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**DECLARATION OF CONDOMINIUM
FOR
ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM
(a condominium hotel)**

609 Beachview Drive
St. Simons Island, Georgia 31522

UPON RECORDING RETURN TO:

G. Carroll Palmatary, Esq.
1600 Union Street.
Brunswick, Georgia 31520
(912) 265-0532

AT:146464v3

**DECLARATION OF CONDOMINIUM
FOR
ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM**

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DECLARATION OF CONDOMINIUM
FOR
ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM FOR ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM, (a condominium hotel) (this "Declaration") is made by MSS INVESTMENTS, LLC, ("Declarant"), having his principal place of business located at 507 Ocean Boulevard, St. Simons Island, Georgia 31522.

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being on St. Simons Island, Glynn County, Georgia, as more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "Property").

WHEREAS, certain improvements have been constructed on the Property as shown on the Plat and the Plans which are referenced in Article 3 hereof;

WHEREAS, Declarant has duly incorporated St. Simons Inn by the Lighthouse Condominium Owner's Association, Inc. as a nonprofit membership corporation under the laws of the State of Georgia; and

WHEREAS, Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, *O.C.G.A. Section 44-3-70, et seq.*, as amended (the "Act"), as the same is in effect on the date hereof and the terms and conditions hereinafter set out;

NOW, THEREFORE, upon the recording of this Declaration and the Plat and Plans in the Public Records, the Declarant does hereby submit the Property to the condominium form of ownership pursuant to, subject to and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth and subject to the Permitted Exceptions.

ARTICLE 1: NAME

The name of the condominium is "St. Simons Inn by the Lighthouse Condominium" (the "Condominium").

ARTICLE 2: DEFINITIONS

The terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code. Certain terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall be defined as follows:

2.1. "Act": The Georgia Condominium Act, *O.C.G.A. Section 44-3-70, et seq.*, as amended from time to time.

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2.2. "ARB": The Architectural Review Board for the Condominium, if established, as described in Article 12.

2.3. "Articles of Incorporation" or "Articles": The Articles of Incorporation of St. Simons Inn by the Lighthouse Condominium Association, Inc., filed with the Secretary of State of Georgia, as amended from time to time.

2.4. "Association": St. Simons Inn by the Lighthouse Condominium Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

2.5. "Board of Directors" or "Board": The body responsible for management and operation of the Association as further described in the By-Laws.

2.6. "By-Laws": The By-Laws of St. Simons Inn by the Lighthouse Condominium Association, Inc., attached to this Declaration as **Exhibit "D"** and incorporated herein by this reference.

2.7. "Common Element(s)": That portion of the property subject to this Declaration which is not included within the boundaries of a Unit, as more particularly described in this Declaration.

2.8. "Common Expense(s)": The expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including, but not limited to, (a) those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, including the Limited Common Elements; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Act or Condominium Instruments; and (d) reasonable reserves established for the payment of any of the foregoing.

2.9. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard shall be established by the Declarant initially and may be more specifically determined by the Board of Directors and the ARB.

2.10. "Condominium": All that property described in **Exhibit "A,"** attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration, and such other property as may hereafter be submitted to the provisions of the Act by supplement or amendment to this Declaration, together with all buildings and improvements thereon.

2.11. "Condominium Instruments": This Declaration and all exhibits to this Declaration, including the By-Laws, the Articles of Incorporation, the rules and regulations of the Association, and the Plat and Plans, all as may be supplemented or amended from time to time.

2.12. "Declarant-Related Entity": Any Person or entity which is a parent, subsidiary or affiliate of the Declarant, and/or in which the Declarant or any parent, subsidiary or affiliate of the Declarant or any officer, director, shareholder, partner, member, manager or trustee of any of the foregoing owns, directly or indirectly, not less than fifty percent (50%) of such entity.

2.13. "Development Period": The period of time during which the Declarant or a Declarant-Related Entity owns any portion of the Condominium. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument in the Public Records.

2.14. "Guest Unit(s)": All Units except for any common area or office.

2.15. "Limited Common Element(s)": A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Declaration.

2.16. "Majority": Those votes, Owners, members or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

2.17. "Mortgage": Any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation.

2.18. "Mortgagee": The holder of any Mortgage.

2.19. "Occupant": The Owner(s) or lessee(s) of any Unit and their respective guests, family, tenants, and invitees, or any other Person who either lawfully or unlawfully occupies or comes upon such Unit.

2.20. "Office and Common Area": Any area or office may designated on the Plans for the Condominium recorded in the Public Records as an Office, as such Plans may from time to time be supplemented or amended and as such Units may be altered pursuant to Section 13.2. An office or common area is not a unit.

2.21. "Owner" or "Unit Owner": Each record titleholder of a Unit within the Condominium, but not including a Mortgagee. If a Unit is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

2.22. "Person": Any individual, corporation, firm, association, partnership, trust, or other legal entity.

2.23. "Plans": The plans for the Units and other improvements as recorded in the Public Records and any replacement thereof made by the amendment of this Declaration and recorded in the Public Records.

2.24. "Plat": The plat of survey relating to the Condominium that has been filed in the Public Records.

2.25. "Public Records": The land records in the Office of the Clerk of the Superior Court of Glynn County, Georgia or such other place which is designated as the official location for recording of deeds and plats of survey and similar documents affecting title to real estate in Glynn County, Georgia.

2.26. "Total Eligible Association Vote": The total vote in the Association, less any votes that have been suspended pursuant to Section 8.3.

2.27. "Unit": That portion of the Condominium intended for individual ownership and use, and for which a certificate of occupancy has been issued, as more particularly described in the Condominium Instruments.

ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

The Condominium subject to this Declaration and the Act is located on St. Simons Island, Glynn County, Georgia, being more particularly described in **Exhibit "A"** attached to this Declaration, which exhibit is specifically incorporated herein by this reference. The Plat has been filed in Condominium Plat

Book _____, Page _____, of the Public Records. The Plans have been filed in Condominium Plan Drawer No. _____, Folder No. _____, of the Public Records. The Declarant shall have the right to file additional plans from time to time as necessary or appropriate to further describe the Units or to comply with the Act. The Plat and Plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

During the Development Period, Declarant reserves the right, but shall have no obligation, to make improvements and changes to all or part of the Common Elements and to any Units owned by Declarant (other than changes to the location of Unit boundaries except as expressly permitted herein), including, without limitation, addition and/or realignment of parking spaces (provided that such addition and/or realignment does not materially adversely affect any Limited Common Elements), renovation and installation of changes to utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors, and extension of the drives and utility lines and pipes located on the Condominium.

