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AMENDMENT TO THE BY-LAWS OF THE
SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION

Article XIV (Exhibit 3, page 11) shall be amended as follows: Owners shall have the right to rent their units subject to the following restrictions...

"All long term rentals, which are defined for purposes of this rule as those rentals exceeding 30 consecutive days, shall be restricted to no more than two (2) adults who must be 18 years of age or older. Children who are under 18 years of age are specifically prohibited from residing in a Savannah Beach and Racquet Club unit pursuant to a long term rental agreement either written or oral. Violation of this rule shall subject owner/tenant to all appropriate penalties as provided by these by-laws."

SAVANNAH BEACH AND RACQUET CLUB
CONDOMINIUM ASSOCIATION

BY: Eric E. Hogan Pres.

ATTEST: Ralph A. Jackson, Secy

WITNESS

NOTARY PUBLIC

WILLIAM D. McGLAUGHN
Notary Public, Chatham County, Ga.
My Commission Expires July 25, 1992

Filed For Record At 1:42 O'Clock P M. On The
7 Day Of June 19 89
Recorded In Record Book 142 Folio 420
On The 7 Day Of June 19 89

CLERK SUPERIOR COURT, CHATHAM CO., GA.

RECEIVED FOR RECORD
1989 JUN -7 PM 1:42
DORIS S STEPHENS
CLERK, S.C.C.G.A.

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For Sup AGRE SEE

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See Deed Book 2014 Page 221 sm

FOR QCD SEE

193-K-264 (P)

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DECLARATION OF CONDOMINIUM
SAVANNAH BEACH AND RACQUET CLUB

KNOW ALL MEN BY THESE PRESENTS, THIS DECLARATION is made this 30th day of July, 1981, by SEA CABIN CORPORATION (hereinafter called the "Declarant"), a South Carolina corporation qualified to do business in Georgia, with its principal office and place of business at Number One Main Street, Post Office Box 11634, Columbia, South Carolina 29211, for the purposes hereinafter set forth.

W I T N E S S E T H :

WHEREAS, Declarant is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Chatham, State of Georgia, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter called the "Submitted Property"); and

WHEREAS, Declarant desires to submit the Submitted Property to the provisions of the Georgia Condominium Act, Chapter 85-16E Georgia Code Ann., Georgia Laws, 1975, (hereinafter called the "Act"), hereby creating a Condominium known as the Savannah Beach and Racquet Club Condominium; and

WHEREAS, Declarant desires to publish a plan for the individual ownership of the several Units of the Submitted Property together with an undivided ownership interest in the general common elements and limited common elements of the Submitted Property as defined herein and in the Act; and

WHEREAS, Declarant desires to convey the Submitted Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the Georgia Condominium Act, Chapter 85-16E Georgia Code Ann., Georgia Laws, 1975, and hereby publishes its plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Declarant hereby specifies that this Declaration of Condominium and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Submitted Property and shall bind and inure to the benefit of the Declarant, its successors and assigns and all subsequent owners of any interest in the Submitted Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns.

ARTICLE I
Definitions

As used in this Declaration and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

A. Act means the Georgia Condominium Act, Chapter 85-16E Georgia Code Ann., Georgia Laws, 1975, as presently constituted.

CONDOMINIUM PLAT AND PLANS FILED IN CONDOMINIUM PLAN BOOK "1" AT FOLIO 45 IN THE OFFICE OF THE CLERK OF COURT OF THE SUPERIOR COURT FOR CHATHAM COUNTY, GEORGIA.

B. Additional Property means any property which may be added to an expandable condominium in accordance with the provisions of this Declaration and the Act.

C. Association means a corporation known as Savannah Beach and Racquet Club Condominium Association, Inc., formed for the purpose of exercising the powers of the association of this condominium.

D. Assessment means a share of the fund required for the payment of common expense, capital improvements or expenses which from time to time are assessed to some or all of the Unit Owners.

E. Board of Directors or Board means an executive and administrative body designated as the governing body of the Association.

F. By-Laws means the by-laws of the Association as they exist from time to time.

G. Common Elements means and includes all of the Submitted Property excluding the Units and specifically includes both the general common elements and limited common elements (if any).

H. Common Expenses means and includes:

(1) All expenses incident to the administration, maintenance, repair and replacements of the Submitted Property after excluding therefrom any and all expenses which are the responsibility of a particular Unit Owner as hereinafter set forth;

(2) Expenses determined by the Board of Directors of the Association to be Common Expenses;

(3) Expenses in this Declaration and/or its Exhibits denominated as Common Expenses; and

(4) Any other expenses declared by the Act to be Common Expenses.

I. Common Surplus means the excess of all receipts of the Association over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

J. Condominium means the Savannah Beach and Racquet Club Condominium and the Submitted Property and Units included as shown in this Declaration and the Exhibits hereto.

K. Condominium Plat and Plans means and includes one or more plats of survey of the Submitted Property, including improvements thereon and easements thereupon, and plans of every structure upon the Submitted Property as required by §85-1620e(a) and (b) of the Act and filed for record in the Office of the Clerk of the Superior Court for Chatham County, Georgia.

L. Condominium Unit or Unit means an individual Unit as defined herein, in the Act and as described in the Exhibits hereto

and the Condominium Plat and Plans together with an undivided share of the common elements, vote, common surplus and liability for common expenses and other assessments appurtenant thereto.

M. Declarant means Sea Cabin Corporation, its successors and assigns.

N. Exhibits means the exhibits to this Declaration, as they may be amended from time to time.

O. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, the Declarant, its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

P. Limited Common Elements means as defined in the Act.

Q. Long Term Lease means that certain Lease and Use Agreement which is an Exhibit to this Declaration.

R. Majority or Majority Vote means the Unit Owners to which fifty-one (51%) percent of the total number of votes in the Association appertain.

S. Occupant means any person or persons residing in a Unit.

T. Person means as defined in the Act.

U. Record means as defined in the Act.

V. Submitted Property or Property means and includes that property shown as contained within Savannah Beach and Racquet Club Condominium and designated as Phase 1 as described in the Exhibits hereto and in the Condominium Plat and Plans and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights-of-way and rights of use as described herein, in the Exhibits and in the Condominium Plat and Plans. The Submitted Property shall not include until, but shall include upon, proper expansion and amendment to this Declaration, all additional land(s) together with improvements, easements, rights-of-way and rights of use described herein and in the Exhibits or of record, shown, described and defined as Phases 2 and 3.

W. Unit Owner means as defined in the Act, and specifically owning a unit in the Condominium.

ARTICLE II

Savannah Beach and Racquet Club Condominium Association, Inc.

1. Responsibility for Administration: The administration of the affairs of the Condominium and the maintenance, repair,

replacement and operation of the Common Elements as herein provided, the enforcement of all rules, regulations, by-laws and those acts required of the Association by the Declaration and/or by the Act shall be the responsibility of the Association acting through the Board of Directors. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Declaration, the Articles of Incorporation and the By-Laws of the Association.

2. **Agreements:** The Association through its Board of Directors shall be and hereby is authorized to enter into such agreements and to bind itself and all Unit Owners as it may deem necessary or desirable for the administration and operation of the Condominium. Each Unit Owner who acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Association for review by any Unit Owner.

