

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

GOVERNOR'S ISLAND CLUB, INC.

June 27, 1992

PREAMBLE:

GOVERNOR'S ISLAND CLUB, INC., a corporation which represents the owners of property in a valuable and desirable single-family, residential community known as Governor's Island located in Gilford and Laconia, Belknap County, State of New Hampshire, desires to enhance the enjoyment and recreation of the residents thereof, to preserve and protect the value of individual properties, to provide for the protection of common property, and to preserve the aesthetically pleasing residential character of Governor's Island for the benefit of the present and future owners.

I. DECLARATION

By this Declaration, dated June 27, 1992, the Stockholders of Governor's Island Club, Inc., for themselves and their successors, hereby covenant and agree that they shall be bound by, and their property on Governor's Island shall be subject to, the agreements, conditions, covenants, liens for assessments, limitations, obligations, restrictions, and rights of first refusal set forth in this Declaration, all of which shall be considered reciprocal and equitable servitudes that shall run with the land and shall be binding upon owners of property on Governor's Island, and upon their heirs, successors and assigns.

II. DEFINITION OF TERMS

- A. "Board of Directors." Means the Board of Directors of the Governor's Island Club, Inc. as elected in accordance with the By-Laws of the Corporation.
- B. "Common Property." Means parcels of land, together with any improvements thereto and any items of personal property which are held in title by Governor's Island Club, Inc. or in common by the Stockholders of Governor's Island Club, Inc. and which are intended for the common use, enjoyment or benefit of the Stockholders of the Corporation.
- C. "Garage." Means a closed shelter for a vehicle or vehicles.
- D. "Governor's Island Club." Means, collectively, the group of owners of real properties located on Governor's Island in the Town of Gilford and certain real properties originally part of Governor's Estates in the City of Laconia, who are Stockholders in Governor's Island Club, Inc.
- E. "Governor's Island Club, Inc." Means the Corporation, duly organized under the laws of the State of New Hampshire, hereinafter referred to as "the Corporation,"

which is composed of Stockholders who have gained such status by virtue of their ownership or interest therein of real estate as described above.

- F. “Homesite.” Means a standard residential lot intended for single-family use which was duly established under the past or present authority of Governor’s Island Club, Inc., and shown on plans of Governor’s Island which were recorded in the Belknap County Registry of Deeds prior to the initial conveyance of the lot. This includes lots located on the shorefront as well as lots located inland. The terms “Lot” and “Homesite” are synonymous.
- G. “Living Unit.” Means structures or buildings built or placed on a Homesite and designed for single-family, residential use.
- H. “Owner.” Means the record owners, whether one or more persons, of the fee simple title to any Homesite.
- I. “Stockholder.” Means a person or persons who, by virtue of being an owner, have acquired certificates of stock in Governor’s Island Club, Inc.
- J. “Structure.” Means anything constructed or erected with a fixed location on the ground, or attached to something having a fixed location on the ground, including, but not limited to, buildings, homes, garages, utility sheds, decks, patios, boathouses, docks, driveways, roads, tennis courts, breakwaters, fences, walls, screen-houses, gazebos, satellite dishes, radio or television towers, wind generators, and flagpoles.

III. CONSTRUCTION ON PROPERTY

- A. Living Unit. No Living Unit shall be erected, placed upon, or permitted to remain upon any Homesite unless and until the plans or the exterior design, number of bedrooms, and type of said structure shall have first been submitted to, reviewed by, and approved in writing by the Board of Directors within thirty (30) days of submission. This approval plan shall also apply to Additional Living Units, Outbuildings and Building Changes as specified in the following three paragraphs.
- B. Additional Living Unit. An apartment may be added as an adjunct to a Living Unit for relatives of the family or for live-in help if such use is permitted by zoning ordinances. Such apartment shall not be converted to rental use. No such Additional Living Unit shall be permitted in an Outbuilding or other structure which is not attached to the main Living Unit.
- C. Outbuildings. Outbuildings, not designed as Living Units, such as a garage or tool shed, may be constructed on a Homesite with the Board of Directors’ authorization.
- D. Building Changes. No external alterations involving structural changes, additions or modifications of a new or existing Living Unit or other structure shall be

allowed or permitted unless and until the plans for the changes have been approved.