ARTICLE 4: UNITS AND BOUNDARIES

Upon completion of initial construction the Condominium will be divided into thirty-five (35) Guest Units), the Limited Common Elements and the Common Elements. Each Unit and its appurtenant percentage of undivided interest in the Common Elements shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The Units are depicted on the Plats and Plans. Each Unit includes that part of the structure which lies within the following boundaries:

4.1. Horizontal (Upper and Lower) Boundaries. The upper horizontal boundary of each Unit shall be the plane formed by the lower surface of the wood framing or concrete of such ceiling, so that the drywall, lath and plaster, wallboard, ceiling tile, or other material comprising the ceiling shall constitute a portion of the Unit. The lower horizontal boundary of each Unit shall be the plane formed by the upper surface of the subfloor of such Unit, with the flooring constituting part of the Unit and the subfloor constituting part of the Common Elements.

4.2. Vertical Boundaries. With respect to walls separating the Unit from the exterior of the building or the Unit from a Common Element such as a hallway, the perimetrical or vertical boundaries of each Unit shall be the vertical plane formed by the centerline of the wall separating the Unit from the exterior of the building or from said Common Element. With respect to common walls between Units, the perimetrical or vertical boundary of the Units served thereby shall be the centerline of such walls. The vertical boundaries include the plaster, "sheetrock" or wallboard, or other material comprising the walls of the Unit as they are extended to their intersections with each other and the upper and lower horizontal boundaries of the Unit.

4.3. Additional Information to Interpret Unit Boundaries.

(a) All exterior doors, windows and exterior glass surfaces serving the Unit, including the frames for such items, shall be included within the boundaries of the Unit. All portions of heating and air conditioning systems serving a single Unit (including the compressor and any pipes, wires, or lines serving such system located within or outside the Unit boundaries and all duct work for heating and air conditioning systems) and all appliances and plumbing fixtures within a Unit shall be a part of the Unit. Except as otherwise provided herein, all space, interior partition

(b) s and other fixtures and improvements within the boundaries of a Unit shall be deemed a part of that Unit.

(c) All appliances and plumbing fixtures within a Unit, shall be a part of the unit; provided, however, to the extent that any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially inside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit; all portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

(d) In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

(e) The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

ARTICLE 5: COMMON ELEMENTS

The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. Each Unit is allocated an undivided interest in the Common Elements based upon the square foot measurement of each Unit, as set forth in **Exhibit "C"** attached hereto and incorporated herein by this reference.

Such Common Elements and the percentages of undivided interest allocated to each Unit may be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgages as may hereafter be prescribed by the Act), expressed in a duly recorded amendment to this Declaration. The percentage of undivided interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit.

The Common Elements shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided by the Act or herein. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners. Each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

ARTICLE 6: LIMITED COMMON ELEMENTS

6.1. Designation. The Limited Common Elements and the Unit(s) to which they are assigned are:

(a) to the extent that a patio, terrace, or balcony serving a Unit, together with any enclosure therefor, is not within the boundaries of the Unit, the patio, terrace, or balcony which is appurtenant to such Unit is assigned as Limited Common Element to the Unit having direct access to such patio, terrace, or balcony;

(b) the doorsteps or stoops leading as access to a patio, terrace, or balcony, if any, are assigned as Limited Common Elements to the Unit to which the patio, terrace, or balcony is assigned;

(c) the parking space or spaces which may be assigned to a Unit and which are specified by showing such assignment on the Plat, or on a supplemental plat of survey, or on a supplemental declaration recorded in the Public Records are assigned as Limited Common Elements to Units so designated on the plat or any supplemental plat, provided that parking spaces for use by disabled persons as governed by applicable law, may be re-assigned by the Association to Units or to Occupants that are required by applicable law to have access to such parking spaces;

(d) the portion of the Common Elements on which there is located any portion of the mechanical, electrical, air conditioning, or heating system exclusively serving a particular Unit or Units is assigned as a Limited Common Element to the Unit or Units so served;

(e) any utility meter which serves only one (1) Unit is assigned as a Limited Common Element to the Unit so served; and

The Limited Common Elements are assigned in accordance with Section 44-3-82 of the Act and with the Plans.

6.2. Assignment and Reassignment The Limited Common Elements, once assigned in accordance with Section 6.1 above, are not permitted to be reassigned for any reason. Parking spaces for Persons with disabilities will be designated pursuant to applicable law and shall not be assigned as Limited Common Elements to a particular Unit. Such spaces shall be left open for Owners and Occupants that are permitted to park in such spaces according to applicable law. Additional rules related to parking at the Condominium may be established within the rules and regulations of the Association.

ARTICLE 7: ASSOCIATION MEMBERSHIP AND ALLOCATIONS

7.1. Membership. All Owners, by virtue of their ownership of an interest in a Unit, are members of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration and the Act and in accordance with the By-Laws.

7.2. Votes. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one (1) equally weighted vote for each Unit in which such Owner holds the interest required for membership, which vote shall be appurtenant to such Unit. In any situation where there is more than one (1) Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it. The

membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner or by any individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.

7.3. Allocation of Liability for Common Expenses. Except as otherwise provided herein, each Unit is hereby allocated liability for Common Expenses apportioned in accordance with the percentage of undivided interest in the Common Elements appurtenant to the Unit, as shown on **Exhibit "C"** attached hereto and by reference incorporated herein.

(a) Except as provided below, or in the Act, the amount of all Common Expenses shall be assessed against all the Units in accordance with the allocation of liability for Common Expenses described above.

(b) The Board of Directors shall have the power to assess specifically pursuant to this Section and to Section 44-3-80(b) of the Act, as amended, as in its discretion, it deems appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section.

(c) Any Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting certain Units may be specifically assessed equitably among all of the Units which are benefited according to the proportionate benefit received, as determined by the Board. By way of example and without limiting the foregoing, the Board may, in its discretion, determine that any particular expense shall not be assessed for Common Expenses which can be identified as relating solely to the maintenance, repair, replacement or operation of Limited Common Elements assigned to the Guest Units.

(d) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units, as determined by the Board.

(e) The Condominium shall be served initially by utilities that are submetered. If, in the future, the Condominium is served by any common utility meter, the Board shall have the authority to install submeters and assess individual Unit utility usage charges as specific assessments as provided herein. This shall include the right of the Board to add a charge for the cost of overhead for such submetering against individual Units and/or to install separate utility meters for the Units.

For purposes of Subsection (b) of this Section, non-use or abandonment of Common Elements shall not constitute a benefit to less than all Units or a significant disproportionate benefit among all Units.

ARTICLE 8: ASSOCIATION RIGHTS AND RESTRICTIONS

8.1. Right of Entry. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner

or Occupant of the Unit. No one exercising the rights granted herein shall be liable for trespass or damages by exercising such rights. The failure to exercise the rights herein shall not create any liability to any of the above-referenced parties as no duty by any of the above-referenced parties to enter any Unit exists.