3. **Voting Rights:** There shall be only one voting member for each Unit. If a Unit is owned by more than one Person, the Owners thereof shall designate one of their number as the voting member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the voting member for such Unit. The designation of the voting member shall be made as provided in the By-Laws. The vote of a voting member shall not be divisible.

Each voting member (and only the voting member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Association, regardless of the number of Persons who own such Unit. The Declarant shall be entitled to cast the vote for each Unit it owns.

Each voting member shall be entitled to cast his vote(s) at each meeting of the Association in person or, if permitted by the By-Laws, by proxy.

4. Declarant shall appoint an initial Board of Directors to serve until Declarant shall relinquish control and their successors have been elected and qualified. Declarant shall release control upon calling a meeting of the Unit Owners for purposes of taking control, which meeting shall be called no later than thirty (30) days after Phase 3 is added to the Condominium (if so added), six (6) months after Phase 2 is added to the Condominium (if so added) or twelve (12) months after the filing of this Declaration establishing the Condominium, whichever comes first; provided, however, nothing herein shall be construed to require Declarant to add Phase 2 or Phase 3 to the Condominium.

ARTICLE III Property Rights

1. **Identification of Units:** The Condominium consists essentially of Units in a building, designated as Building A, and other improvements and certain lands as the same are described in the Exhibits and the Condominium Plat and Plans, and designated as Phase 1. Additional buildings, land and improvements may, in

the Declarant's discretion, be constructed and be made a part of the Condominium as additional phases as hereinafter described. For the purposes of identification, each Unit in the Condominium is identified by number and letter and is delineated in the Exhibits hereto and the Condominium Plat and Plans which are made a part of this Declaration. No two Units have the same identifying number and letter combination.

The aforesaid building and Units therein and other improvements are constructed in accordance with the plats, plans, descriptions and surveys contained in the Condominium Plat and Plans.

2. Ownership of a Unit includes title to the Unit and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide a Unit by separating title to the Unit from the undivided interest in the Common Elements and Common Surplus (if any) shall be void.

The undivided interests in the Common Elements, the Common Surplus (if any) and the liability for Common Expenses which the Unit Owners of the Units in Building A are acquiring are set forth, as percentages, in the Exhibits. In the event that additional Common Elements and Units are made a part of the Condominium, such undivided interest will be adjusted as provided in the Exhibits.

3. The Common Elements: Neither the Association, any Unit Owner, the Declarant, nor any other party who owns an interest in the Common Elements shall have the right to bring any action for partition or division of the Common Elements.

Initial rules and regulations governing the use of the Submitted Property shall be promulgated by the Declarant on behalf of the Board of Directors. Additional and/or amended rules and regulations may be adopted or repealed by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Declarant provided such does not affect any right(s) of Declarant or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Unit Owner, by acquiring his Unit, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Submitted Property; (ii) such rules and regulations as the Declarant may adopt pursuant to the Long Term Lease; and (iii) the Declaration and the By-Laws.

The Association shall have the right to deny any Unit Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

If a Unit Owner fails to pay an Assessment for the period specified herein, the Association may deny such Unit Owner or any Occupant of that Unit Owner's Unit the right to occupy that Unit and the right to use the Common Elements until such time as all Assessments are paid. There shall be no reduction in the

Assessments payable by any Unit Owner during any period while his right to use a Unit or the Common Elements is suspended.

Any Occupant may use the Common Elements reserved for the use of the Unit he occupies during the time such Occupant is actually in residence in the Unit. Guests and invitees of an Occupant of a Unit and the Unit Owner of a Unit (while another occupies his Unit) may only use the Common Elements with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify in its sole discretion, including the payment of a fee for the use thereof.

4. Parking Spaces: Parking spaces shall not be reserved solely for the use of Occupants of any particular Unit nor shall they be numbered unless otherwise agreed by all Unit Owners and the Institutional Mortgagees of their Units (in which case such reserved parking spaces shall be Limited Common Elements); provided, however, the Occupants of each Unit shall be entitled to the use of at least one parking space and such additional parking spaces as may be determined by the Board of Directors.

5. Common Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements) necessitated by the negligence or misuse by any Occupant of a Unit shall be borne solely by the Unit Owner of such Unit and the Board of Directors shall have the right to assess such Unit Owner for such costs.

(b) All other costs of maintenance, repair, replacements, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) shall be, unless the Board of Directors otherwise decides, Common Expenses.

6. Development Plan:

(a) Declarant has initially included within the Condominium certain property and improvements including a building containing one hundred eight (108) dwelling Units numbered 101A-136A, 201A-236A and 301A-336A, a swimming pool with pool building and a tennis court, the same being shown and designated as Phase 1 in the Exhibits hereto and in the Condominium Plat and Plans. By reason thereof and by reason of each Unit having an equal value with regard to the Submitted Property as a whole, there is appurtenant to each said Unit an equal undivided percentage share of ownership interest in the Common Elements as described in the Exhibits. Likewise, there is appurtenant to each Unit one (1) vote to be voted by the voting member at all matters to come before the Association. There are one hundred eight (108) total votes in the Condominium (Phase 1).

(b) The Declarant reserves the right and option to expand and include additional property, improvements and Units and to amend this Declaration by its sole action for the purposes of creating a Phase 2 of the Condominium. Phase 2, if so added, will include property (the metes and bounds of which are set forth in the Exhibits) and improvements including Building B containing

sixty (60) dwelling Units numbered 101B-120B, 201B-220B and 301B-320B and a separate one-story building containing a Unit numbered 100, which shall be used as a management, rental, real estate sales and general office purpose office Unit, and one additional tennis court. Should the Declarant determine to so expand and include Phase 2, it hereby covenants that the necessary addition and amendment to the Declaration and the election to proceed with Phase 2 shall be made not later than twelve (12) months from the recording of this Declaration, and the necessary addition and amendment to the Declaration shall be filed with the Clerk of Court of Chatham County, Georgia, no later than that date. Declarant retains sole right, in its sole discretion, to so add Phase 2, but may elect, at any time during the twelve (12) month period, to not proceed with Phase 2, in which case it shall file an amendment to this Declaration. Likewise, such right to add Phase 2 may be waived by failing to record an amendment adding Phase 2 within the prescribed time. Failure to add Phase 2 shall waive the right to add Phase 3. There are no other limitations upon Declarant in its option to add or not add Phase 2. Phase 2, if included, will not increase the proportionate amount of the Common Expenses payable by the Unit Owners of and comprising Phase 1. Should Phase 2 be included, the percentage interest in the Common Elements of each Unit Owner in Phase 1 shall be reduced and each of the Unit Owners of Phase 1 and Phase 2 shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, though each Unit Owner of Phase 1 shall retain one (1) vote, there shall be sixty-one (61) additional votes and, therefore, the percentage value of each vote compared to the total votes shall be reduced as described in the Exhibits.