- E. Temporary Structures. No temporary structure shall be built or permitted upon any Homesite except those necessary and used in the course of construction of permanent buildings. Such temporary structures shall not remain on the premises for more than twelve (12) months and shall be removed upon completion or construction. The Board of Directors shall have the authority to order the relocation of any temporary structure to a less conspicuous portion of a Homesite.
- F. Travel Trailers, etc. No trailers, travel trailers, motor homes, boats, or tents may be lived in on a Homesite. Guests of owners who depend upon a motor home for transportation may park their motor home at the owner's Homesite for a period not to exceed seven (7) days, or for a longer period with permission of the Board of Directors. There shall be only one (1) motor home at a Homesite at any time.
- G. Types of Buildings. No mobile homes or manufactured homes shall be permitted on a Homesite without the prior written approval of the Board of Directors.
- H. Approval of Plan.
 - 1. Board of Directors. The Board of Directors shall be the entity responsible for reviewing and granting written approval for all plans relating to Living Units, additional Living Units, and Outbuildings or other structures. No lot line adjustments, easements, roads, or rights-of-way shall be granted, or devised without the written approval of the Board of Directors.
 - 2. Submission of Plan. Prior to approval by the Board of Directors, the owner of a Homesite shall provide whatever information is required to demonstrate that the proposed living unit, additional living unit, outbuilding or building change is in harmony with the design of surrounding structures and with the environment and topography of the surrounding land. Where appropriate and for good cause, the Board of Directors may require such further information as it may deem necessary to evaluate the proposed construction, including but not limited to the following:
 - (i) Site Plan certified by a licensed surveyor, showing the configuration of the Homesite and the location of the structure thereon. Site specifications, including topography, shall be included where necessary for an adequate review of the proposed structure.
 - (ii) Architectural plans and pertinent data showing the shape, height, materials, and color of the proposed structure.
 - (iii) Plan showing the nature and location of any proposed landscaping.

- (iv) Septic plan approval for the proposed use by appropriate governmental agencies.
- 3. Preliminary Plans. Preliminary plans may first be submitted for purpose of discussion prior to the formal request for approval to avoid unnecessary hardship.
- 4. Approval Period. The Board of Directors has thirty (30) days from the date of submission in which to review and approve plans. The date of submission shall be the day on which a designated representative of the Board acknowledges in writing the receipt of all necessary requested information and a full set of plans. A copy of the written receipt shall be given or sent to the applicant.
- 5. Disapproval. If plans are disapproved by the Board of Directors, the owner shall be notified of the disapproval in writing and any disapproval shall be accompanied by a statement of the reasons therefore.
- 6. Reconsideration of Decision. If a property owner's plans are disapproved, the property owner may request reconsideration within thirty (30) days of the date of the decision rendered by the Board of Directors. The owner may submit a written rationale to the Board or appear in-person before the Board to request reconsideration.
- 7. Failure to Act. In the event that the Board of Directors fails to approve or disapprove a submitted plan within the specified period following submission, the plan submitted by the owner shall be deemed approved.
- 8. Retention of Plans. One set of any plans or specifications submitted by the Owner as described above shall be retained by the Board of Directors.
- I. Permits. Owners are required to obtain all necessary permits from the Town, City, or State prior to the commencement of construction. It shall be the obligation of the owner to obtain any approvals required from municipal land use boards. Upon request, the owner shall provide copies of all such permits and approval to the Board of Directors. Owners shall be responsible to assure that all construction complies with applicable codes, regulations, ordinances, and laws.
- J. Completion of Construction. The exterior of all buildings on a Homesite shall be completed within twelve (12) months from the start of construction, including acceptable exterior finish as provided for in specifications approved by the Board of Directors. All rough grading must be completed and all debris removed from the property within such time. Final landscaping and the completion of driveways shall be completed within eighteen (18) months from the start of construction.
- K. Setback Lines. No structure or addition to an existing structure, except landscaping features, shall be built or erected nearer than twenty-five (25) feet from the boundary line of any adjoining lot, or nearer than thirty-five (35) feet

from the boundary line between the lot and the adjoining road. No structure or addition to an existing structure, except docks, breakwaters, fences, retaining walls, rock walls, patios, and hedges, shall lie within forty (40) feet of the shore of the lake which is to be defined as the high water mark at elevation 504.32 feet, or if subsequently redefined, such other elevation as may be set by the United States Geological Survey or the State of New Hampshire. No new dock or pier may be erected within twenty-five (25) feet of the boundary line of any adjoining lot including any extension into the water of that boundary line. Exceptions to this paragraph are allowed with the written approval of the Board of Directors provided all standards as found in applicable municipal and State regulations have been met and approval has been obtained from affected adjacent property owners.

- L. Septic System. All sewerage and waste disposal shall be accomplished by a system designed and constructed to comply with the requirements of the New Hampshire Water Supply and Pollution Control Division, municipal land use ordinances, and all other laws, ordinances and regulations in effect at the time the system is installed. No seepage whatsoever shall be permitted to drain into the waters of Lake Winnepesaukee. No temporary toilet facilities shall be used except during the construction of a Living Unit or upon special occasions after receiving approval from the Board of Directors. Any new or redesigned septic disposal systems must be approved by appropriate governmental authorities and the Board of Directors so notified of such approval, in writing, prior to any modification or construction.
- M. Flowage. No owner of a Homesite shall direct or redirect the natural course of water, drainage and run-off so as to alter its natural flow and cross the land of another.