8.2. Rules and Regulations. The Association, acting solely through the Board, shall have the right to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements.

8.3. Right of Enforcement.

(a) The Board, or a committee established by the Board for such purpose, may impose sanctions as provided in Section 44-3-76 of the Act, as amended, for violation of the Condominium Instruments, after compliance with the notice and hearing procedures set forth in Section 3.23 of the By-Laws. Such sanctions may include, without limitation:

(i) the imposition of monetary fines which shall constitute a lien upon the Unit of the violator. Any such fines shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments. In the event that any Occupant of a Unit violates the Condominium Instruments and a fine is imposed, the fine may first be assessed against the Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(ii) the suspension of an Owner's right to vote;

(iii) the suspension of any Person's right to use any recreational facilities within the Common Elements; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit; and

(iv) the suspension of any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

(b) The Association, at its election, may also take the following remedial actions without the necessity of compliance with the notice and hearing procedures set forth in the By-Laws, provided that in doing so the Association complies with the provisions of the Act and this Declaration:

(i) the initiation of a suit at law or in equity to enjoin any violation or to recover monetary damages; and

(ii) the exercise of self-help.

(c) In pursuing any sanction or other action permitted by the Condominium Instruments and the Act, the Association may levy a specific assessment to cover all costs incurred in bringing a Unit into compliance with the terms of the Condominium Instruments, including, without limitation, reasonable attorneys' and other legal fees.

(d) In the event that any Occupant, invitee, tenant or guest of a Unit violates the Condominium Instruments, the Board, or a committee established by the Board for such purpose, may sanction such Occupant, invitee, tenant or guest and/or the Owner of the Unit that the violator is

occupying or visiting. If a fine is imposed, the fine may first be assessed against the Occupant; provided, however, that if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.

(e) In addition, the Board may elect to enforce any provision of the Condominium Instruments by exercising self help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules and restrictions, or the correction of any maintenance, construction or other violation of the Condominium Instruments) without the necessity of compliance with the procedures set forth in the By-Laws.

(f) All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Condominium Instruments, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, reasonable attorneys' and other legal fees actually incurred and court costs in the same manner as an action for collection of assessments.

(g) The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board determines that enforcement action is not justified based upon the particular circumstances. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

(h) The Association, by contract or other agreement, may enforce county, city, state, and federal laws and ordinances, if applicable, and permit local and other governments to enforce laws and ordinances on the Condominium for the benefit of the Association and its members.

8.4. Permits, Licenses and Easements. The Association, acting solely through the Board, shall have the right to grant permits, licenses, utility easements, and other easements over, through and under the Common Elements without a vote of the Owners; provided, however, that the grantee of any such permit, license, or easement shall be responsible for repairing and/or restoring the Common Elements as a result of any damage caused thereto by the existence of any permit, license, or easement granted hereunder.

8.5. Right of Maintenance. The Association, acting solely through the Board or the Board's designee, shall have the right to control, manage, operate, maintain, improve, and replace all portions of the Condominium for which the Association is assigned maintenance responsibility under this Declaration.

8.6. Property Rights. The Association, acting solely through the Board, shall have the right to acquire, hold and dispose of tangible and intangible personal property and real property.

8.7. Casualty Loss. The Association, acting solely through the Board, shall have the right to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Act and this Declaration.

8.8. Governmental Entities. The Association, acting solely through the Board, shall have the right to represent the Owners in dealing with governmental entities in matters related to their ownership of a Unit in the Condominium.

8.9. Common Elements. The Association, acting solely through the Board, or, during the Development Period, the Declarant shall have the right to close temporarily any portion of the Common Elements (excluding the Limited Common Elements and any portions of the Common Elements which deny all access to any Units or Limited Common Elements) for emergency, security or safety purposes or for any such other reasonable purpose as determined in the sole discretion of the Board or Declarant, with no prior notice of such closing to the Owners, for a period not to exceed one (1) year. Furthermore, the Association, acting solely through the Board, shall have the right to permanently close any portion of the Common Element(s) (excluding the Limited Common Elements and any portions of the Common Elements which would deny all access to Units or Limited Common Elements) upon thirty (30) days' prior written notice to all Owners. Any portion of the Common Elements which has been permanently closed may be reopened by the sole action of the Declarant during the Development Period or by action of the Board. Notwithstanding the above, (i) any action to reopen a portion of the Common Elements which will require, in the sole discretion of the Board, the levying of a special assessment, shall be approved in the manner set forth in Section 9.5 prior to becoming effective; and (ii) the Association may not close any portion of the Common Elements over or upon which the Declarant has an easement.

ARTICLE 9: ASSESSMENTS

9.1. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, welfare, common benefit, and enjoyment of the Owners and Occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board of Directors.

9.2. Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs, and reasonable attorneys' and other legal fees actually incurred, and if the Board of Directors so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien may be enforced by suit, judgment and foreclosure in the same manner as Mortgages are foreclosed under Georgia law.

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt itself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Elements, the Association's failure to perform its obligations required under this Declaration, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

9.3. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. Accordingly, the remedies available to the Board include, without limitation, the following:

(a) If any installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date.

(b) If partial payment of assessments and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:

(i) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due;

(ii) to costs of collection, including reasonable attorneys' fees and other legal fees actually incurred by the Association;

(iii) to any unpaid installments of the annual assessment or special assessments in the order of their coming due; and

(iv) if the Board of Directors so elects to the fair rental value of the Unit during the pendency of suit and prior to satisfaction of any judgment which remains unpaid. The fair rental value of the Unit, for the purposes of this Section, shall be as established from time to time by the Board of Directors.

(c) If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall lose the privilege of paying the annual assessment in installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become due and payable, the Association may take any one or both of the following actions, in addition to other remedies permitted by this Declaration:

(i) institute suit to collect all amounts due pursuant to the provisions of the Declaration, the By-Laws, the Act, and Georgia law; and

(ii) suspend a Unit Owner's and/or Occupant's right to use the Common Elements; provided, however, the Board of Directors may not limit ingress or egress to or from the Unit.

(e) If any assessment is delinquent for thirty (30) days or more, in addition to all other rights provided in the Act and this Declaration, and subject to the provisions of Section 44-3-76 of the Act, as amended, where applicable, the Association shall have the right upon ten (10) days written notice, to suspend any utility services, the cost of which are a Common Expense of the Association, including, but not limited to, water, electricity, heat, air conditioning, gas and cable television, to that

Unit until such time as the delinquent assessments and all costs permitted pursuant to this subsection are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including reasonable attorneys' fees, shall be an assessment against the Unit and shall be collected as provided herein for the collection of assessments. The notice requirement of this subsection shall be deemed complied with if the notice is sent by certified mail to the Unit address and to any other address the Owner of the Unit has provided in writing to the Association.