(c) The Declarant further reserves the right and option to expand and include additional property and improvements and Units and amend this Declaration by its sole action for the purpose of creating a Phase 3 of the Condominium. Phase 3, if so added, may include property (the metes and bounds of which are set forth in the Exhibits) and improvements including Building C (a three-story building) containing as many as fifty-four (54) dwelling Units numbered 101C-118C, 201C-218C and 301C-318C and one additional tennis court. Should the Declarant determine to so expand and include Phase 3, it does hereby covenant that the necessary addition and amendments to the Declaration and the election to proceed with Phase 3 shall not be made later than twelve (12) months from the recording of the amendment creating Phase 2 and the necessary addition and amendments to the Declaration shall be filed with the Clerk of Court of Chatham County, Georgia, no later than that date. Declarant retains sole right, in its sole discretion, to so add Phase 3, but may elect, at any time during the twelve (12) month period, to not proceed with Phase 3, in which case it shall file an amendment to this Declaration. Likewise, such right to add Phase 3 may be waived by failing to record an amendment adding Phase 3 within the prescribed time. There are no other limitations upon Declarant in its option to add or not add Phase 3. Phase 3, if included, will not increase the proportionate amount of the Common Expenses payable by the Unit Owners of and comprising Phase 1 and Phase 2. Should Phase 3 be included, the percentage interest in the Common Elements of each Unit Owner in Phase 1 and Phase 2 shall be reduced and each of the Unit Owners of Phase 1, Phase 2 and Phase 3 shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, though each Unit Owner of Phase 1 and Phase 2 shall retain his vote, there shall be fifty-four (54)

additional votes and, therefore, the percentage value of each vote compared to the total votes shall be reduced as specified in the Exhibits.

(d) There are no limitations on the locations of Buildings B and C (if built and added) other than the side of each building closest to the waterfront will be generally in line with Building A, and all structures will be compatible in terms of quality and type of construction, principal materials used and architectural style. Likewise, the Units in Phase 2 (if added), other than Unit 100, will be substantially identical to the Units in Phase 1. By reason of Unit 100 being other than residential, its size, location and interior layout, if Phase 2 is added, will be different and no assurances are made thereto. Further, no assurances whatsoever are made as to Units in Phase 3. Declarant does not intend to create any additional limited common elements in Phase 2 and Phase 3, if added, but Declarant's rights to create limited common elements with Phase 2 and Phase 3 (if added) shall be the same as in Phase 1.

(e) Ownership in the Common Elements and Common Surplus, pro rata share of Common Expenses due, and the percentage of total vote attributable to each Unit in case of completion only of Phase 1, in the event of completion of Phases 1 and 2 and in the event of completion of Phases 1, 2 and 3 are shown in the Exhibits.

ARTICLE IV Architectural Control

To preserve the original architectural appearance of the Condominium, no exterior construction of any nature whatsoever except as specified in this Declaration shall be commenced or maintained upon any building and/or Common Element and all such additions as are herein specified shall be architecturally compatible with existing structures. No Unit Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Unit Owner change the design or color of the exterior or lighting, nor shall any Unit Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and (so long as Declarant, or its successors or assigns, owns one or more Units in the Condominium) the Declarant or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Declarant to approve or disapprove such plans and specifications within sixty (60) days after their being submitted in writing shall constitute approval.

ARTICLE V
Expenses and Common Surplus

The Common Expenses of the Condominium and the monetary obligations of the Unit Owners under any agreements entered into by the Association shall be shared by the Unit Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of a Unit or because of its location, but shall be adjusted only upon the inclusion of any additional Phase or Phases in the Condominium and then in the manner set forth in the Exhibits.

Each Unit Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

ARTICLE VI
Amendment of the Declaration

This Declaration may be amended at the regular or any special meeting of the Association of the Condominium, called and convened in accordance with the By-Laws, upon the affirmative vote of 67 percent of all the voting members of the Association; provided, however, that this Declaration may not be cancelled nor any amendment be made hereto having as its effect a termination of the Condominium without the written agreement of all of the Unit Owners in the Condominium and all Institutional Mortgagees holding mortgages of record upon the Condominium or any portion thereof, as provided in the Act.

Notwithstanding the foregoing, the Declarant has reserved the right to add additional Phases and amend the Declaration in the manner set forth in this Declaration and the Exhibits, which right is reserved unto it, its successors and assigns. No approval shall be required of any Unit Owner(s) or Institutional Mortgagee(s) or other creditor or person holding any interest whatsoever in the Condominium being expanded for the Declarant or its successors and assigns to exercise such rights.

All amendments hereto shall be recorded and certified as required by the Act. No amendment(s) shall change any Unit or the proportionate share of the Common Expenses or Common Surplus attributable to each Unit, nor the voting rights of any Unit, except upon addition of additional Phases as herein provided, unless all Unit Owners of the Condominium and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Institutional Mortgagee or change the provisions of this Declaration with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors and assigns, without written approval and consent of the Declarant, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and

arrangement of all Units and to alter the boundaries between Units as long as the Declarant owns all the Units so altered; however, no such change shall increase the number of Units nor alter the boundary of the Common Elements, except the party wall between any Units, without amendment of this Declaration in the manner herein set forth. If the Declarant shall make any changes in Units as provided in this paragraph, such changes shall be reflected by an amendment of this Declaration and the recording of one or more Condominium Plats and Plans reflecting such authorized alteration of Units and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Units. Such plat shall be certified and recorded in the manner required in the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Declaration is dated and recorded in the public records of Chatham County, Georgia, all of the improvements shown in Phase 1 on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits and the Condominium Plats and Plans; provided, however, that all improvements within any Phase must be completed within fourteen (14) months of the inclusion of that Phase within the Condominium; provided, however, that all improvements within any Phase must be completed within fourteen (14) months of the inclusion of that Phase within the Condominium; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Declarant's control.

ARTICLE VII By-Laws

The operation of the Condominium shall be governed by the By-Laws of the Association which are attached to this Declaration as an Exhibit and made a part hereof.

No modification of, or amendment to, the By-Laws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Submitted Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Declarant without written approval of the Declarant, its successors or assigns.

ARTICLE VIII The Operating Entity

The operating entity of the Condominium shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by the Declaration, Articles of Incorporation and the By-Laws of the Association, and, in addition, all other powers and duties necessary to operate the Condominium which shall be exercised through its Board of Directors; provided,

however, that in the event of conflict, the provisions of the Act shall control.

Every Unit Owner, whether he has acquired his Unit by purchase, gift, devise or other conveyance or transfer, by operation law or otherwise, shall be bound by this Declaration, the Act, the Articles of Incorporation, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Association.

ARTICLE IX Assessments

The Association, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Condominium and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Submitted Property. The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium and such other expenses as are provided for herein, in the Act or deemed necessary and appropriate expenses of the Condominium. The procedure for the determination of sums necessary and Assessments upon Unit Owners and the method of collection of the same shall be as set forth in the By-Laws of the Association, as provided herein and in the Exhibits hereto and in the Act.

A Unit Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessment by the Board of Directors of the Association.