IV. LAND USE – HOMESITES

- A. Frontage. No property having frontage on the Lake shall be subdivided into lots with less than 150 feet of lake frontage, which frontage shall be determined by a straight line measurement from pin to pin, boundary line to boundary line. Interior property with no frontage on the lake shall not be subdivided for building purposes into lots of less than two (2) acres and no such subdivided lot shall have a frontage of less than 200 feet on any road which a municipality has accepted as a public way and has agreed to maintain.
- B. Subdivision of Lots. No subdivision of a lot shall be effective without the prior written approval of the Board of Directors of the Club.
- C. Residential Use. Governor's Island Club is a residential community of single-family homes and any activity conducted on a Homesite shall be clearly subsidiary and accessory to its use as a residence. Hobbies, crafts and home business activities as allowed by town ordinance shall be permitted provided that there is no exterior evidence or perception of any business or commercial activities taking place either on the Homesite, from the street, or from adjacent

properties. No one other than occupants of the Homesite may be engaged in the activity. Uses which involve traffic, sale of materials or goods on site, and signs are prohibited.

- D. Exterior Fuel Tank. No exterior tank for the storage of fuel may be maintained on any Homesite unless housed or enclosed in a structure approved by the Board of Directors.
- E. Storage of Refuse. Garbage, trash, and other refuse stored on a Homesite must be kept in receptacles designed for such purposes and be kept out of public view at all times except when properly placed for collection, in which case it shall be stored in predator proof containers.
- F. Care of Homesites. The structures and grounds on each Homesite shall be maintained at all times in a neat attractive manner.
- G. Leasing Limitation. A Living Unit may be leased to only one family at a time. The owner must review and thoroughly acquaint the lessee with the rules and regulations of the Governor's Island Club.
- H. Aircraft. Airplanes, seaplanes, helicopters, and other aircraft shall be allowed to take off, land, or otherwise operate from Homesites only if approved by the Board of Directors.
- I. Nuisance. No owner will do or permit to be done any act upon his property or within any of the common area of Governor's Island which would constitute an annoyance or nuisance to other owners.
- J. Pools. No above-ground pools shall be permitted within any Homesite except for portable wading pools for use by children which have a maximum depth of no more than twelve (12) inches of water. In-ground pools shall be permitted only with the written consent of the Board of Directors and, if permitted, shall be fenced and otherwise protected in accordance with State and local laws and regulations.

V. LAND USE – COMMON PROPERTY

The common property shall be used exclusively by Owners, or their lessees and guest. The use of all common property shall be subject to any and all rules and regulations concerning use, care, and the expense of maintenance as may be adopted by the Governor's Island Club, Inc. The duly enacted rules and regulations may be enforced as covenants and restrictions binding the owners of property at Governor's Island Club.

VI. ENFORCEMENT

Enforcement of these covenants and restrictions shall be by any proceeding at law to recover damages, or in equity to restrain or remove violations, and may be brought by Governor's Island Club, Inc., or by any individual Owner against any person or persons

violating or attempting to violate any covenant or restriction, and may be against his or their property to enforce any lien created by these covenants and restrictions. Should an Owner violate these covenants and restrictions, such Owner shall, for so long as the violation or violations exists, upon written notice from the Board of Directors, after affording the Owner a reasonable opportunity to be heard by the Board, forfeit all rights and privileges to use facilities such as the club house, tennis courts, and common lands, and shall not be entitled to the use of Governor's Island Club, Inc. services such as refuse collection. However, forfeiture will not include the use of Governor's Island Club beaches where deeded rights for such use exists. Failure to enforce any covenant or restriction herein contained shall, in no event, be deemed a waiver of the right to do so thereafter. If any provision in this Declaration shall be held invalid or unenforceable, in whole or in part, the remaining restrictions and covenants shall remain in full force and effect. If Governor's Island Club, Inc. shall be required to go to Court as a result of the non-compliance of any Owner, and the Club prevails, the offending Owner shall pay all legal costs of Governor's Island Club, Inc., including attorneys' fees.

Homesites shall be subject to lien for past due assessments levied by Governor's Island Club, Inc. A memorandum of Lien shall be filed in the Belknap County Registry of Deeds before the expiration of six (6) months from the time such assessment became due and payable. The Memorandum of Lien shall be signed by an officer of Governor's Island Club, Inc. and shall contain the following information:

- (a) The name(s) of the person(s) owning the homesite.
- (b) A description of the homesite.
- (c) The amount of unpaid assessment past due together with the date when it fell due.
- (d) The date that the Memorandum of Lien was signed.

