signature]
Its: President

Andrew M. Mudger
Notary Public
My commission Expires 9/10/09

ASSOCIATION: ~~HIGHLANDS OWNERS
ASSOCIATION, INC.~~

Signed, sealed, and delivered
this 31st day of January
2006 in the presence of:

[Signature]
Witness

[Signature]
Notary Public

By: [Signature]
Its: President

Attest: [Signature]
Its: Vice-President

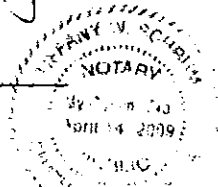


Exhibit A
Legal Description of the
Amenity Area

All that certain lot, tract or parcel of land situate lying and being in Chatham County, Georgia, being approximately 8.004 acres and being known as the Recreation Site for the Highlands at Godley Station, being more particularly shown and described as the "Recreation Site" on that certain map or plat entitled "The Highlands at Godley Station, A Major Subdivision of an Approximately 1967.978 Acre Portion of International Paper Realty Corporation's, Godley #2 tract, 8th G.M. District, Savannah, Chatham County, Georgia", recorded in Subdivision Map Book 29-S, Folio 56A, et seq., in the records of the Clerk of the Superior Court of Chatham County, Georgia. Said map or plat is incorporated herein by reference for more particular description of the property herein described.

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320 Z 010

Exhibit B
Legal Description for the
Tract

All that certain lot, tract or parcel of land described as Parcel L (Also known as 610 Highland Blvd. 157.158 Ac.) on that certain plat entitled "The Highlands At Godley Station, a Minor Subdivision & Recombination of an Approximately 844.172 Acre portion of International Paper Realty Corporation's Godley #2 Tract, 8th G.M. District, Savannah, Chatham County, Georgia," prepared by Terry Mack Coleman, GRLS No. 2486, Kern-Coleman & Co., LLC, dated September 26, 2005 and recorded in the Subdivision Map Book 34-S, Page 13, Chatham County records.

This being the same property shown as Tract L on that survey entitled "A Boundary Survey of Tract L, The Highlands at Godley Station, 8th G.M. District, City of Savannah, Chatham County, State of Georgia," prepared for Sunburst Properties, Inc. by Terry Mack Coleman, GRLS No. 2486, Kern-Coleman & Co., LLC, and recorded in Plat Book 32-P, Page 14, Chatham County records.

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320 Z 011

WINE, SHEAROUSE, WEITZ
G. BERG & SHAW
14 E. STATE STREET
P.O. BOX 10105
SAVANNAH, GEORGIA 31412-0305

Clock#: 1067598
FILED FOR RECORD
6/05/2008 03:47pm
PAID: 24.00
Superior Court of Chatham County
Chatham County, Georgia

AMENDMENT TO DECLARATION OF RECREATIONAL COVENANT

FOR

THE HIGHLANDS

THIS AMENDMENT TO DECLARATION OF RECREATIONAL COVENANT FOR THE HIGHLANDS ("Amendment") is made this 29 day of July 2008, by North Godley Developers, Inc. (the "Declarant"), Highland Owners Association, Inc. (the "Association") and the undersigned Vendee Members (collectively "Vendee Members"), all on behalf of themselves, their successors, successors-in-title and assigns.

WITNESSTH

WHEREAS, the parties entered into a Declaration of Recreational Covenant for the Highlands, as set forth in the instruments referenced on Exhibit "A", attached hereto and incorporated herein (collectively the "Covenant"); and

WHEREAS, Declarant desires to amend the Covenant and Declarant, the Association and a majority of Vendee Members for Tracts subject to the Covenant have executed this instrument for such purposes; and

WHEREAS, capitalized terms when used herein shall have the same meaning as when used in the Covenant, unless the context clearly otherwise requires.

NOW THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of all consideration being hereby acknowledged, the parties hereto agree that Declarant is authorized to allow owners of the property described on Exhibit B, attached hereto and incorporated herein, rights to use and enjoy the Amenity Area and Amenity Center on a temporary basis, so long as such owners pay a proportionate share of assessments and fees as that paid by owners of Lots within Tracts subject to the Covenant.

SIGNATURES CONTAINED ON FOLLOWING PAGE

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341 R 513

IN WITNESS WHEREOF, the Declarant, Vendee Members and Association have executed this Amendment as of the date first above written.

BOOK PAGE
341 R 514

DECLARANT:

NORTH GODLEY DEVELOPERS,
INC., a Georgia corporation

Signed, sealed, and delivered
this 29 day of February
2008.

Sinni Dellinger
Witness

By: _____
Its: President

Attest: _____
Its: Assistant Secretary

Tiffany W. Schrum

Notary Public

TIFFANY W. SCHRUM

NOTARY

My Comm. Exp.

April 14, 2009

PUBLIC

CHATHAM COUNTY, GA

ASSOCIATION:

HIGHLANDS OWNERS
ASSOCIATION, INC.

Signed, sealed, and delivered
this 29 day of February
2008 in the presence of:

Sinni Dellinger
Witness

By: _____
Its: President

Attest: _____
Its: _____

Tiffany W. Schrum

Notary Public

TIFFANY W. SCHRUM

NOTARY

My Comm. Exp.

April 14, 2009

PUBLIC

CHATHAM COUNTY, GA

VENDEE MEMBER:

NORTH GODLEY DEVELOPERS,
INC., a Georgia corporation

Signed, sealed, and delivered
this 29 day of February
2008 in the presence of:

Sinni Dellinger
Witness

By: _____
Its: _____

Attest: _____
Its: _____

Tiffany W. Schrum

Notary Public

TIFFANY W. SCHRUM

NOTARY

My Comm. Exp.

April 14, 2009

PUBLIC

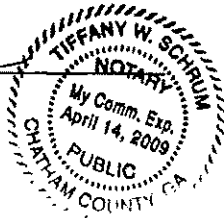
CHATHAM COUNTY, GA

VENDEE MEMBER:
as the owner of a portion of Tract "C",
Highlands at Godley Station, containing
approximately 30 acres, and shown as
"Future Development" on that certain
Subdivision Map recorded in Subdivision
Map Book 35-S, Page 38A,
Chatham County, Georgia records.

Signed, sealed, and delivered
this 29 day of February
2008 in the presence of:

Summi Dellinger
Witness

Tiffany W. Schrum
Notary Public



GENESIS REAL ESTATE GROUP,
LLC, a Georgia limited liability
company

By: [Signature]
Its: [Signature]

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341 R 515