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Prepared By and Mail To: Kenneth L. Eagle, 1003-106 High House Road, Cary, NC 27513

NORTH CAROLINA ROWAN COUNTY	BOOK PAGE 0804 0127	FILED ROWAN COUNTY NC BY: <i>AK Eagle</i> 09/12/97 11:52 AM ROBBIE W. BARNHART	DECLARATION OF COVENANTS
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THIS DECLARATION OF COVENANTS (the "Declaration") is made this 12th day of September, 1997, by Flora Development LLC, a North Carolina limited liability company, herein referred to as the "Declarant", and Salisbury Golf Partners, LLC, a North Carolina limited liability company, herein referred to as the "Purchaser";

WITNESSETH:

WHEREAS, Purchaser is purchasing from Declarant that certain real property in the City of Salisbury, Rowan County, North Carolina, on the east side of Jake Alexander Boulevard North, as more particularly described on Exhibit A attached hereto and incorporated by reference, and herein referred to as the "Golf Course Property";

AND WHEREAS, the Golf Course Property is part of those certain tracts of real property acquired by Declarant by deeds recorded in the Rowan County Registry in Deed Book 786, Page 374 and in Deed Book 792, Page 785, said tracts together being referred to herein as the "Property";

AND WHEREAS, Declarant is developing the Property, less the portion thereof that constitutes the Golf Course Property, as a residential subdivision, such portion of the Property herein being referred to as the "Subdivision";

AND WHEREAS, Purchaser is purchasing the Golf Course Property from Declarant pursuant to that certain "Agreement" between the parties of even date herewith, which Agreement is incorporated by reference as if fully set out herein, and is purchasing the Golf Course Property for the purpose of developing it as an eighteen (18) hole golf course (referred to herein as the "Golf Course") and related facilities, including a clubhouse, parking lot, golf cart storage facility, maintenance building and driving range (the Golf Course and related facilities together being referred to herein as the "Golf Facility");

AND WHEREAS, pursuant to the Agreement the parties have agreed that Declarant may record this Declaration with respect to the Golf Course Property, which Declaration shall run with the Golf Course Property and shall be binding on the Purchaser and all subsequent owners of the Golf Course Property, and shall be for the benefit of the Declarant and all subsequent owners of any property that is part of the Subdivision;

NOW, THEREFORE, in consideration of the foregoing, and pursuant to the Agreement, Declarant, by and with the consent of the Purchaser as evidenced by its execution hereof, hereby declares that hereafter the Golf Course Property shall be held, conveyed, used, possessed, operated, sold, mortgaged, leased and owned subject to the following:

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1. Without the consent of Declarant or the Subdivision's homeowners association (to be incorporated by Declarant in accordance with a Master Declaration Of Covenants, Conditions And Restrictions for the Subdivision - the "Master Declaration" - to be recorded by Declarant following Closing of the sale of the Golf Course Property from Declarant to Purchaser) as provided in the Master Declaration, the Golf Course Property shall not be used for any purpose other than a golf course (as contemplated by the Agreement).

2. Purchaser shall keep the Golf Course Property and "Associated Areas" (meaning all grass and landscaped areas within the rights of way of all streets in the Subdivision that adjoin a boundary of the Golf Course Property, and all portions of the Subdivision and Golf Course Property lying between a Golf Course Property boundary and the paved portion of any street in the Subdivision) regularly mowed and shall maintain the Golf Course Property and Golf Facility in a neat, clean and well-kept condition at all times, and in the event Purchaser fails to keep and maintain the Golf Course Property, Golf Facility and Associated Areas as aforesaid, Declarant may enter the Golf Course Property as may from time to time be necessary or desirable to mow and maintain the Golf Course Property, Golf Facility and Associated Areas, and Purchaser shall remain liable for payment of the costs of such mowing and maintenance.

3. During any period in which the Golf Course Property is not used as a golf course, organized and unorganized recreational and athletic activities for the residents of the Subdivision and their invited guests shall be permitted thereon. For purposes of this paragraph, use of the Golf Course Property as a golf course shall include the construction, repair, maintenance and improvement of the Golf Course Property as a golf course, and the operation of the golf course and driving range for the playing and practicing of golf. Provided, however, temporary periods of non-operation of the golf course resulting from necessary repair and maintenance activities, inclement weather conditions that prohibit or restrict play, or fire, hurricane, tornado or other acts of God shall not constitute a cessation of use of the Golf Course Property as a golf course, provided that Purchaser proceeds diligently and in good faith to take such actions as reasonably may be required to repair the Golf Facility and re-open the Golf Course for play following any such event.