Upon assessments that are unpaid for over ten (10) days after due date, at the sole discretion of the Board of Directors (and if not forbidden by law), a late charge not to exceed \$10.00 or 10% of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month and monthly bills for the same need not be delivered or mailed to the Unit Owners by the Board; provided, however, that on or before December 1st of the preceding year, the amount of regular monthly Assessments due from each Unit Owner for each month of that year shall be mailed by the Board of Directors to each Unit Owner and provided, further, that a notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Unit Owner by the Board of Directors no later than thirty (30) days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Unit together with the Common Elements appurtenant thereto in the amount of each Assessment not paid when due as provided in the Act, which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorneys' fees incurred by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Association for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be

required to be advanced by the Association to preserve and/or protect its lien and all other changes allowed by the Act shall be payable by the delinquent Unit Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of a Unit who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer. In addition, any Unit Owner, Person having executed a contract for the purchase of a Unit or lender considering the loan of funds to be secured by a Unit shall be entitled upon request to a statement setting forth the amount of Assessment(s) past due as provided in the Act. Failure to respond timely shall extinguish the lien for such assessment(s), to be extinguished as provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Unit Owner.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Unit Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Unit.

ARTICLE X Insurance

The Board of Directors of the Association shall obtain insurance upon the Submitted Property insuring it (including both Common Elements and all Units) against all risks, as provided in the Act, all premiums of which shall be included as part of the Common Expenses.

Section 1. The Board, on behalf of the Association, shall obtain extended insurance coverage upon the Submitted Property and improvements thereon, including the Units and Common Elements, insuring the Unit Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.) in amount(s) sufficient to completely restore and replace the damage and/or destroyed elements in the event of loss. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Board shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund to provide insurance to cover the same. Such self-insurance fund shall be established through a licensed insurance agent or trust department of a federally insured bank or depository in such format and in such amount(s) as are acceptable to all Institutional Mortgagees of record, with whose advice and consent such shall be established. Such self-insurance fund shall have the same beneficiaries as the policies obtained (i.e. the Unit Owners and their mortgagees, etc.). Such self-insurance fund and any

increase and/or replacement(s) thereto shall be funded by assessment of all of the Unit Owners by the Board, which shall be, when so assessed, an item of Common Expense. Such funds so maintained, together with interest thereon (if any) may be expended only in the event of: (i) a loss which such funds insure against; (ii) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies); (iii) the consent of all Unit Owners and their mortgagees; or (iv) upon termination of the Condominium. In the event of distribution of such funds for any of the latter three events, such funds so expended and/or distributed shall be considered as, owned as and distributed as Common Surplus.

Section 2. Institutional First Mortgagees owning and holding mortgages encumbering Units in the Condominium having an unpaid dollar indebtedness of \$100,000 or more shall have the right to approve all such insurance policy or policies, the company or companies insurance upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles.

Section 3. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in the Act; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property. In such event, the proceeds shall be divided as unanimously agreed upon by the Unit Owners and all mortgagees upon the Submitted Property or any portion thereof, of record. In the event of such pro rata division, the Institutional Mortgagee of record shall have first claim upon such insurance proceeds delivered to the Unit Owner of the Unit upon which such Institutional Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

Section 4. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Unit Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Units so directly affected. Failure or refusal of payment of any of the Unit Owners so affected shall result in a lien upon his Unit in favor of the Association in such amount and may be enforced in the manner provided for collection of unpaid Assessments herein and/or in the Act.

Section 5. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each Unit Owner and/or his mortgagee(s) from insurance his Unit on his account and for the benefit of himself and/or his mortgagee(s).

Section 6. Reconstruction: Any repair and/or restoration must be substantially in accordance with the plans and specifications for the original buildings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

Section 7. Power to Compromise Claims: The Board of Directors is hereby irrevocably appointed agent for each Unit Owner for the purpose of compromising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefor upon the payment of claims.

Section 8. The Board of Directors on behalf of the Council shall maintain liability insurance coverage as provided in the Act, all premiums of which shall be included as part of the Common Expenses.

Section 9. Institutional Mortgagees' Right to Advance Premiums: Should the Association fail to pay insurance premiums when due or should the Council or Unit Owners fail to comply with other insurance requirements required herein or by the Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Association and its Board of Directors against the individual Unit Owners for reimbursement of such sums.

Section 10. Other Insurance: The Board of Directors of the Association is authorized to purchase such additional insurance and for such additional purposes, including, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Condominium, its Common Elements, Units, the Unit Owners thereof and their mortgagees.

Section 11. Authorized Companies: Any and all insurance coverage(s) obtained under Section 1 above by the Association pursuant to this Article must be obtained from an insurance carrier(s) authorized to do business in the State of Georgia, and having an Alfred M. Best Financial Rating of at least "A-13", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Declarant, the Board of Directors, the Association and Institutional Mortgagees shall not be responsible for the quality or financial responsibility of the insurance company(ies) provided same are so rated and are so licensed and approved to do business and provide such coverage in the State of Georgia.

ARTICLE XI
Use and Occupancy

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Except for the Unit Owner(s) of Unit 100 (in the event Phase 2 is added to the Condominium), the Unit Owner of each Unit shall occupy and use his Unit as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes; provided, however, nothing herein contained shall prevent any Unit Owner from leasing or renting his Unit to third parties; provided, however, such Unit shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Declaration and its Exhibits, the Act and Rules and Regulations properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Association or its designee for non-compliance, and the Unit Owner of that Unit shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upon his Unit the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Unit or other part of the Submitted Property except that the Declarant, its successors and assigns, may maintain and use one or more Units of the Condominium owned by it for management, sales and/or rental offices, and commercial laundry and vending equipment may be maintained and maintenance and laundry equipment kept and maintained in areas of the Common Elements suitable for such purposes. Notwithstanding the foregoing, nothing contained in this Declaration shall be construed to restrict the Declarant or any successor interest to the Declarant from selling and/or conveying any Unit under any plan of multiple use, interval ownership or time sharing arrangement.

No Unit Owner shall permit or suffer anything to be done or kept in or about his Unit or upon the Common Elements which will obstruct or interfere with the rights of other Unit Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Unit Owner permit or commit any nuisance or illegal act in or about the Submitted Property.

No animals or pets of any kind shall be kept in any Unit or on any property of the Condominium except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Association; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Submitted Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Unit is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Units or upon the general or limited Common Elements; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside a Unit nor shall he cause awnings or storm shutter, screens, enclosures and the like to be affixed or

attached to any Unit, limited or general Common Element; nor shall he place any furniture or equipment outside a Unit except with the written consent of the Board of Directors of the Association; and, further, where approved, subject to the Rules and Regulations of the Board of Directors. No clothesline or similar device shall be allowed on any portion of the Submitted Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Unit Owners may not screen or enclose any exterior patio which abuts a Unit, where applicable, nor may any Unit Owner screen or enclose any exterior deck and/or balcony which abuts his Unit, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or a Unit or any part of the Submitted Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertaining thereto as may from time to time be promulgated by the Board of Directors of the Association.

The Board of Directors may, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Declarant, its successors and assigns, shall be allowed to maintain one (1) or more Units as laundry and/or maintenance ares, management, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upon the Submitted Property.

ARTICLE XII

Maintenance and Alterations

A. The Board of Directors may enter into contracts with firm(s), person(s) or corporation(s), or may join with other condominiums and/or entities in contracting for the maintenance and/or repair of the Submitted Property and any properties belonging to the Condominium; may contract for or may join with other associations in contracting for the maintenance and management of the Condominium; and may delegate to such contractor or manager all power and duties of the Association and its Board of Directors except such as are specifically required by this Declaration, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Association.

B. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Unit Owners of the Condominium provided the aforesaid alterations or additions do not affect the rights of any Unit Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Unit Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected

solely from the Unit Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking into account the benefit to each and the relative value of each such Unit as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Unit Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors approved by not less than seventy-five (75%) percent of the total votes of the Unit Owners exclusively or substantially benefiting therefrom, and where said Unit Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Unit Owners for alterations or additions to the Common Elements of this Condominium is required, the approval of Institutional Mortgagees whose mortgages encumber Units representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Units at said time shall also be required.

C. Each Unit Owner is hereby required:

(1) To maintain in good condition and repair his Unit, all interior surfaces and the entire interior of his Unit and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, where applicable: air conditioning and heating units, including condensers and all appurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the Unit; electric panels; lines outlets and fixtures within the Unit; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Condominium; however, if the individual bills are sent to each Unit Owner by the provider of such services, each such Unit Owner shall pay said bill for his Unit individually. Electricity for the Units and all other purposes for the Condominium may be metered to the Condominium as a whole, rather than to individual Units, and, if so, shall be a Common Expense. Where a Unit is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Unit Owner of said Unit. Each Unit Owner shall maintain, care for and preserve those portions of the Limited Common Elements (if any) exclusively for his use or exclusively for his use together with certain other Unit Owners. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Unit, the Unit Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Unit Owner is responsible for and will pay for his telephone service.

(2) Not to make or cause to be made any structural addition or alteration to his Unit or to the Common Elements or any part(s) thereof. Alterations within a Unit may be made with prior written consent of the Board of Directors and any Institutional Mortgagee holding a mortgage upon such Unit as could

be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor employed by such Unit Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Unit Owner shall be liable for all damages to any other Unit(s), Common Element(s) or Submitted Property caused by the Unit Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

(3) To allow the Board of Directors or its representative, agent or employee to enter into his Unit for the purposes of maintenance, inspection, repair or replacement of improvements within the unit and/or Common Elements; to determine in the case of emergency, circumstances threatening the Unit and/or Common Elements; or to determine compliance with the provisions of this Declaration and/or any By-Law or Rule or Regulation of the Association.

(4) To show no signs, advertisements or notices of any type on the Common Elements, Units or building and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

D. In the event that a Unit Owner fails to maintain his Unit and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Association, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Unit Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter a Unit at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions hereof.

E. The Board of Directors shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Association), and shall be responsible for the maintenance thereof. No Unit Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon of affix anything thereto without the written consent of the Board of Directors.

F. The Council of the Unit Owners shall be responsible for the maintenance and repair and replacements of the Common Elements and all portions of the Submitted Property not required to be maintained and/or repaired and/or replaced by individual Unit Owners. Notwithstanding each Unit Owner's duty of maintenance, repair, replacement and other responsibilities to his Unit, the Association, through its Board of Directors, may enter into an agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or

maintenance for and/or on behalf of the Unit Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment (such as MATV or Cable TV service) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Unit Owners and the Monthly Assessment due from each Unit Owner for Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said equipment maintenance or services. Each Unit Owner shall be deemed a party to such agreement with the same force and effect as though said Unit Owner has executed said agreement. It is understood and agreed that the Association through its Board of Directors shall execute said agreements as the agent for each Unit Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article IX of this Declaration.

G. The restrictions set forth in this Article are all restrictions on use and occupancy (other than such Rules and Regulations as may be adopted by the Board or the Declarant on behalf of the Board).

ARTICLE XIII Termination

This Condominium may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however, that unless otherwise required by law or in the Act, before the Condominium may be terminated, all Unit Owners must agree thereto and all Institutional Mortgagees of record of any Unit or any other part of the Submitted Property of the Condominium must agree in writing to accept such termination and to accept as security the undivided portion of the Submitted Property owned by the debtor(s) of each. In the event of such termination, all Unit Owners shall become tenants in common of the real property and improvements constituting the Unit and Common Elements (excluding, however, any real property and/or improvements constituting any Phase(s) reserved by the Declarant under the development plan not yet committed to the Condominium). The ownership of each Unit Owner upon such termination as tenant in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

ARTICLE XIV EASEMENTS

Each Person who acquires an interest in a Unit shall be deemed, thereby, to agree that: (i) if any portion of a Unit shall encroach upon any portion of the Common Elements or another Unit or any portion of the Common Elements shall encroach upon any Unit, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands;

and (ii) in the event a building or other improvement or a Unit is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Unit, there shall exist a valid easement for such encroachment and the maintenance thereof.

The property submitted to a condominium hereby and to be subsequently so submitted is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of Georgia and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drains which now exist or are hereafter granted by the Declarant for the benefit of such persons as the Declarant designates. The Declarant shall have the right to grant easements and designate the beneficiaries thereof for such time as it determines in its sole discretion. When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Condominium would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

Those easements of ingress and egress across the Submitted Property which are of record are shown to the extent feasible on the Condominium Plat and Plans or in the Exhibits, or in the records of the Clerk of Court of Chatham County, Georgia. The rights of all Unit Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Association, all present and future unit Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

Declarant does hereby reserve unto itself, its successors and assigns, as Owners of the real property described herein as Phases 2 and 3, and for all present and future occupants thereof (which shall be extinguished as to the Owners and occupants of the real property described as Phase 2 in the event of its inclusion within the Condominium, and likewise extinguished as to the Owners and occupants of the Property described as Phase 3 in the event of its inclusion with the condominium), declare and establish a non-exclusive easement over, across and through, and right to use, the paved areas of the Property (as designated in the Condominium Plat and Plans) for normal pedestrian and vehicular access and ingress and egress and for access to the waterfront, and, further, a non-exclusive easement for access and ingress and egress from

the beach and waterfront area over, across and upon such boardwalk(s) as are now or may be constructed upon the Property, such easements to exist in perpetuity unless and until the appropriate Phase is added to the Condominium as aforesaid. Furthermore, Declarant hereby reserves unto itself, the present and future Owners of the parcels designated as Phases 2 and 3, and all occupants thereof, declare and establish an easement and license to use the pool, pool area and tennis court of the Property in the manner and for the purposes for which such are normally intended, such easements and licenses to likewise be in perpetuity; provided, however, such easements and licenses shall extinguish in the event of inclusion of that Phase within the Condominium as the easements for ingress, egress and access set forth above. Provided, further, in both such instances, such Owners and occupants to whom such easements, licenses and rights shall lie must, in order to preserve such easements and licenses, pay their pro rata share of upkeep, maintenance, management and replacement of the paved areas, boardwalk(s), pool, pool area and tennis court; otherwise, such easements and licenses to be extinguished.

Further, Declarant does hereby reserve unto itself and all future owners of the parcels designated as Phases 2 and 3 a perpetual drainage and flowage easement for waters across the property along the constructed routes for drainage to connect with drains and drainage pipes located upon the Property, such easements to be in perpetuity.

Nothing herein contained shall be construed to limit easements upon the Property to those exclusively set forth in this Article. The Property is subject to all easements described in this Declaration, in the Condominium Plat and Plans, in the Exhibits and all others of record.

ARTICLE XV
Certain Rights of Declarant

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1. Notwithstanding any other provisions herein, so long as the Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as a Unit Owner to pay assessments as to each Unit owned by the Declarant after the construction of said Unit has been completed and it is included in the Condominium.

