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Questions & Answers

MEMBERSHIP BYLAWS

Before accepting a deed to a lot or dwelling in the community, each person has a right to consult an attorney in order to confirm the validity of this Membership Plan. By acceptance of a deed to a lot and/or dwelling, each person or entity acknowledges that he/she/they had the right to seek such an opinion. The Club is relying on each person or entity confirming in advance of acquiring a lot and/or dwelling that this Membership Plan is valid, fair and enforceable.

ARTICLE I

1.01 Name

The name of the Club shall be "Governors Towne Club, Inc.:"

1.02 Membership Plan

The purpose and objective of the Club is to operate as a private golf club with a resort-oriented philosophy. The Club Facilities shall be operated for the recreational benefit of its Members and others.

1.03 Property

The property of the Club shall consist of an 18-hole golf course, practice facilities, clubhouse, health club, swim and tennis facilities, and such other property as may be necessary for the Club's purpose. The Club and Club's property is owned by Governors Towne Club, Inc. (*Governors Towne Club*) ("*Owner*"), a Georgia Corporation. The Club is managed by the board of Directors ("*Board*") of Governors Towne Club.

Members shall not have or acquire any property rights or interest in the property, assets or revenue of the Club, as the Membership only entitles the Members to usage of the Club's facilities.

The Club will not, under any circumstances, be responsible for the property of the Members, visitors, guests, or any other person on the premises for any purpose whatsoever. Property of the Club shall not be loaned or removed from the premises, or be put to any other use than for which it was intended. Members must pay for all breakage or damage to the Club's property caused by them, their family members, or their guests.

The Club does not assume any liability for damages caused by golfers to surrounding properties to include homes, home improvements, and personal property as well as vehicles. This includes property adjacent to the Club property.

1.04 Bylaw Changes

All matters set forth herein are subject to change from time to time by the Board of Directors.

ARTICLE II

2.01 Membership Classifications

Members shall be classified as "Club Members," Social Club Members, Athletic Club Members, Corporate Members, Junior Club Members, Life Members and Honorary Members. Each Membership Classification as defined by these Bylaws as the same may be modified by the Board from time to time.

2.02 Maximum Number of Memberships

The Board, in its sole discretion, shall determine the maximum of total Members and the number of Members within each Classification. This number is referred to as Full Membership.

2.03 "Club" Members

A "Club" Member shall be a singular, natural person at least 18 years of age. A "Club" Member in good standing shall be entitled to use of the Club Facilities which shall include an eighteen hole championship golf course, dining facilities, swim and tennis facilities, health club, and such other facilities that may be constructed for the Club's purpose subject to these Bylaws. In the case of a married couple, only one spouse will be deemed to be a Member as designated on the Membership Acknowledgment.

2.04 Athletic Club Members

An Athletic Club Member shall be a singular, natural person at least 18 years of age. An Athletic Club Member in good standing shall be entitled to use of the Club Facilities which shall include an eighteen hole championship golf course (*limited use*), dining facilities, swim and tennis facilities, health club, and such other facilities that may be constructed for the Club's purpose subject to these Bylaws. In the case of a married couple, only one spouse will be deemed to be a Member as designated on the Membership Acknowledgment. The Member shall have restricted rights to play golf as determined at the sole discretion of the Board.

2.05 Social Club Members

A Social Club Member shall be a singular, natural person

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at least 18 years of age. A Social Club Member in good standing shall be entitled to use of the Club Facilities subject to these Bylaws. In the case of a married couple, only one spouse will be deemed to be a Member as designated on the Membership Acknowledgment.

2.06 Corporate Members

A Corporate Membership shall be held by a corporate entity. The corporate entity may designate an individual to use the Corporate Membership in accordance with the Rules and Regulations of the Club. The Club may also provide the corporate entity with the opportunity, based on availability, to acquire the right to designate additional users of the Corporate Membership upon such terms and conditions as the Club may determine from time to time.

2.07 Junior Club Members

A Junior Club Member shall be a singular, natural person at least 18 years of age but less than 33 years of age. A Junior Club Member in good standing shall be entitled to use of the Club Facilities which shall include an eighteen hole championship golf course, dining facilities, swim and tennis facilities, health club, and such other facilities that may be constructed for the Club's purpose subject to these Bylaws. In the case of a married couple, only one spouse will be deemed to be a Member as designated on the Membership Acknowledgment.