(f) The exercise by the Board of one of the remedies set forth in this Article 9 shall not preclude the Board from exercising other forms of remedies, as the remedies set forth above are cumulative.

9.4. Computation of Operating Budget and Assessment. It shall be the duty of the Board at least thirty (30) days prior to the beginning of the Association's fiscal year to prepare and deliver to the members a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least thirty (30) days prior to the beginning of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by members holding a Majority of the Total Eligible Total Association Vote; provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

If the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the members at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

9.5. Special Assessments. The Board of Directors may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Notice of Special Assessments shall be sent to all Owners. Any special assessment which would cause the average total of special assessments levied in one fiscal year to exceed an average of two hundred dollars (\$200.00) per fiscal year (except as provided herein regarding repair or reconstruction of casualty damage to or destruction of all or part of the Condominium or the replaceable assets as referenced in Section 9.7 below) shall be approved by members holding a Majority of the Total Eligible Association Vote prior to becoming effective. Notwithstanding the above, during the Development Period the Declarant must consent to all special assessments prior to their becoming effective.

9.6. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Condominium that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees or guests. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Declaration, any amendment to this Declaration, the Articles, the By-Laws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing as set forth in Section 3.23 of the By-Laws.

9.7. Capital Reserve Budget and Contribution. The Board may and upon the expiration of the Development Period, shall annually prepare a capital reserve budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. Alternatively, the Board may levy expenses incurred to repair or replace each asset as a special assessment at the time that such asset is replaced in accordance with Section 9.5 of this Declaration. The Board shall set the required capital contribution, if any, in an amount sufficient to meet the projected capital needs of the Association, as shown in the capital budget, to be met with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required, if any, shall be established by the Board and included within the budget and assessment as provided in Section 9.4. A copy of the capital reserve budget, if prepared, shall be distributed to each member in the same manner as the operating budget.

Notwithstanding any other provisions of this Declaration to the contrary, during the time in which the Declarant appoints the members of the Board pursuant to Article 20 of this Declaration, the Declarant shall not be required to prepare a capital reserve budget, set any other capital contribution, or otherwise collect amounts for capital reserves.

9.8. Statement of Account. Any Owner, Mortgagee, or Person having executed a contract for the purchase of a Unit, or lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Unit. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee not to exceed Ten Dollars (\$10.00), or such higher amount as may be authorized by the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.

9.9. Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to nine hundred dollars (\$900.00) per Unit. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. This amount shall be collected from the purchaser of the Unit at Closing and disbursed to the Association into a separately designated account. The Association may not use these funds to cover operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

9.10. Surplus Funds and Common Profits. Pursuant to Section 44-3-108 of the Act, common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's reserve account.

ARTICLE 10: INSURANCE

The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by Section 44-3-107 of the Act, as amended, and as required herein. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of Owners, if any. The Board shall periodically review the insurance coverage policies to ensure compliance with the requirements of this Declaration and Section 44-3-107 of the Act, as amended. Such responsibility may be performed, and shall be deemed reasonably performed, by

requesting the Association's insurance agent to verify that insurance policies in existence meet the needs of the Association and satisfy the requirements of this Declaration and Section 44-3-107 of the Act, as amended. Such insurance shall run to the benefit of the Association, the respective Unit Owners and their respective Mortgagees, as their interests may appear. The Association's policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.

(a) To the extent reasonably available at reasonable cost, the Association's insurance policy may, but shall not be required to, cover any of the following types of property contained within a Unit, regardless of ownership:

(i) fixtures, improvements and alterations that are part of the building or structure and that are part of Declarant's standard improvements at the time of conveyance of the Unit to the first Owner; and

(ii) appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security, or housekeeping to the extent that such appliances are part of the original interior finish of the Unit at the time of conveyance to the first Owner.

If such insurance is not reasonably available, the Association's insurance policy may exclude improvements and betterments made by the individual Unit Owners and may exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet, and any floor covering that are upgrades beyond the standard improvements existing at the time of conveyance of the Unit by Declarant to the first Owner); but each Owner shall have the right to obtain additional coverage for such improvements, betterments or personal property at its own expense.

(b) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of Declarant's standard improvements located within the Condominium that will provide the following:

(i) that the insurer waives its rights of subrogation of any claims against the Board of Directors, officers of the Association, the individual Owners, and their respective invitees and Occupants of the Unit;

(ii) that the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(iii) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;

(iv) that until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees, Occupants or invitees, nor be canceled for nonpayment of premiums;

(v) that the master policy may not be canceled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;

(vi) a construction code endorsement;

(vii) an agreed value endorsement and an inflation guard endorsement; and

(viii) that the deductible amount per occurrence shall not exceed such amount as determined by the Board.

(c) All policies of insurance shall be written with a company licensed to do business in the State of Georgia and holding a rating of XI or better in the "Financial Category" as established by A.M. Best Company, Inc., if available, or, if not available, a comparable rating. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

(d) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto.

(e) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of Directors of all structural improvements made by the Unit Owner to its Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is canceled.

(f) In addition to the insurance required herein above, the Board shall obtain as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million Dollars (\$1,000,000.00) per occurrence (such insurance shall contain a cross liability endorsement);

(iii) fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board of Directors reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (1) the Association maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which the funds are deposited sends copies of the bank statements directly to the Association; or (2) two members of the Board of Directors must sign any check written on the reserve account;

(iv) flood insurance, to the extent that it is required by law or the Board determines it to be necessary; and

(v) such other insurance as the Board of Directors may determine to be necessary.

(g) Insurance carried by the Association as a Common Expense shall not be required to include any portion of a Unit not depicted on the original Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds.

(h) Every Unit Owner shall be obligated to obtain and maintain casualty and liability insurance at all times covering those portions of its Unit to the extent not insured by policies maintained by the Association including all upgrades made to the Unit by Owner as well as the contents of all Units other than those appliances that are part of the standard improvements pursuant to Subsection (a) (ii) above. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association within thirty (30) days from the date of such request. In the event that any such Unit Owner fails to obtain insurance or to provide copies of the policy or policies as required by this Article, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments under Article 9.

(i) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects either multiple Units or the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected owner's portion of the total cost of repair. Notwithstanding the foregoing, subject to Section 44-3-94 of the Act, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to such Owner's Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Article, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Article 9 of this Declaration.