(a) The Declarant shall have the right at any time to sell, transfer, lease or re-let any any Unit(s) which the Declarant continues to own after this Declaration has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Units contained herein and without the consent or approval of the Association or any other Unit Owner being required.

(b) During the period of time in which structures within a particular phase are under construction by the Declarant and not completed, no dues shall be charged against the Declarant as the Unit Owner of Units in that phase until both the completion of said Units in that Phase and its inclusion in the Condominium and the dues shall be assessed against the Unit Owners (including the Declarant) of those Units in that Phase which shall have been completed, proportionately, inter se.

(c) Without limiting the foregoing, the Declarant shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Declarant owns at least one Unit in any included Phase to amend the Declaration to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages," as the same may be amended from time to time.

(d) The Declarant shall have the rights: (i) to use or grant the use or a portion of the Common Elements for the purpose of aiding in the sale or rental of Units; (ii) to use portions of the Submitted Property for parking for prospective purchasers or lessees of Units and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Submitted Property; (iv) to distribute audio and visual promotional material upon the Common Elements; and (v) to use any Unit which it owns as a sales and/or rental office, management office or laundry and maintenance facility.

(e) In order to provide the Condominium with, among other things, adequate and uniform water service, sewage disposal service, utility services and television reception, the Declarant reserves the exclusive right to contract for the provision of such services. The Declarant, as agent for the Association and the Unit Owners, has entered into or may enter into arrangements, binding upon the Association and the Unit Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

(f) The Declarant reserves the right to enter into, on behalf of and as agent for the Association and the Unit Owners, agreements with other Persons for the benefit of the Condominium, the Association and the Unit Owners. The provisions of any such Agreement shall bind the Association and the Unit Owners. The Declarant, as agent for and on behalf of the Association and the Unit Owners, has entered into an agreement with Reception Corporation, a South Carolina corporation, pursuant to which Reception Corporation will provide a color television set in each Unit together with antenna television reception service and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Unit Owners, to the extent allowed by law. The fees for rental of such television sets and for such services (\$12.00 per Unit per month) shall be Common Expenses. If the Association fails to pay the amounts due under the agreement with Reception Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Reception Corporation may be amended only by a written amendment executed by the Association and Reception Corporation.

2. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENT TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY AS PRESENTLY CONSTITUTED, AND AS CONSTITUTED UPON THE INCLUSION OF AN ADDITIONAL PHASE(S) UPON SUCH INCLUSIONS (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE CONDOMINIUM, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Condominium have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Declarant's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the buildings or on any portion of the Submitted Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Unit Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier or manufacturer shall be the obligation of the Association and its members and the Declarant shall bear no responsibility therefor.

ARTICLE XVI
Provisions Respecting Construction Lender

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Notwithstanding anything to the contrary contained in this Declaration, until the satisfaction of record of any construction mortgage (or deed to secure debt) given by Declarant upon the Submitted Property as presently constituted or any subsequent phase to secure a loan with which to develop the improvements for the Submitted Property or that phase, such as would be commonly classified as a construction loan mortgage or deed to secure debt (hereinafter referred to as the "Construction Mortgage"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in this Declaration.

1. Whenever the consent of the Declarant is required under this Declaration, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.
2. In the event that the Declarant shall violate any of its obligations as a Unit Owner, the Association shall be required to give Construction Mortgagee written notice of such failure or violation, and the Association shall be prohibited from instituting any suit or exercising any other remedy against the Declarant for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.
3. Construction Mortgagee shall be given written notice by the Association of any meeting of the Unit Owners together with the agenda of such meeting.
4. No amendment shall be made to this Declaration or to the By-Laws of the Association, which would alter the rights of Construction Mortgagee without its joinder and written consent to such amendment.
5. If Construction Mortgagee either assumes possession of any portion of the Submitted Property or Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Submitted Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Submitted Property upon foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges and exemptions granted to Declarant by this Declaration and/or by the By-Laws.

ARTICLE XVII
Rights of Lenders

Notwithstanding any other provision hereof, any mortgage of record (including, but not limited to, the Construction Mortgagee while such Construction Mortgage shall remain unsatisfied) shall:

1. Upon request, be permitted to inspect the books and records of the Association during normal business hours;

2. Receipt a copy of any audit performed by or for the Association and all proposed and adopted budgets;
3. Upon request, receive written notice of all meetings of the Association and be permitted to designate a representative to attend and observe all such meetings; and
4. Receive written notification from the Association of any default by any of its mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

ARTICLE XVIII
Miscellaneous Provisions

A. The Unit Owners of the respective Units shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective Units nor shall any Unit Owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Units which are utilized for or serve more than one Unit, which items are hereby made a part of the Common Elements. Each Unit Owner shall, however, be deemed to own the walls and partitions which are contained in said Unit Owner's Unit and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.; however, all load-bearing walls, and where applicable the floor between the first or ground floor and second floor located within a Unit are part of the Common Elements to the unfinished surface of said walls and/or floors.

B. No Unit Owner may exempt himself from liability for his contribution toward the common expenses or other assessments duly made by the Association and/or the Board of Directors by waiver of the use or enjoyment of any of the common elements or the recreational facilities of the Condominium or by abandonment of his Unit.

C. Each Unit Owner shall pay all ad valorem taxes and other taxes assessed against his Unit and shall file any tax returns required in connection therewith. No Unit Owner shall have a right of contribution or a right of adjustment against any other Unit Owner because the value of his Unit as fixed by any taxing authority may differ from that stated herein.

D. For the purposes of ad valorem taxation, the interest of the Unit Owner of a Unit in his Unit and Common Elements appurtenant thereto shall be considered a Unit. The value of said Unit as compared to the value of the Condominium shall be equal to the percentage of the value of the entire Condominium as then constituted, including land and improvements, as has been assigned to said Unit and as set forth in this Declaration. The total of all said percentages equal 100 percent of the value of all the land and improvements as it shall then be constituted.

E. All provisions of this Declaration and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Unit and the appurtenances thereto and every Unit Owner and/or occupant of the Submitted Property or any part thereof or owning any interest

therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Declaration and Exhibits hereto and any amendments to the same and the Act.

F. If any of the provisions of this Declaration of the Exhibits hereto, of the Act or any section, clause, phrase, word or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to each Unit Owner either personally or by mail addressed to such Unit Owner at his place of residence in the Condominium unless the Unit Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board of Directors) shall be delivered by mail to the Secretary of the Association at the Secretary's address within the Condominium or, in the case of the Secretary's absence, then to the President of the Association at his address in the Condominium; provided, however, that the Association may specify a different address by written notice delivered to all Unit Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Declarant shall be sent by mail to Post Office Box 11634, Columbia, South Carolina 29211. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Declaration. Notices required to be given the personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Unit Owner is being administered.

H. All remedies for non-compliance provided in the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Declaration and/or the Exhibits attached hereto, upon finding by the Court that the violation claimed was wilful or deliberate, the Unit Owner so violating shall reimburse the Association for reasonable attorneys' fees incurred in prosecuting such action.