4. Declarant may assign its rights under this Declaration to the Subdivision's homeowner association to be organized by Declarant in accordance with the Master Declaration.

5. Declarant, the Association, and every member of the Association shall have the right to enforce the provisions of this Declaration, which enforcement may be by any proceeding at law or in equity against any person or legal entity violating or attempting to violate any such provision, to restrain (by temporary restraining order, injunction or otherwise) the violation or to recover damages for the violation or both, and it shall not be necessary to prove damages or to seek first to recover damages prior to seeking restraint of any such violation. Any failure by the Declarant, the Association, or any member of the Association to enforce any provision of this Declaration shall not constitute a waiver of the right to do so thereafter with respect to the same or any other violation of the provisions of this Declaration.

IN WITNESS WHEREOF, each party, having adopted the word "SEAL" appearing beside its name as its seal for the execution of this instrument, has caused this instrument to be executed in its company name by its duly authorized Manager, each such Manager having adopted the word "SEAL" appearing beside his signature as his seal for the execution of this instrument, on the date indicated in the acknowledgment of such signature, the later date of which shall be the date of execution of this instrument and shall be inserted in the first paragraph hereof.

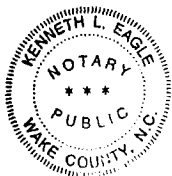
Flora Development LLC (SEAL)

By: Timothy R. Smith (SEAL)
Manager

North Carolina, Wake County

I, Kenneth L. Eagle, a Notary Public of the County and State aforesaid, certify that Timothy R. Smith personally appeared before me this day and acknowledged that he is a Manager of Flora Development LLC, a North Carolina limited liability company, and that by authority duly given, the foregoing instrument was signed by him in the limited liability company name as the act of the limited liability company.

Witness my hand and official stamp or seal, this 22nd day of August, 1997.



Kenneth L. Eagle
Notary Public
My Commission Expires: 7-10-00

Salisbury Golf Partners, LLC (SEAL)

By: [Signature] (SEAL)
Manager

North Carolina, Rowan County
I, Shelby Jean Archie, a Notary Public of the
County and State aforesaid, certify that James H. Riddle, Jr., Manager
personally appeared before me this day and acknowledged that he is a Manager of Salisbury Golf
Partners, LLC, a North Carolina limited liability company, and that by authority duly given, the
forgoing instrument was signed by him in the limited liability company name as the act of the
limited liability company.

Witness my hand and official stamp or seal, this 12th day of September, 1997.

SHELBY JEAN ARCHIE
NOTARY PUBLIC ROWAN COUNTY, N. C.
MY COMMISSION EXPIRES NOV. 19, 2000

[Signature]
Notary Public
My Commission Expires: November 19, 2000

~~NORTH CAROLINA, ROWAN COUNTY~~
The foregoing certificate(s) of Kenneth L. Eagle, a NP of Wake County, NC; and
Shelby Jean Archie, a NP of Rowan County, NC
~~is/are~~ certified to be correct. This instrument and this certificate are duly registered at the date and
time and in the Book and Page shown on the first page hereof. This 12th day of September, 1997.

Bobbie M. Earnhardt, Register of Deeds for Rowan County, North Carolina

By: Danella S. Campbell Deputy ~~Assistant~~ Register of Deeds

EXHIBIT A

GOLF COURSE PROPERTY LEGAL DESCRIPTION

LYING AND BEING in the City of Salisbury, Rowan County, North Carolina, on the east side of Jake Alexander Boulevard North, and being more particularly described as follows:

ALL OF Tract 1 (consisting of 4.848 acres, more or less), Tract 2 (consisting of 40.426 acres, more or less), Tract 3 (consisting of 8.199 acres, more or less), Tract 3A (consisting of 0.068 acres, more or less), Tract 3B (consisting of 0.068 acres, more or less), Tract 4 (consisting of 107.030 acres, more or less), Tract 5 (consisting of 7.177 acres, more or less), and Tract 5A (consisting of 0.179 acres, more or less), as said Tracts are shown on that certain plat by Richard L. Shulenburg, R.L.S., of Shulenburg Surveying Company, consisting of three pages and entitled "PROPERTY SURVEY FOR: SALISBURY GOLF PARTNERS LLC", dated May 16, 1997, revised on June 3, 1997, June 9, 1997, June 23, 1997, July 30, 1997, July 31, 1997, August 18, 1997, and August 26, 1997, and recorded in the Rowan County Registry in Map Book 9995, Page 3170, said plat being incorporated by reference as if fully set out herein.