2.08 Life Members

A Life Member shall be a singular, natural person who has thirty (30) consecutive years of Membership and renounces their deposit refundability and pays dues at 50% of current Full "Club" Member dues. A Life Member in good standing shall be entitled to use of the Club Facilities which shall include an eighteen hole championship golf course, dining facilities, swim and tennis facilities, health club, and such other facilities that may be constructed for the Club's purpose subject to these Bylaws. In the case of a married couple, only one spouse will be deemed to be a Member as designated on the Membership Acknowledgment.

2.09 Honorary Members

At the discretion of the Board, notable and outstanding persons may be granted Honorary Membership in the Club. Honorary Members in good standing shall be entitled to the full use of the Club Facilities subject to these

Bylaws. Honorary Memberships are for one year only, but may be renewed from year to year by the Board at its discretion, unless the Board has issued a Lifetime Honorary Membership to the Honorary Member. Honorary Members shall have the same privileges as a Club Member, except that there shall be no refund provision for the Membership and the Member shall have obligations as determined by the Board. In the case of a married couple, only one spouse will be designated as the Member.

2.10 Family Privileges

Only one person will be considered the Member. "Club," Athletic Club, Social Club, Corporate, Jr. Club and Honorary Members will have the option of extending the rights and privileges of their Membership Classification to members of their immediate family upon such terms and conditions as the Board may determine from time to time.

Members are responsible for charges and actions of their spouse or significant other, family members and guests.

For purposes of the Bylaws, a Member's immediate family shall include the Member's spouse or significant other and unmarried children under the age of 23 attending school on a full-time basis or residing at home, and such persons subject to such conditions as determined by the Board of Directors from time to time.

2.11 Inactive Status

There is no inactive status for any Membership Classification, unless approved by the Board. The Board will consider special situations on a case-by-case basis.

2.12 Classification Changes

Athletic Club and Social Club Members may request a change in their Membership Classification, subject to approval by the Board and subject to such terms and conditions as the Board may determine from time to time.

At present, the conversion to a "Club" Membership would be dependent on the payment of the difference between the price of a Membership Deposit for a "Club" Membership at the time of conversion and the paid Initiation Fee for their Athletic or Social Club Membership.

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2.13 Other Classes

The Board, in its sole discretion, may establish other classes of Membership or may reclassify existing Memberships.

2.14 Deletion of Classes

The Board, in its sole discretion, may discontinue offering any Class of Membership excluding "Club" Member Classification.

2.15 Advance Tee Time Reservation Privileges

The Members will have preferred advance tee time reservation privileges per board policy to the Governors Towne Club Golf Course, when the course is open for play.

2.16 Guest Privileges

Members may have guest privileges as determined by the Board from time to time, subject to the payment of applicable guest fees. Guest fee rates shall be determined from time to time by the Board.

Initially, "Club", Corporate, Jr. Club, Honorary and Athletic Club Members may bring up to 3 guests per day, and may sponsor unaccompanied guests. Athletic Club Members may not play as the guest of another Member, regardless of Member Classification.

There is currently no limit on the number of times a particular guest may play. This policy is subject to change by the Board of Directors.

2.17 Charge Privileges

All Members who are in good standing and their immediate family members, if applicable, shall enjoy full charge privileges at the Club. Members are responsible for charges and actions of their spouse, family members and guests. The Club reserves the right to suspend a Member's charge privileges if the Member has demonstrated a history of tardiness in paying their bills. The Club may require a non-refundable deposit for special events.

2.18 Acknowledgment of Membership Rights

Membership in the Club does not provide any ownership of equity interest in the Club, the Club Facilities or Governors Towne Club, Inc. Membership does not provide any prescribed right or easement, but rather provides only a revocable license to use the Club Facilities.

Members shall have no right to vote, hold office or otherwise be involved in the operation or management of the Club.

Notwithstanding anything to the contrary herein, the Board reserves the right, at any time and in its sole discretion, to modify or amend all or any of the terms and provisions of the Membership Plan. In making amendments, the Board shall be entitled to reduce or eliminate privileges previously offered to the Member, or family and guests of the Member. Any amendment shall, automatically and without action of the Members, be binding on all Members. The Board further reserves the right to terminate the Membership Plan and to rescind any or all Memberships in its sole and absolute discretion at any time. Upon the termination of the Membership Plan and the rescission of any or all Memberships, any rights granted under the Membership Plan shall automatically terminate and thereafter be null and void, and all affected Membership Deposits shall be returned, in full, to the "Club" and Corporate Members without any interest thereon. The Club further reserves the right to discontinue operation of the Club Facilities in any manner whatsoever and to any person or entity whomsoever. In the event that the Club sells, transfers or assigns its interest in the Club Facilities without terminating the Membership Plan thereto, the Club must assign, without recourse, its rights and obligations under this Membership Plan, including its obligation to repay the Membership Deposits. In such event, Governors Towne Club, Inc. shall be released from all liability under the Membership Plan. Each of the above reserved rights may be exercised by the Board from time to time for any reason whatsoever and without the consent of the Members.