(j) Notwithstanding anything to the contrary contained herein, in the event of an insured loss under the Association's insurance policy for which the Association receives from the insurer payment for a loss sustained by an Owner that is delinquent in the payment of assessments owed to the Association pursuant to Article 9, then the Association may retain and apply such proceeds to the delinquency. Any amount remaining after application of the proceeds to any delinquency shall be paid by the Association to the affected Owner.

ARTICLE 11: REPAIR AND RECONSTRUCTION

If damage to or destruction of all or any part of the Condominium insured by the Association as a result of fire or other casualty, unless Unit Owners entitled to cast eighty percent (80%) of the Total Eligible Association Vote decide not to proceed with the reconstruction and repair of the structure, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure.

11.1. Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing

and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

11.2. Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owners in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

11.3. Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

11.4. Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction shall have been made substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

11.5. Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s) and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

ARTICLE 12: ARCHITECTURAL CONTROL

12.1. Architectural Standards. Except for the Declarant, and except as provided herein, no Owner, Occupant, or any other Person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration or construction (including painting and landscaping), nor erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior of the buildings, in any windows, on any Limited Common Elements, or any other Common Elements, without first obtaining the written approval of the ARB.

The standard for approval by the ARB of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARB may reasonably require. The ARB or its designated representative shall be the sole arbiter of such application

and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board of Directors or the ARB may publish written architectural standards for exterior and Common Elements alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography. The ARB may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

In the event that the ARB fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the ARB may reasonably require have been submitted, its approval will not be required and this Section will be deemed complied with; provided, however, even if the requirements of this Section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Condominium Instruments.

12.2. Architectural Review Board. The ARB shall have exclusive jurisdiction over all construction on any portion of the Condominium. During the Development Period, the Declarant retains the right to appoint and remove all members of the ARB, who shall serve at the Declarant's discretion. The ARB shall consist of one (1) to three (3) members, with the exact number being set from time to time by and in the sole discretion of the Declarant for so long as the Declarant retains the right to appoint and remove ARB members. There shall be no surrender of these rights prior to their expiration as provided above, except in a written instrument in recordable form executed by Declarant; provided, however, that the Declarant may delegate certain authority of the ARB to the Association for such periods of time as the Declarant in its sole discretion may decide. Upon expiration or permanent surrender of such rights, the Board shall set the number of members of the ARB and appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

12.3. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance of such change, modification, addition, or alteration. In the discretion of the ARB, an Owner may be required to verify such condition of approval by written instrument in recordable form acknowledged by such Owner.

12.4. Limitation of Liability. Review and approval of any application pursuant to this article is made on the basis of aesthetic considerations only and neither the Declarant, the Association, the Board of Directors, nor the ARB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ARB, nor members of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Unit.

12.5. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the ARB will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval by either the Board of Directors or the ARB of any proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatsoever which are subsequently or additionally submitted for approval or consent.

12.6. Enforcement. Any construction, alteration, or other work done in violation of this article shall be deemed to be nonconforming. Upon written request from the Board of Directors or the ARB, the Owners by or on behalf of whom any such violation is committed shall, at their own cost and expense, remove such construction, alteration, or other work and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. Should an Owner fail to remove and restore as required hereunder, the ARB shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorneys' and other legal fees, may be assessed against the Unit and collected as an assessment pursuant to this Declaration. In addition to the foregoing, the ARB shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce its decisions and the provisions of this article. Any exterior change, alteration, or construction (including landscaping) upon the Common Elements made by an Owner in violation of this Declaration shall be at such Owner's sole risk and expense. The Board of Directors or the ARB may require that the Owner remove the change, alteration or construction and restore the Common Elements to its original condition, or may require that the change, alteration or construction remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

ARTICLE 13: USE RESTRICTIONS

Each Owner of a Unit shall be responsible for ensuring that the Owner's invitees, guests, tenants, and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's invitees, guests, tenants, or Occupants, as a result of such Person's violation of the Condominium Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's invitees, guests, tenants, or Occupants. Use restrictions regarding the use of Units and the Common Elements are as follows and also as may be adopted by the Board of Directors in accordance with the terms hereof and as specified in the By-Laws.

13.1. Units.

(a) All Guest Units shall be used for residential and transient rental purposes only, including, without limitation, for the use and enjoyment of the amenities available at the Condominium by overnight guests. No business or trade of any kind may be conducted in or from a Unit except as follows:

(i) the leasing of a Unit, as permitted by this Declaration, shall not be considered a business or trade within the meaning of this Section;

(ii) the Declarant shall be permitted to conduct activities with respect to its development and sale of the Condominium or portions thereof, or its use of any Units which it owns within the Condominium;

(iii) the Office may be used for any typical office purpose, including, without limitation, as a real estate sales office or for the facilitation of rental of any of the Guest Units. Notwithstanding the foregoing, no representation is made hereby that the Office will be used for such purposes as activities conducted in the Office may or may not bear any relationship to the Condominium; and

(iv) the Owner or Occupant occupying a Unit may conduct such ancillary business activities within the Unit so long as: (a) the existence or operation of the activity is not detectable by sight, sound or smell from outside the Unit; (b) the activity conforms to all zoning requirements and any other state and/or federal laws governing the Condominium; (c) the activity does not involve regular visitation of the Unit by persons (including, but not limited to, clients, customers, employees, advisors, suppliers, or independent contractors) coming onto the Condominium who are not Occupants of the Condominium, or door-to-door solicitation of residents or Occupants of the Condominium; (d) the activity does not increase traffic or include frequent deliveries within the Condominium other than deliveries by couriers, express mail carriers, parcel delivery services, and other such delivery services; (e) the activity is consistent with the primarily recreational and resort character of the Units and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board; (f) the activity does not increase any insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (g) there are no signs, advertisements or plaques of any nature whatsoever visible from the exterior of the Unit; and (h) the activity does not result in a materially greater use of Common Element facilities or Association services.

(b) The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

13.2. Alteration of Units. Subject to the other provisions of this Declaration, Unit Owners may alter their Units only as follows:

(a) Alterations of Interiors of the Units. If any Owner acquires an adjoining Unit, such Owner may (subject to the prior written approval of the Mortgagees of the Units involved, the prior written approval of the Board, and, during the Development Period, the prior written approval of the Declarant) remove all or any part of any intervening partition or create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. The alterations permitted by this subsection shall not be deemed an alteration or relocation of boundaries between adjoining Units, as defined by Section 44-3-91 of the Act, as amended. The Declarant shall have authority to make the alterations to the interior of those Units owned by the Declarant, a Declarant-Related Entity, or any affiliate of them without the approval of the Association, and the Declarant may execute any required amendment to this Declaration on the Association's behalf pertaining thereto without the need for further Owner approval.