I. Subsequent to the filing of this Declaration, the Association when authorized by a vote of the majority of the total voting members of the Association and the Institutional Mortgagees of record encumbering condominium Units who represent the majority of the dollar institutionally mortgaged indebtedness against this Condominium may, together with other owners' associations and/or others, purchase and/or acquire and enter into agreements from time to time, whereby to acquire leaseholds, memberships, and other possessory or use interest in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to lands of the Condominium, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Unit Owners. The expenses of such ownership, rental, membership fees,

operations, replacement and other undertakings in connection therewith shall be Common Expenses together with all other expenses and costs herein or by law defined as Common Expenses.

J. Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Declaration shall liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a Condominium.

K. The captions used in this Declaration and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Declaration or Exhibits hereto annexed.

L. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of the Declaration and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

M. If any term, covenant, provision, phrase or other elements of this Declaration or the Exhibits hereto or the Act are held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Declaration, Exhibits and the Act.

N. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Declaration and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

O. Each Unit Owner by virtue of acceptance of a Deed of Conveyance of a Unit and/or any portion of or interest in the Common Elements and other parties by virtue of their occupancy of Units or use of the Common Elements, hereby approves the provisions hereof and all covenants, terms, conditions, duties and obligations hereof and Exhibits hereto and the Act, and does agree to be bound by all the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

P. No Unit Owner shall bring or have any right to bring any action for partition or division of the Property.

Q. Author: This Declaration was prepared and reviewed by Donald W. Tyler, Esquire, and Anthony R. Taylor, Esquire, of Donald W. Tyler & Associates, Suite 1000, Number One Main Street, Columbia, South Carolina 29201, Bradley Taylor, Esquire, of McRae and Holloway, P.C., 523 Candler Building, 127 Peachtree Street, Atlanta, Georgia 30043.

R. So long as Georgia law limits the period during which covenants restricting lands to certain uses may run, it shall be the duty of the Board to use its best efforts to cause the covenants contained herein, as amended from time to time, to be extended when necessary by filing a document bearing the signature

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of a Majority reaffirming and newly adopting the Condominium Instruments and the covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a Majority shall be binding on all, and each Unit Owner, by acceptance of a deed therefor, is deemed to agree that the Condominium Instruments and the covenants may be extended as provided herein.

IN WITNESS WHEREOF, this Declaration has been executed under seal as of the day and year first above written.

Signed, Sealed & Delivered
In The Presence Of:

Witness

SEA CABIN CORPORATION

By

ATTEST:

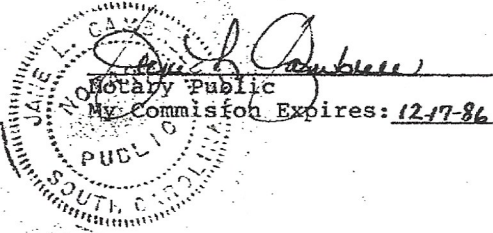


EXHIBIT 1 -- DESCRIPTION OF PROPERTY

202 The property herein submitted as Savannah Beach and Racquet Club Condominium (Phase 1) consists of:

ALL that certain piece, parcel or tract of land together with improvements thereon containing 4.396 acres more or less and designated as Phase I situate, lying and being in the City of Tybee Island, Chatham County, Georgia and being shown and described on a Condominium Plat prepared by Coastal Survey Company, Inc. dated July 30, 1981 which is recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia in Condominium Plan Book 1 Folio 45 and having the following metes and bounds as shown on said plat, to wit: COMMENCING at the southeastern most corner thereon whereon it adjoins the right-of-way of Bay Street and proceeding from thence S66°36'00"W a distance of 462.00' along the right-of-way of Bay Street to a point; from thence turning and proceeding N23°24'00"W for a distance of 75.00' to a point; thence turning and proceeding N66°36'00"E for a distance of 233.13' to a point; thence turning and proceeding N24°28'12"W for a distance of 63.73' to a point; thence turning and proceeding N67°28'12"W for a distance of 75.00' to a point; thence turning and proceeding N24°28'12"W for a distance of approximately 429.53' to a point which is on the high water mark of the Atlantic Ocean (Savannah River); from thence turning and proceeding N59°11'20"E along the high water mark of the Atlantic Ocean (Savannah River) for a distance of approximately 292.70' to a point; from thence turning and proceeding S23°24'00"E for a distance of approximately 594.34' to the point on the right-of-way of Bay Street which was the point of beginning; all measurements being a little more or less reference being craved to said plat for additional description.

TOGETHER WITH all property lying generally north of said tract and between said tract and the high water mark of the Atlantic Ocean (Savannah River) and which lies between the western and eastern boundaries of said tract and the extensions thereof.

IN THE EVENT AND ONLY IN THE EVENT the real property and improvements to be constructed thereon, constituting Phase 2 is added to the Condominium so that it is expanded to constitute both Phases 1 and 2. The real property with improvements which shall constitute Phase 2 is described as follows:

ALL that certain piece, parcel or tract of land with improvements thereon situate, lying and being in the City of Tybee Island, Chatham County, Georgia and comprising 2.605 acres and being shown and described as Phase 2 on a Condominium Plat of Savannah Beach and Racquet Club condominium dated July 30, 1981 prepared by Coastal Surveying Company, Inc. which is filed in the Office of the Clerk of

Superior Court of Chatham County Georgia in Condominium Plan Book 1 at Folio ____; said tract having the following metes and bounds to wit: Beginning at the southwestern most corner of said tract whereon it adjoins the right-of-way of Bay Street and proceeding from thence N23°24'00"W for a distance of 180.00' to a point; thence turning and proceeding N66°36'00"E for a distance of 141.98' to a point; thence turning and proceeding N24°28'12"W for a distance of approximately 421.62' to a point which is on the high water mark of the Atlantic Ocean (Savannah River) and from thence proceeding along the high water mark of the Atlantic Ocean (Savannah River) N59°11'20"E for a distance of 158.97' to a point; from thence turning and proceeding S24°28'12"E for a distance of approximately 429.53' to a point; from thence turning and proceeding S67°28'12"E for a distance of 75.00' to a point; thence turning and proceeding S24°28'12"E for a distance of 63.73' to a point; thence turning and proceeding S66°36'00"W for a distance of 233.13' to a point; from thence turning and proceeding S23°24'00"E for a distance of 75.00' to a point which is on the right-of-way of Bay Street; from thence turning and proceeding S66°36'00"W for a distance of 120.00' along the right-of-way of Bay Street and back to the point of beginning. All measurements being a little more or less, reference being craved to said plat for additional description.

TOGETHER WITH all property lying generally north of said tract and between said tract and the high water mark of the Atlantic Ocean (Savannah River) which lies between the western and eastern boundaries of said tract and the extensions thereof.