Memberships are being offered exclusively for the purpose of permitting persons acquiring a Membership to obtain recreational use of the Club Facilities. Membership should not be reviewed or acquired as an investment and no person purchasing a Membership should expect to derive any economic profits from Membership. No federal or state authority has passed or endorsed the merits of this Plan.

2.19 Promotional Use of The Club Facilities

The Club shall have the right to designate persons to use the Club Facilities, for any purpose and upon such terms and conditions as are determined from time to time by the Board of Directors. These persons

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may include prospective purchasers of Governors Towne Club Membership, persons involved in special events, persons involved in group outings, and employees and agents of the Club. The Club has the right at any time to hold promotional and other special events, including tournaments and group outings, to promote Governors Towne Club. At present, the Club has selected Mondays and Tuesdays as the optional days for hosting such promotional and other special events. The Club reserves the right to change the selected days for hosting said events at its sole discretion. The Club reserves the right to cease golf course operations for Member use without recourse for the purposes of preparing and hosting GSGA, USGA and PGA-sponsored events. These sponsored events held at Governors Towne Club will help to promote Governors Towne Club as one of the premier private club facilities in the country.

2.20 Maintenance & Reconstruction

The Club also reserves the right to cease golf course operation for Members' use without recourse for purposes of maintenance or reconstruction of the golf course.

ARTICLE III

3.01 Admission Procedures

The Club does not have any policy or practice which would discriminate against prospective Members on the basis of race, creed, color, sex, religion or national origin. However, Membership is by invitation only. To be considered for acceptance as a Member, a Nominee must demonstrate, to the reasonable satisfaction of the Board that they (1) have not been convicted of a crime of moral turpitude; (2) are creditworthy; (3) possess a reputation in their community for good character and social compatibility; (4) have not previously been expelled from another golf or recreational club; (5) be socially congenial and compatible; (6) have a reputation for trustworthiness; and (7) maintain a general reputation in the community for good character and social behavior.

To become a Member, each person must be nominated for Membership by a Member of the Club or an Officer of Governors Towne Club. To be considered for Membership, each nominated person ("Invitee") must submit a completed Nomination Form. The Nomination Form must be on the form prescribed by the Club and must contain all information required by the

Club. All Nomination Forms are to be submitted to the Club's Membership Office. Fully-executed and complete Nomination Forms shall be delivered to the Board for its consideration.

The Club shall notify each Invitee in writing as to whether they have been accepted for Membership. If accepted, the Invitee shall be requested to execute a Membership Application. The Invitee shall be required to submit the executed Membership Application along with a check for the required Membership Deposit or Initiation Fee to the Club. Upon receipt of the Membership Application and Membership Deposit or Initiation Fee, the Club shall issue Membership Acknowledgments to Invitees for Club Memberships in the form adopted by the Club. Each Membership Acknowledgment must be signed by an Officer of Governors Towne Club to be valid.

3.02 Waiting Pool

The Club will maintain a pool of pre-approved Invitees for any category of Membership that is full, as determined by the Board. The Club will contact an Invitee for Membership from the waiting pool when a Membership becomes available. The Invitee, once contacted, shall have 10 days to submit a completed Application for Membership along with the required Membership Deposit or Initiation Fee, or the Invitee shall be removed from the waiting pool.

3.03 Club Membership & Transfer with Residential Lot Sale

When a Governors Towne Club resident, who also possesses a "Club" Membership, sells their GTC residential property, their "Club" Membership option must be offered to the new purchaser. If the purchaser chooses to purchase the "Club" Membership at the time of the home sale, the original Member's "Club" Membership will be deemed terminated and the new purchaser will join as a "Club" Member at the current Membership Deposit. If the new home purchaser chooses not to join as a "Club" Member at the time of the sale, the seller may choose to retain the Membership or resign per section 4.01. The new purchaser may apply for a "Club" Membership in the future only should one be available.

ARTICLE IV

4.01 Redemption of Membership Deposit

The Club shall repay to each "Club" and Corporate Member the prevailing percentage of the Membership

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Deposit at the time of their application, without interest, thirty (30) years from the date that the Membership Deposit was paid to the Club. No portion of the Membership Deposit will be repaid to the Member prior to the expiration of the thirty (30) year period unless otherwise specifically provided herein. A Member who continues his or her Membership for thirty (30) years may elect to continue his or her Membership as a Life Member.