(b) Relocation of Boundaries. Boundaries between adjoining Units may be relocated only in accordance with the provisions of Section 44-3-91 of the Act, as amended, and, during the Development Period, only with the prior written consent of the Declarant. The Declarant shall have the right to relocate boundaries between Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Declaration on the Association's behalf pertaining thereto.

(c) Subdivision of Units. An Owner may not subdivide its Unit in accordance with the provisions and requirements of Section 44-3-92 of the Act, as amended, and this Declaration. After the Development Period has terminated, an Owner must obtain the prior written consent of the Board of Directors in order to subdivide its Unit. Notwithstanding anything to the contrary contained herein, all subdivisions of Units shall be in compliance with the zoning ordinances and other applicable laws that pertain to the Condominium. As of the date of this Declaration, subdivision of Units at the Condominium is not permitted by the applicable zoning conditions.

13.3. Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium, other than by Declarant, at any time, either temporarily or permanently, without the prior written approval of the ARB.

13.4. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on, or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. This prohibition shall not apply to the Declarant.

With the prior written approval of the Board, and subject to any restrictions imposed by the Board, an Owner or Owners or the Declarant may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of itself and its invitees, guests and Occupants, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or item as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

The Board shall have the right to establish rules regulating the use of the Common Elements, including, without limitation, rules limiting the number of persons per unit permitted to enter the swimming pool areas of the Common Elements.

13.5. Use of Limited Common Elements.

(a) Use of the Limited Common Elements is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and such Owner's guests, invitees, and Occupants. The Limited Common Elements are reserved for exclusive use, but are a part of the Common Elements, and the restrictions applicable to the Common Elements pursuant to Section 13.4 shall also apply to the Limited Common Elements.

(b) Except as provided by this Declaration, no objects other than potted plants and patio furniture shall be placed on a balcony or deck assigned as a Limited Common element to a Unit. Only furniture or items for which the color, style and types of materials have been approved by the ARB shall be placed on the balconies and decks. Only clear light bulbs shall be used in balcony and deck light fixtures. This prohibition applies to objects such as, but not limited to, grills, umbrellas, bicycles, laundry garments and towels. Penetration of a balcony or deck is prohibited. Enclosure of a balcony or decks is also prohibited. No Unit Owner may install tile on the floor of such Owner's balcony or deck without the prior written approval of the ARB.

13.6. Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Unit or part thereof, which would be in violation of any

statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with its property or personal rights.

No Owner shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto. No damage to or waste of the Common Elements, or any part thereof, or of the exterior of any building shall be permitted by any Owner or any invitee or guest of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, guests, invitees, or Occupants of its Unit.

13.7. Pets. Whether pets shall be allowed on the premises or the type of pets that may be allowed, shall be subject to the rules and regulations as created by the Property Owner's Assoc.

No pit bull dogs, rottweillers, or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Condominium at any time by any Unit Owner, Occupant, or guest of an Owner or Occupant. Any pet which endangers the health or safety of any Owner or Occupant of any Unit or which creates a nuisance or unreasonable disturbance, as may be determined in the sole discretion of the Board of Directors, must be permanently removed from the Condominium upon seven (7) days' written notice by the Board of Directors. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet. Any pet which, in the sole discretion of the Board, presents an immediate danger to the health, safety or property of any member of the community may be removed by the Board without prior notice to the pet's owner. Notwithstanding the above, the provisions shall not apply to Declarant during the Development Period and service animals in active use for disabled persons shall be permitted within all portions of the Condominium. Additionally, this Section shall not be constructed to interfere with or contravene any provision under the Americans with Disabilities Act, as amended, or any similar applicable federal, state or local law, ordinance or regulation.

13.8. Parking. The Declarant may adopt rules regulating the use of unassigned parking spaces. In the absence of such rules, all unassigned parking shall be available on a first come, first serve basis, with the following limitations (a) vehicles may only be parked in designated, lined parking spaces or in other areas authorized in writing by the Board; (b) each Owner or Occupant and their guests shall be limited to the use of one unassigned parking space regardless of the availability of additional unassigned spaces; and (c) parking at all times is subject to availability, and no guarantee is made that the Owners or Occupants of any Unit shall have use of any additional parking beyond the one space assigned to the Unit as a Limited Common Element.

Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium without being driven for ten (10) consecutive days or longer without prior written Board permission.

Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium. Notwithstanding the above, trucks, vans, commercial vehicles, and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements, but no such vehicle shall remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements, without written consent of the Declarant during the Development Period and, thereafter, the written consent of the Board. If any vehicle is parked in violation of this Section or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity which will tow the vehicle from the Condominium and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle, the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle.

Notwithstanding the foregoing, if a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked other than in a parking space, is parked in a space which has been assigned as a Limited Common Element exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed or booted in accordance with this Section, neither the Declarant, the Association, nor any officer or agent of the Association shall be liability to any person for any claim of damage as a result of the towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

13.9. Abandoned Personal Property. Personal property shall not be kept or allowed to remain upon any portion of the Common Elements, other than on Limited Common Elements, without the prior written permission of the Board. The prohibition contained in this Section shall not apply to the Declarant or to a Declarant-Related Entity.

(a) If the Board or its designee, in its sole discretion, determines that property is being kept, stored, or allowed to remain on the Common Elements or Limited Common Elements in violation of this Section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. Prior to taking any such action, the Board shall place a notice on the personal property and/or on the front door of the Unit occupied by the owner of such property, if known, specifying the nature of the violation and stating that after two (2) days the property may be removed and either discarded or stored. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

(b) If two (2) days after such notice is placed on the personal property and/or the front door of the Unit, the violation continues or thereafter occurs again at any time within six (6) months of such notice, the personal property may be removed in accordance with the original notice, without further notice to the owner or user of the personal property.

(c) Notwithstanding anything to the contrary, the Board, in its discretion, may determine that an emergency situation exists, and the personal property abandoned or stored in violation

of this Section may, without prior notice to the owner or user of the personal property, be removed and either discarded or stored by the Board in a location which the Board may determine; provided, however, the Board shall give to the owner, if known, notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

(d) If personal property is removed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to remove abandoned or improperly stored personal property, as set forth herein.

13.10. Signs. Except as required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Condominium or within or on the doors and windows of the Units without the prior written consent of the ARB or its designee. Notwithstanding the foregoing, (a) the Declarant may approve and erect signs for the purpose of carrying on business related to the development, improvement and sale of Units in the Condominium, and such signs shall not be subject to approval or regulation by the Association, the ARB, or by the Board; and (b) the Owner of the Office Unit shall be permitted to erect and maintain signs and window displays related to the activities performed in the Office Unit, subject to the prior written consent of the ARB or its designee and provided said signs comply with applicable law.