IN THE EVENT AND ONLY IN THE EVENT that the Condominium is expanded to add Phase 3 thereof, the real property comprising Phase 3 and upon which the improvements which shall be part of Phase 3 are to be located consists of that certain 3.001 acre parcel which is described as follows:

ALL that certain piece, parcel or tract of land situate lying and being in the City of Tybee Island, Chatham County, Georgia comprising 3.0001 acres and being shown and described as Phase 3 on Plat of Coastal Surveying Company, Inc. dated July 30, 1981 which is recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia, in Condominium Plan Book 1 at Folio ____ and having the following metes and bounds as shown upon said plat, to wit: Beginning at the southwestern most point of said tract whereon it adjoins the right-of-way of Bay Street and proceeding thence N23°24'00"W for a distance of 460.50' to a point; thence proceeding N23°23'58"W for a distance of approximately 106.96' to a point on the high water mark of the Atlantic Ocean (Savannah River) thence turning and proceeding along the high water mark of the Atlantic Ocean (Savannah River) N59°11'20"E for a distance of 264.31' to a point; from thence turning and proceeding S24°28'12"E for a distance of 421.62' to a point;

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thence turning and proceeding S66°36'00"W for a distance of 141.98' to a point; thence turning and proceeding S23°24'00"E for a distance of 180.00' to a point on the right-of-way of Bay Street; thence turning and proceeding S66°36'00"W along the right-of-way of Bay Street for a distance of 128.00' and back to the point which was the point of beginning. All measurements being a little more or less reference being craved to said plat for additional description.

TOGETHER WITH all property lying generally north of said tract and between said tract and the high water mark of the Atlantic Ocean (Savanrah River) and which lies between the western and eastern boundaries of said tract and the extensions thereof.

The aforesaid real property and the particular improvements thereon, which are hereby submitted (and the location of such improvements), are shown and described on the Condominium Plat and Plans, which are incorporated in this description by reference. The improvements consisting of one building within which Units are located and the location of individual Units within the building are located as shown and described upon the Condominium Plat and Plans, which locations and descriptions are also incorporated in this description by reference. Each Unit has appurtenant to it an undivided interest in the common elements as shown and described on the Condominium Plat and Plans, and as described in the Declaration to which this is an Exhibit. All areas not contained within the Units as the term "Unit" is defined in the aforesaid Declaration, constitute common elements. Improvements which constitute common elements are the streets and driveways, sidewalks, parking areas, the swimming pool, pool building, tennis court, all corridors and halls providing access to individual Units and all stairs, stair cases, walkways and the like providing access to such halls and corridors, and all other improvements not contained within or part of any Unit(s).

This conveyance is expressly made subject to all easements, reservations and rights-of-way of record, including those contained within the Declaration and Exhibits thereto, as shown on this Exhibit, as shown on the Condominium Plat and Plans and all others of record.

The swimming pool is rectangular shaped and measures approximately twenty (20') feet at the widest point by forty (40') feet long. There is a diving board at the deep end. It is surrounded by a deck approximately eight (8') feet wide (also part of the common elements). The pool, pool building and deck are located as shown in surveys. The pool machinery and filtering system and restrooms are located in the pool building and are part of the common elements.

Each Unit includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles, and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes or systems serving the dwelling space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designated for the services of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within a Unit, which are not removable without jeo-

pardizing the safety or usefulness of the remainder of the building, shall be deemed to be part of any Unit.

Units numbered 101A through 136A consecutively are located on the first floor.

Units numbered 201A through 236A consecutively are located on the second floor.

Units numbered 301A through 336A consecutively are located on the third floor.

In the event Declarant expands the Condominium as provided for in the Declaration, the Units so added shall comply with the description of the Units above.

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

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ARCHITECT'S CERTIFICATION

I, DAVID M. NICHOLS, an architect duly registered in the State of Georgia, do hereby certify that I have visited the site and viewed the property constituting SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM (PHASE 1), located in the City of Tybee Island, Chatham County, Georgia, and that, to the best of my knowledge, information and belief:

1. The foundation, structural members, exterior walls and roof of each structure contained within said Condominium are complete and in place as shown on the plans and specifications of Savannah Beach and Racquet Club, which are recorded in Condominium Book of Plans 1, Folio 45, in the Office of the Clerk of the Superior Court, Chatham County, Georgia (herein call the "Plans").

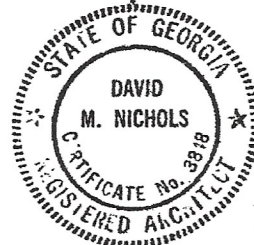
2. The walls, partitions, floors and ceilings, to the extent shown on the Plans as constitute the vertical and horizontal boundaries of each unit within each such structure, are sufficiently constructed and in place to clearly establish the physical boundaries of such unit, and such physical boundaries are as shown on the Plans.

3. Each such structure, to the extent of its stage of completion as of the date of this Certification, is constructed substantially in accordance with the Plans.

This Certification is made in accordance with and is intended to be the certification as called for and provided in the Georgia Condominium Act, Chapter 85-16E, Georgia Code Ann., Georgia Laws, 1975, §85-1620e(b), as amended.

David M. Nichols
DAVID M. NICHOLS, Registered
Architect

DATED: July 30th, 1981



Each Unit Owner owns, in addition to his Unit, an interest in the Common Elements of the Submitted Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Unit in relation to the value of the property as a whole. Such percentage interest in the Common Elements of each Unit Owner shall vary, however, provided that the Declarant expands the Condominium and proceeds with subsequent phases of development. There are three (3) phases of development. Phase 1 consists of one hundred eight (108) residential Units. Phase 2 (if added) will contain an additional sixty-one (61) Units (60 residential Units and one office Unit) and additional Common Elements making a total of one hundred sixty-nine (169) Units. Phase 3 (if added) will contain an additional fifty-four (54) Units and additional Common Elements for a total of two hundred twenty-two (222) residential Units and one (1) office Unit.

The fractional interest in the Common Elements of each Unit Owner of a Unit at each stage of development is shown hereinbelow in this Exhibit. The vote of each Voting Member assigned each Unit represents the percentage of the total votes of all Unit Owners set out below. The vote appurtenant to each Unit in Phase 1 is one (1) vote, in Phase 2 one (1) vote and in Phase 3 one (1) vote. The percentage of the total vote that the vote assigned to each Unit represents is shown depending on whether only Phase 1, or Phase 1 and Phase 2 or Phase 1, Phase 2 and Phase 3 are included within the Condominium hereinbelow in this Exhibit. Such voting rights and the fractional share of the total vote appurtenant to each Unit has been computed by taking as a basis the value of the individual Unit in relation to the value of the property as a whole.

In the event only Phase 1 is included in the Condominium, there shall be appurtenant to each Unit an undivided 1/108th ownership in the Common Elements of the Property and share in the Common Surplus and liability for the Common Expenses and Assessments of the Condominium. The one (1) vote appurtenant to each Unit shall represent 1/108th of the total vote of all Unit Owners in the Condominium.

In the event that Phase 1 and Phase 2 are both completed (a total of 169 Units), there shall be appurtenant to each Unit an undivided 1/169th ownership in the Common Elements of the Property and share in the Common Surplus and liability for the Common Expenses and Assessments of the Condominium. The one (1) vote appurtenant to each Unit shall represent 1/169th of the total vote of all Unit Owners in the Condominium.

In the event that Phase 1, Phase 2 and Phase 3 are all completed (a total of 223 Units), there shall be appurtenant to each Unit an undivided 1/223rd ownership in the Common Elements of the Property and share in the Common Surplus and liability for the Common Expenses and Assessments of the condominium. The one (1) vote appurtenant to each Unit shall represent 1/223rd of the total vote of all Unit Owners in the Condominium.