There shall be no refund of Initiation Fees paid by Athletic Club, Social Club, Corporate Designee or Junior Club Members. If a "Club" or Corporate Member desires a redemption of the Membership Deposit, the Member shall deliver the Membership Acknowledgment to the Club's business office and notify the Club in writing of the Member's resignation, death or other event justifying redemption.

The Club shall maintain a list ("*Resignation List*") of Members desiring a redemption, in the chronological order in which the Club receives the Member's notification of an event justifying redemption.

If a "Club" or Corporate Member sells his/her Governors Towne Club residential property and elects to resign his/her Membership to the Club by listing themselves on the Resignation List, the Club shall be obligated to fully redeem, without interest, the Withdrawing Member on the Resignation List thirty (30) days after receiving a Membership Deposit from a new prospective member that is deemed to be an eligible replacement Member for the Withdrawing Member, provided the Club has a Full Membership as determined by the Board of Directors.

Governors Towne Club resident "Club" Members may resign the "Club" portion of their Membership, but are required to maintain a minimum of an Athletic Club Membership per the Home Owner's Association Covenants.

For purpose of these Bylaws, the fourth of every four new Members admitted to Membership following receipt of notice of an event justifying a redemption shall be deemed to be an eligible replacement Member for a Withdrawing Member, provided the Club has a Full Membership. Thus, for example, if a Withdrawing Member is the sixth person to be placed on the Resignation List and there is a Full Membership in the Club, twenty-four new Members must join before the Withdrawing Member is redeemed. *No redemptions will be available if the Club does not have*

a Full Membership.

4.02 Resignation & Transfer of Membership

Resigning Members will be permitted to transfer their Memberships only to the Club. No other assignment or transfer of a Club Membership, either voluntarily, involuntarily or by operation of law shall be recognized by the Club. After transfer of the Club Membership to the Club, the resigning Club Member shall receive a repayment of the Membership Deposit in accordance with Section 4.01.

Club Members who desire to resign must give the Club thirty (30) days written notice of such resignation, and must pay all dues and fees in accordance with Section 6.02 herein and all other charges for which the Member is liable.

4.03 Redemption of Athletic & Social Club Memberships

Athletic Club and Social Club Memberships shall not be entitled to a redemption of the Initiation Fee.

4.04 Death of a "Club" Member

If a "Club" Member should die, the Membership Deposit shall become redeemable subject to these Bylaws at the request of the surviving spouse or at the request of the deceased "Club" Member's estate if there is no surviving spouse.

Alternatively, the surviving spouse of a deceased "Club" Member may elect to have the Membership transferred to the surviving spouse, in which case, the surviving spouse shall be entitled to the same rights, privileges and redemption provisions as the deceased spouse was entitled to as a "Club" Member, except that the surviving spouse's Membership may not be transferred a second time upon the surviving spouse's death.

4.06 Death of an Honorary Member

If an Honorary Member should die, there will be no redemption available and the Membership may not be transferred to the surviving spouse.

4.07 Divorce of a Member

In the event a married Member is legally separated or divorced, the title to the Membership, (*including all of its rights, obligations and privileges*), shall remain in the name of the Member. The spouse or former spouse of the Member, as the case may be, shall no longer have any use privileges at the Club. The Club will not be involved

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in any dispute and reserves the right to suspend all privileges in the event of a disagreement over which spouse retains the Membership privileges.

In the event a married Member and Governors Towne Club resident is legally separated or divorced, the title to the Membership will be awarded to the legal owner of the Governors Towne Club property.

ARTICLE V

5.01 Sale of Club

It is the Owner's present intention, but is not a legally binding promise, to make Governors Towne Club a Member-owned Club or any future sale of the Club Facilities would be conditioned on the purchaser allowing the Members continued golfing privileges as set forth in these Bylaws. Alternatively, the Members would receive the redemption value of their Membership Deposits upon or prior to public sale.

5.02 Repurchase of Membership

The Owner reserves the right, in its sole discretion, to repurchase all Memberships. Upon a repurchase, all monies paid as Membership Deposits will be refunded without interest and prepaid dues will be refunded prorata.