13.11. Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside any Unit, temporarily or otherwise, except as provided herein. Rubbish, trash and garbage shall be placed in proper receptacles in a manner designated by the Board for collection or shall be removed from the Condominium.

13.12. Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest in real property, nor do any act nor allow any condition to exist within such Owner's Unit which will adversely affect the other Units or their Owners or Occupants.

13.13. Unightly or Unkempt Conditions. The pursuit of activities, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Area rugs, cleaning supplies, appliances, furniture and other items shall not be placed or stored outside the Units.

13.14. Heating of Units in Colder Months. During the colder months of the year, in order to prevent breakage of water pipes and the resulting damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. Owners and occupants of each Unit shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to such Unit's thermostat, in good working order and repair. In addition to any other remedies of the Association, the Board of Directors may fine any Owner or occupant of a Unit and/or may cause the water service to the violator's Unit to be discontinued for violation of this Section. Any fine imposed pursuant to this Section shall be deemed an assessment against the violator's Unit and may be collected in the same manner as herein provided for collection of assessments.

13.15. Window Treatments. The color and type of any window treatments that are visible from outside the Unit shall be white, off-white, or beige in color.

13.16. Antennas and Satellite Equipment. Unless otherwise approved in writing by the Board, no Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite equipment on the Condominium. This provision shall not, however, prohibit the Association from constructing or maintaining a central antenna or communications system on the Condominium for the benefit of its members. Notwithstanding the foregoing, the Association shall regulate antennas, satellite dishes or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind only in strict compliance with all federal laws and regulations.

13.17. Replacing the Flooring. Other than the Declarant or a Declarant-Related Entity, no Owner, occupant or any other Person may replace or restore the flooring material on the interior of a Unit which is located above another Unit without first obtaining written approval of the ARB, as set forth in Article 12. Approval by the ARB shall be required, notwithstanding the fact that the proposed change or alteration may be entirely within a Unit. Among other factors, the ARB may consider whether the change will cause noise to any other Unit which will exceed an acceptable level of noise, and whether the weight of such proposed flooring is appropriate and may cause problems to the structure or sub-flooring. Any Owner applying for such approval must provide the ARB with information regarding these factors, as well as any other information requested by the Declarant or the ARB regarding the proposed flooring and its effect.

13.18. Lighting. The only exterior lighting which shall be permitted is approved lighting as originally installed in a Unit or any additional lighting as may be approved by the appropriate reviewing body. Additionally, seasonal decorative lights may be installed by the Unit Owners or their tenants, guests or invitees, with the prior approval of the ARB, during the usual and common season.

13.19. Elevators. The Declarant, during the Development Period, and the Board, thereafter, shall have the right to promulgate rules and regulations regarding use of elevators.

ARTICLE 14: RENTING

The Board shall have the power to make and enforce reasonable rules and regulations and to levy fines, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this article.

14.1. Definition. "Renting," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any Person or Persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

14.2. Renting Provisions. Renting of Units shall be governed by the following provisions:

(a) General. Units may be leased only in their entirety and may be leased to overnight guests, weekly guests, or for long-term rental. Unit Owners must make copies of the Condominium Instruments available to their lessees;

(b) Compliance With Declaration, By-Laws, and Rules and Regulations, Use of Common Elements, and Liability for Assessments. Any rental of a Unit shall be deemed to contain the following provisions, whether or not expressly therein stated, by occupancy of a Unit, and each Owner and each lessee, by occupancy of a Unit, covenants and agrees that any rental of a Unit shall contain the following provisions and that if such provisions are not expressly contained therein, then such provisions shall be incorporated into the rental by existence of this covenant on the Unit:

(i) Compliance With Condominium Instruments. Each Unit lessee shall comply with all provisions of the Condominium Instruments and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of its Unit to comply with the Condominium Instruments and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Condominium Instruments. If a Unit lessee violates the Condominium Instruments and a fine is imposed, notice of the violation shall be given to the Owner of the Unit and the lessee, and such fine shall be assessed against the lessee in accordance with Article 3, Section 3.23 of the By-Laws. If the fine is not paid by the lessee within the time period set by the Board, the Board may assess the fine against the Owner, and the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Declaration, By-Laws and rules and regulations adopted pursuant thereto by the lessee or any Occupant of a Unit is deemed to be a default under the terms of the rental and authorizes the Owner to terminate the rental without liability and to evict the lessee in accordance with Georgia law. The Owner of a Unit hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, By-Laws and rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorneys' and other legal fees and court costs, associated with the eviction shall be an assessment and lien against the Unit.

(ii) Use of Common Elements. A Unit rental automatically transfers and assigns to the lessee, for the term of the rental, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium including, but not limited to, the use of any and all recreational facilities.

(c) Rental Management Company. Each owner may, but shall not be required to place its unit into a rental management program through a rental management company authorized to conduct such activities pursuant to applicable law. Each Owner shall provide to the Association with a copy of any rental management agreement entered into by the Owner. All rental management agreements shall be subject to the terms of the Condominium Instruments. The Association shall recognize the rental management company as Owner's agent with respect to leasing of the Unit, provided that the Owner shall be responsible, ultimately, for all consequences of leasing the Unit.

14.3. Applicability. This Article 14 shall not apply to any leasing transaction entered into by the Declarant, the Association or the holder of any first Mortgage who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

ARTICLE 15: SALE OF UNITS

A Unit Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention within seven (7) days after execution of the transfer or sales documents. The Unit Owner shall furnish to the Board as part of the notice (i) the name and address of

the intended grantee; and (ii) such other information as the Board may reasonably require. This article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of its ownership of the Unit. Upon failure of an Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining its identity.

ARTICLE 16: MAINTENANCE RESPONSIBILITY

16.1. By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of its Unit and all Limited Common Elements assigned to the Unit, except any portion of the Unit or any Limited Common Element which is expressly made the maintenance obligation of the Association as set forth in Section 16.2 below. This maintenance responsibility shall include, but not be limited to, the following: all glass surfaces, windows, window frames, casings, and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting or staining of the exterior surface of exterior doors, and entry doors and door frames of the Unit); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or outside of a Unit's boundaries (including all gas, electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit).

(a) Some Units may contain interior support beams which are load bearing beams. No Owner or Occupant shall do any act which jeopardizes or impairs the integrity of such beams.

(b) In addition, each Unit Owner shall be responsible for:

(i) keeping in a neat, clean and sanitary condition any Limited Common Elements serving its Unit including, without limitation, patios, terraces and balconies;

(ii) performing its responsibility in such manner so as not to unreasonably disturb other persons in other Units;

(iii) promptly reporting to the Association or its agent any defect or need for repairs for which the Association is responsible; and

(iv) paying for the cost of repairing, replacing or cleaning up of any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, its invitees, tenants, or guests, with the cost thereof to be added to and assessed against the Unit Owner as a specific assessment.