Upon filing a Memorandum of Lien at the Belknap County Registry of Deeds, Governor's Island Club, Inc. shall forward by Registered Mail a copy of said Memorandum of Lien to the owner(s) of the subject homesite. Governor's Island Club, Inc. shall be entitled to collect the reasonable attorney's fees it incurred in preparing the recording the Memorandum of Lien and collecting the amount of any unpaid assessments. Upon payment of the past due assessments, together with attorney's fees and interest, Governor's Island Club shall cause notice to be recorded at the Belknap County Registry of Deeds that the above described lien has been discharged.

VII. RIGHT OF FIRST REFUSAL

The Stockholders herein covenant and agree for themselves, their assigns, heirs, executors, administrators, and successors that if they, or any of them, desire at any time to sell their property located within Governor's Island Club, or any part thereof, they shall so notify the Board of Directors in writing, on forms approved by the Board, stating the name of the person or persons to whom it is proposed to sell the property, the price which the proposed purchaser has, in good faith, offered for the same, and all other terms

of the proposed sale. Governor's Island Club, Inc. shall then have the right or option to agree to buy the property upon the same terms as set forth in the notice for a period of thirty (30) days after receipt of said notice.

The Corporation shall purchase the property within the time frame set forth in the notice of proposed sale; however, the Corporation shall, for reasonable necessity, have an additional fifteen (15) days within which to exercise its option, provided that it notifies the seller, in writing, within the initial 30-day period that it may require the additional time. Reasonable necessity may be inability to convene a quorum of members, the need to obtain additional information about the property, delays in obtaining a financing commitment, hazardous waste concerns, or similar reasons.

If, upon receiving notice, Governor's Island Club, Inc., elects not to exercise the right of first refusal, it shall terminate provided that the original offeror acquires the property on the terms and conditions originally set forth. If, for any reason, the transaction with the original offeror fails to close, Governor's Island Club, Inc.'s right of first refusal shall continue.

The transfer of a deceased's joint tenant's interest in a Homesite to the surviving joint tenant, or the transfer of a deceased's interest to a devisee by will or to heirs-at-law under intestacy laws, or the transfer of the property to a trust for the benefit of the grantor or members of the grantor's family, or gift of the property shall not be deemed to be a "sale," but the Assistant Secretary of the Corporation shall be notified so new Stock Certificates can be issued.

Alternative Forms of Ownership. Homesites are intended for single-family residential use. No alternative forms of ownership, such as common ownership divided by periods of time, referred to as time-sharing or quarter-sharing, shall be permitted.

VIII. DURATION

The covenants and restrictions of this Declaration shall run with and bind the Homesites and Living Units, and shall inure to the benefit of and be enforceable by the Governor's Island Club, Inc., and the owners of any property subject to said Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is first recorded. At any time thereafter, said Declaration may be amended or revoked upon recording of an instrument setting forth the amendments or revocation signed by two-thirds (2/3rds) of the stockholders. The covenants and restrictions as amended shall be automatically extended until revoked as provided above. No building now erected or in the process of erection which complies with prior restrictions applicable to the Homesite or Lot on which it is situated shall be deemed or construed to violate any restriction or provision of this instrument and the Owner of such building or structure shall not be forced as a result of these restrictions to redesign or alter that structure. However, any future alteration or changes in an existing building or one in the process of erection shall be subject to these covenants and restrictions.

IX. INTERPRETATION

These property restrictions and covenants shall be considered minimum standards. Wherever the provisions of any ordinance or duly promulgated rules or regulations of the Town of Gilford or City of Laconia or any other governmental entity with jurisdiction over the property located at Governor's Island Club, impose stricter standards or more stringent conditions and restrictions than those required of the property restrictions and covenants of Governor's Island Club, Inc., such ordinances, provisions, rules, or regulations shall govern.

X. GOVERNOR'S ISLAND CLUB, INC.

Each owner of a Homesite shall automatically be a member of the Governor's Island Club, Inc., with one vote for each owned share of stock of the corporation. The Governor's Island Club, Inc. is hereby designated as the agency to administer, and control land and property intended for common use, enjoyment, or benefit or Governor's Island in matters of common concern; and, to assess and collect from Owners all amounts due for common or special expenses.

XI. EFFECTIVE DATE

This Declaration shall be effective for those Homesites whose owners have subscribed to the Declaration only after a two-thirds (2/3's) majority of all of the shareholders in good standing of Governor's Island Club, Inc. have assented to the Declaration and an affidavit of such assent signed by the President and Secretary of Governor's Island Club, Inc. has been recorded in the Belknap County Registry of Deeds.