Upon the Club's repurchase of all Memberships, the Owner shall have the absolute right to terminate any or all of the Membership Bylaws, Club Rules and Regulations, and all other relevant ("*Documents*"), to transfer the Club facilities in whole or in part to any person whomsoever, or liquidate the Club all pursuant to documents and terms and conditions satisfactory to the Owner. If the Documents are terminated, the Documents will be of no further force and effect, and all rights to use the Club Facilities and all rights in the Club of anyone other than the Owner, shall terminate.

ARTICLE VI

6.01 Membership Deposits & Initiation Fees

The amount of the Membership Deposits and Initiation Fees required for Memberships shall be fixed and determined by the Board from time to time.

6.02 Dues

The "*Membership Year*" of all Memberships shall

operate on an annual calendar commencing with the Election date of that membership. Each Membership will automatically renew for a subsequent year on the anniversary of the election date.

The amount of monthly dues required to maintain "Club," Athletic Club, Social Club, Junior Club, Corporate and Life Memberships shall be fixed and determined by the Board from time to time.

If any of the Club Facilities are unavailable for Membership due to fire, weather, casualty or other similar occurrence, the Membership will continue to be liable for the payment of all dues.

Bag Storage and private lockers are available to all Members on a space-available basis, the cost of which shall be set from time to time by the Board. All Members must pay for golf carts. Private golf carts are not authorized for use due to local County Regulations. All Members and guests must use golf carts provided by the Club.

The payment of dues for any Membership year will not be abated for any reason, including, without limitation, extended absences from the area or temporary disability. Members who resign, are suspended, or are terminated from the Club during a Membership year will not be entitled to use the Club Facilities, but will continue to be responsible for the payment of dues either (i) through the end of the current Membership Year, or (ii) until the Membership is resold, whichever occurs earlier.

A "Club" Member that reaches thirty (30) years of contiguous Membership in Governors Towne Club may be transitioned to a "Life Member" with all Full "Club" Member privileges. Dues for Life Members will be 50% of current Membership dues for Full "Club" Members.

6.03 Assessments

The Board shall have the right to assess the Club's Membership for improvements to the Club Facilities that in its sole discretion deems to be in the best interest of the Club. The Membership will not be assessed for any operational or capital expenses until such time of the completion of the entire Clubhouse Facilities. Assessments will be made upon approval of the Board of Directors. A disapproval of fifty-one percent (51%) of the voting Membership shall be required to disapprove any assessment.

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6.04 Service Charges

Initially, a mandatory Service Charge will be placed upon all Food and Beverage related sales in the Club Facilities. This Service Charge will be of a fixed percent of the sale, and shall be determined by the Board from time to time. The Board, in its sole discretion, reserves the right to remove this per transaction charge at a later date in favor of a mandatory flat-rate Service Charge, to be billed to the Membership on a monthly basis.

6.05 Minimum Spending Requirements

The Board reserves the right to impose a monthly Spending Minimum upon the Membership for purchases of Food and Beverages. Only if a Member should not meet the threshold of that set minimum amount each month, will said amount or portion thereof be billed to the Membership as a Monthly Minimum Fee.

ARTICLE VII

7.01 Late Charges

Member statements will be distributed as soon as possible after the close of each month and will be due and payable within 15 days of the billing date which shall be the first day of each month. If an account becomes delinquent, the Member shall be required to pay a late charge which shall be equal to the greater of \$25 or 10% of the delinquent charge. Any Member giving or endorsing a check to the Club which is not paid on presentation will be notified of such non-payment and will be required to reimburse the Club for bank charges plus pay an administration fee of \$25.

7.02 Suspension

If any Member's statement is not paid within 60 days of billing date, the Member shall incur additional late charges and will be automatically suspended from the Club until the delinquent amount, including all late charges, is paid in full. A Member who is delinquent three times within a 12-month period shall be deemed financially irresponsible.

Any Member may be suspended from the Club by the Board for cause. The term "cause" includes, but is not limited to, financial irresponsibility, misrepresentation, or failure to report a Domicile change, disorderly conduct at the Club and conduct endangering the good order, welfare or character of the Club as determined by the Board as its sole discretion. If the Board

determines that a Member should be suspended under this paragraph, the Board at its sole discretion, may take action in accordance with Section 7.04.

During a period of suspension, a suspended Member shall continue to be responsible for dues, but shall not have any privileges at the Club.

7.03 Expulsion

If any Member's statement is not paid within 90 days of the billing date, the Member shall incur additional late charges and the Board, in its sole discretion, may expel the Member.

Any Member may be expelled from the Club by the Board for cause as defined in Section 7.02. If the Board determines that a Member should be expelled under this paragraph, the Board at its sole discretion may take action in accordance with Section 7.04.

Expelled Members shall have no rights to Membership Deposit Redemption.

7.04 Member Discipline

Disciplinary action (*including expulsion*) may be taken against Members for conduct that, (i) *impugns the reputation of the Club*, (ii) *is detrimental to the general purposes of the Club*, (iii) *is in violation of any provision of these Bylaws of Rules and Regulations adopted by the Board of Directors* or (iv) *interferes with the pleasant, friendly and congenial social relationship between Members*.

A complaint against a Member, alleging conduct described above, shall be referred to the Board of Directors. The Board of Directors shall make such investigation of the complaint as it deems appropriate. If it determines that the complaint is without merit, no further action shall be taken. If the Board of Directors determines that the Member should be disciplined, action may include, but not be limited to, one or more of the following:

- **Reprimand:** *A letter will be sent to the Member reprimanding his/her behavior in question, and a copy of that letter will be placed in the Member's file*
- **Fine:** *The board of Directors may levy a fine against a Member*
- **Suspension:** *The Board of Directors may suspend some or all of a Member's privileges to use the Club facilities for a period not longer than two years per infraction or occurrence; Dues and other*

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obligations of a suspended Member shall be paid by the Member during the suspension period, payable on the same schedule as followed by a non-suspended Member

- **Expulsion:** *Membership in the Club may be terminated and the Member expelled by a two-thirds vote of the Members of the Board of Directors; Any member so expelled shall not thereafter be eligible for a Membership Deposit refund, and may not use any of the Club's premises as a guest or otherwise; Upon expulsion, all indebtedness to the Club incurred as a result of obligations or commitments made prior to or during the expulsion process will become due and payable immediately*

If the Board of Directors determines that the matter is serious enough, it shall take such action. No Member whose conduct is the subject of such consideration by the Board of Directors shall be entitled to receive notice of, or participate in, the Board of Directors proceedings.

A Member will be given written notice by the President, or the President's designee, of any complaints referred to the Board of Directors.

Notwithstanding anything in these Bylaws to the contrary, a hearing called and conducted by the Board of Directors in the case of a suspension or expulsion under consideration by the Board of Directors will be required before the suspension or expulsion of a Member. Notice in writing of this hearing by the President, stating the reasons for the proposed expulsion or other action, and notifying the Member that he/she has the right to be heard orally or in writing, must be delivered to the Member or mailed by first class or certified mail, or statutory overnight delivery to the last address shown on the records of the Club at least seven (7) days before the hearing is scheduled. The hearing must be held not less than five (5) days before the effective date of the proposed expulsion or suspension. The Member shall be entitled to be heard, to present others to be heard who are familiar with the matter, and to present other evidence in defending against the complaint. Such a hearing will be informal and no formal rules of evidence will be applicable. The Member cannot confront the accuser.

The Board of Directors, by a vote of two-thirds of its Members, may rescind any such action and reinstate the Member, upon or without conditions, at its discretion.

A Member who has been suspended and is found using the Club's facilities will be assessed a fine of \$500 for each violation. The Member may also be subject to another suspension and even expulsion.

ARTICLE VIII

8.01 Board of Directors

The government and general management of the Club shall be vested in the Board of Directors of Governors Towne Club. The decision of the Board shall be final in all matters. The Board shall have full power and authority to do any and all things that are deemed proper by the Club, except as otherwise provided in these Bylaws.

8.02 Club Rules

The Club may adopt such Rules and Regulations for the conduct and use of the Club by its Members, guests and invitees as deemed proper by the Board at its sole discretion.

8.03 Advisory Committee

The Board may authorize the Club to have Advisory Committees as may be helpful in promoting the interests of the Club. The Club Manager shall be the Chairman of these Committees and the duties of each Committee shall be those fixed by the Board. The actions or decisions of any Committee shall be advisory only and in no manner shall limit the rights, power and discretion of the Club, Board, or the Club Manager.

8.04 Appointment of Committee Members

Unless otherwise indicated in these Bylaws, the Club Manager shall appoint the members of each Committee, with the advice and consent of the Board, from among the Members of various Member Classes.

ARTICLE IX

9.01 Amendments

All Articles and Sections of these Bylaws and all other documents related to Membership at Governors Towne Club may be amended by the Board at its sole discretion.

ARTICLE X

10.01 Interpretation

The Interpretation of the Bylaws shall at all times rest with the Board.

ARTICLE XI

11.01 Definitions

For the purpose of these Membership Bylaws, the following terms shall have the following meanings:

Board of Directors: means the Board of Directors of Governors Towne Club, Inc. a Georgia Corporation

Bylaws or Membership Bylaws: mean the Membership Bylaws which have been adopted by the Club as amended from time to time by the Board and in certain cases, with the approval of the Members; The term "Bylaws" shall not be deemed to be corporate Bylaws of the Club

Club: means Governors Towne Club, Inc. and/or its Board of Directors

Club Manager: means the individual appointed by the Board or appointed by a company engaged by the Board to manage the Club, to act as the Chief Operating Officer of the Club

Club Rules: means the Rules and Regulations of the Club as approved by the Board

Club Facilities: means all of the property, real and personal, comprising the Club and consisting of the golf course, clubhouse, practice range, health club, and such other property as may be necessary for the Club's purpose

"Club" or Corporate Member, or "Club" or Corporate Membership: means Members who are entitled to a redemption or some portion of their Membership Deposit

Domicile: means any location where a Member or the Member's immediate family maintains a residence whether primary or otherwise, or a place of business

Full Membership: means the number of "Club" Members will be limited to, as determined by the Board of Directors

Good Standing: means a Member who is not delinquent in paying their bill as defined in Section 7.01 and Section 7.02

Immediate Family: means a Member's spouse or significant other and unmarried children under the age of 23 attending school on a full-time basis or residing at home, and such persons subject to conditions as determined by the Board of Directors from time to time

Membership Deposit: means the amount of money advanced to the Club by a Member

Initiation Fee: means the amount of money paid to the Club by a Member

Member: means a person given the rights to use the Club Facilities under these Bylaws

Membership Acknowledgment: means the acknowledgment issued by the Club to each Member, evidencing the Member's right to a redemption of the Member Deposit, if applicable

Life Member: means a thirty (30) consecutive year Member who renounces their deposit refundability and pays dues at 50% of current Full Club Member dues

Limited Use: means access to certain facilities are established at the sole discretion of the Board of Directors

Significant Other: means the individual (not necessarily a spouse) with whom one cohabits and shares a long-term romantic relationship

This is a general description of the Membership opportunities that are available at Governors Towne Club. This document is provided as a summary for informational purposes only and may not be relied on as a basis for a decision to obtain Membership privileges at the Governors Towne Club or to purchase a lot or dwelling in the Governors Towne Club residential community.

QUESTIONS & ANSWERS

1. What is Governors Towne Club?

Governors Towne Club (*the "Club"*) is a private membership club. The Club is owned and operated by Governors Towne Club, Inc., a Georgia Corporation, ("GTC") which is the owner of certain facilities including an eighteen (18) hole championship golf course designed by

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Curtis Strange and Michael Riley Design, Inc., practice facilities, swim & tennis complex, golf clubhouse, and health club (*the "Club Facilities"*). The Club is offering Memberships pursuant to a Membership Plan (*the "Plan"*) granting the Members certain use rights in the Club Facilities.

2. Where is the Club located?

The Club is located within Governors Towne Club residential community ("*GTC*"). Governors Towne Club is located in Northwest Cobb County, Georgia.

3. What is the primary purpose of the Club?

The primary, overriding purpose of the Club is to offer an exceptional golfing experience for its Members. The focus of the Club is golf and health. The Board of Directors reserves the right to amend the Rules and Regulations of the Club in order to optimize the use and enjoyment of the Club Facilities by its Members.

4. What are the Membership Rights in the Club?

Members of the Club will receive a license to use the Club Facilities. Members of the Club will have no ownership interest in the Club Facilities, nor any right to vote on Club decisions.

5. How do I apply for Membership privileges in the Club?

Membership in the Club is by invitation only.

6. What are the types of Membership?

The Club has seven (7) Classifications of Membership (*collectively the "Memberships"*) known as: "Club Memberships", "Corporate Memberships", "Athletic Club Memberships", "Social Club Memberships", "Jr. Club Memberships", "Life Memberships" and "Honorary Memberships".

7. What Facilities will be available for use at the Club?

The Club Facilities will include:

- *an eighteen-hole golf course designed by Curtis Strange and Michael Riley Design, Inc.*
- *golf practice facilities*
- *a clubhouse consisting of dining facilities, men's and women's locker rooms, a golf cart storage facility, a golf shop, golf club storage facilities, administrative offices, health club, swimming pools and tennis courts*

8. Who is eligible to obtain Membership Privileges?

Memberships are available by invitation only. Club Memberships may be offered to initial retail purchasers of residence and homesites on Governors Towne Club.

9. What does a prospective Member pay to obtain Membership privileges at the Club?

Persons desiring to acquire a Membership at the Club are required to pay a Membership Deposit or Initiation Fee, depending on type of Membership desired, which will be set forth in the Membership Agreement.

10. Are Memberships transferable?

Members may not transfer or otherwise assign their Membership privileges, except to the Club. Any attempt to transfer or assign a Membership in the Club, either voluntarily, involuntarily or by operation of law, which is not in accordance with the Membership Plan, shall be null and void and no person or entity may obtain a Membership except as provided herein.

11. Is the Membership Deposit refundable?

"Club" and Corporate Membership deposits are refundable in accordance with the prevailing percentage of the Membership Deposit at the time of their application by the Club upon the expiration of thirty (30) years after the payment of the Membership Deposit by the Member, or as outlined in Section 4.01 of the Membership Bylaws.

12. Will the Club have Honorary or Founder Memberships?

Yes. The Board of Directors may select notable and outstanding persons that it may grant Honorary Membership at that Club. These Honorary Memberships are for one year, and may be renewed annually. Governors Towne Club, Inc. has elected to recognize its initial "Club" members as Charter Members in-lieu of Founder Memberships.

13. Will Members of the Family be permitted to use the Membership privileges?

Only one person will be considered the Member. Members will have the option of extending the rights and privileges of their Membership Classification to their immediate family upon such terms and conditions as the Board may determine from time to time.

For purposes of the Bylaws, a Member's immediate family shall include the Member's spouse or significant other and unmarried children under the age of 23 attending school on a full-time basis or residing at home.

14. Are guests permitted to use the Club Facilities?

Yes, it is the intention of the Club to accommodate guests in accordance with the Rules and Regulations of the Club, as amended from time to time. Sponsoring Members are responsible for all fees and charges incurred by their guests.

15. What happens to a Membership upon death of a Member?

If a "Club" Member should die, the Membership Deposit shall become redeemable subject to these Bylaws at the request of the surviving spouse or at the Request of the deceased "Club" Member's estate if there is no surviving spouse. If an Athletic Club or Social Club Member should die, there will be no redemption of the Initiation Fee. Alternatively, the surviving spouse of a deceased "Club" Member may elect to have the Membership transferred to the surviving spouse, in which case, the surviving spouse shall be entitled to the same rights, privileges and redemption provisions as the deceased spouse was entitled to as a "Club" Member, except that the surviving spouse's Membership may not be transferred a second time upon the surviving spouse's death.

16. What happens to the Membership at the Club upon legal separation or divorce of a Member?

Upon legal separation or divorce of a Member, title to the Membership Certificate, including all rights and benefits given to the holder thereof, shall remain in the name of the Member except in the case of a Governors Towne Club Resident Member. In this case, the title to the Membership Certificate shall be awarded to the legal owner of the Governors Towne Club property. Additionally, the spouse or former spouse, as the case may be, shall no longer have use of the privileges of the Club Facilities.

17. May a Member convert his or her Membership to a different class of Membership?

Yes. The Membership of an Athletic Club or Social Club Member shall be entitled to apply for a "Club" Membership. If approved, the converting Member

shall be entitled to a credit against the Membership Deposit required for a "Club" Membership, provided further that the Member shall only be entitled to a refund of the actual Membership Deposit amount paid for the "Club" Membership.

18. Who is responsible for the operation of the Club Facilities?

Governors Towne Club is responsible for the operation of the Club Facilities. Governors Towne Club will be responsible for the government and administration of the affairs and property of the Club and will have the exclusive authority to establish dues, fees and charges, establish Rules and Regulations and, in general, control the management and affairs of the Club.

19. How are dues established?

The Club will determine the amount of dues, fees, and other charges to be paid by each member of the Club from time to time. The amount of dues, payable by each Member, will depend upon the category of Membership selected.

20. Can Members be assessed for operating deficits?

The Membership will not be assessed for any operational or capital expenses until such time of the completion of the entire Clubhouse facilities. Assessments will be made upon approval of the Board of Directors. A disapproval of fifty-one percent (51%) of the voting Membership shall be required to disapprove of any assessment.

21. Are Club Members subject to capital assessment?

The Membership will not be assessed for any operational or capital expenses until such time of the completion of the entire Clubhouse facilities. Assessments will be made upon approval of the Board of Directors. A disapproval of fifty-one percent (51%) of the voting Membership shall be required to disapprove of any assessment.

22. What should I do if I have additional questions?

Complete details concerning the Membership Program at the Club are available from the Membership Director. If you have additional questions or would like further information, please contact the Membership Director at **678.439.3014**.