16.2. By the Association.

(a) The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes the following:

(i) all Common Elements, including any Limited Common Element, trash chutes and stairs, hallways and corridors serving the Units (except as otherwise expressly provided herein);

(ii) periodic cleaning and/or painting and/or staining of exterior surfaces of the Condominium building, doors and door frames of each Unit, and decks and balconies (but excluding exterior window cleaning), as determined appropriate by the Board, but excluding those exterior items in Section 16.1 hereof that are the responsibility of the Owner; and

(iii) such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any cost-sharing agreement or any contract or agreement for maintenance thereof entered into or assumed by the Association.

(b) Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to, landscaping of Common Elements) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

(c) The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, discharge, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance, or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest or invitee for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or invitee for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this article when such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(d) The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Unit Owner or Occupant. Removal, storage or other protective measures of personal items are also the responsibility of the Unit Owner or Occupant. If the removal, storage, or other protective measures are not taken by the Unit Owner or Occupant and damage occurs due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning, but shall not be responsible for a detailed cleaning. The Board has sole discretion in defining the reasonable level, quality and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such Persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

(e) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner, or (ii) such property is dedicated to any local, state or federal governmental or quasi-governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

16.3. Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly such Owner's obligation with regard to the maintenance, repair, or replacement of items of which such Owner is responsible hereunder, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth the maintenance, repair, or replacement deemed necessary by the Board. Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be assessed against the Unit as a specific assessment and shall be collected as provided herein for the collection of assessments.

If the Board determines that the need for maintenance, repair or replacement is in the Area of Common Responsibility and is caused through the willful or negligent act of an Owner or Occupant, or their guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair or replacement against the Owner or Occupant, which shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

16.4. Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from as members of the Board change. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board. All maintenance of a Unit shall be in conformance with the Community-Wide Standard of the Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Unit without the prior written approval of the ARB as provided in Article 12 hereof.

16.5. Measures Related to Insurance Coverage. The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring all Owners to turn off cut-off valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to maintain smoke detectors; requiring Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Five Hundred Dollars (\$500.00) per Unit in any twelve (12) month period. Any requirement imposed upon the Owners that would exceed Five Hundred Dollars (\$500.00) per Unit in any twelve (12) month period shall require the approval by members holding a Majority of the Total Eligible Association Vote prior to becoming effective.

In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any reasonable requirement made by the Board pursuant to this Section 16.5, the Association, upon ten (10) days' written notice (during which period the Unit Owner may perform the required act or work without further liability), may perform such required act or work at the Unit Owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Section, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of any Unit, except that access may be had at any time without notice in an emergency situation.

16.6. Mold or Mildew. Mold and/or mildew may grow in any portion of the Condominium. The Association and each Owner shall make routine mold, mildew and water intrusion inspections of the portions of the Condominium for which they are responsible to maintain pursuant to this Article 16 and which are accessible without having to conduct invasive testing. Upon discovery of any mold, mildew or water intrusion, the responsible party shall, in a good and workmanlike manner, immediately repair the source of any water intrusion and remediate or replace any building materials that are affected. Remediation of mold and mildew shall be performed in accordance with industry-accepted methods in place at the time of such remediation. Notwithstanding anything to the contrary contained herein, Declarant shall have no obligation to perform any invasive testing or inspections, maintenance or repairs in accordance with this Section and shall not be held liable for any loss or damage caused by the failure of the Association or an Owner to perform their obligations herein.

ARTICLE 17: PARTY WALLS

17.1. General Rules of Law to Apply. Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

17.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.

17.3. Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it, and the Association shall reimburse said Owner(s) for the cost incurred, without prejudice, however, to the Association's right to seek reimbursement from or withhold payment to the Owners or others under any rule of law or provision in this Declaration regarding liability for negligent or willful acts or omissions.

17.4. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 18: EMINENT DOMAIN

In the event of a taking by eminent domain of any portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five percent (75%) of the Total Eligible Association Vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common

Elements to the extent lands are available therefor. The provisions of Article 11, applicable to Common Elements improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE 19: CONDOMINIUM HOTEL OPERATION

19.1. Condominium Hotel Operation. Each Unit Owner by acceptance of a deed for such Owner's Unit acknowledges that the original intended use of the Condominium is for the operation of a condominium hotel. Although the Condominium may be operated as a condominium hotel, no Unit Owner shall be required to (a) participate in any rental management program or other similar arrangement for the renting of such Owner's Unit, (b) use an exclusive rental agent for the renting of its Unit, or (c) be otherwise materially restricted in its occupancy or rental of its Unit. Each Owner hereby understands and agrees that the Unit will be used only in accordance with those purposes permitted by governmental zoning ordinances and use restrictions applicable to the Condominium. Any rental agents and management companies doing business at the Condominium must meet and adhere to the standards established by the Association and be approved, during the Development Period, by the Declarant.

19.2. Management Agreement and Rental Management Program. The Board of Directors of the Association may, but is under no obligation to, enter into a management agreement with a management company to provide management of the Association or the Condominium.

ARTICLE 20: DECLARANT RIGHTS

20.1. Right to Appoint and Remove Directors. The Declarant shall have the right to appoint and remove any member or members of the Board subject to such limitations as set forth below. The Declarant's authority to appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following:

- (a) the date as of which Units to which eighty percent (80%) of the undivided interests in the Common Elements pertain shall have been conveyed by the Declarant to Unit Owners other than a Person or Persons constituting the Declarant;
- (b) the expiration of three (3) years after the date upon which this Declaration is recorded in the Public Records; or
- (c) the date on which the Declarant voluntarily relinquishes such right by executing and recording an amendment to this Declaration, which shall become effective as specified in such amendment.

20.2. Number and Terms of Directors Appointed by Declarant. The Board of Directors of the Association shall be comprised initially of no more than three (3) directors, who shall be appointed, removed, and/or replaced by the Declarant, and whose terms shall expire at the time of expiration of the rights of the Declarant to appoint and remove directors as set forth in Section 20.1 above.

20.3. Sale and Renting of Units. Notwithstanding anything to the contrary contained herein, the Declarant shall have the right to sell or rent Units and to erect and maintain signs to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Declaration regarding signs, sales and leases.

20.4. Construction and Sale Period. Notwithstanding any provisions in this Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, any

amendments thereto, and related documents, during the Development Period, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction and sales activities related to property described on **Exhibit "A"** to this Declaration, including, but without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on, or in the Condominium; the right to tie into any portion of the Condominium with streets, driveways, parking areas and walkways; the right to connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain, and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines, and facilities constructed or installed in, on, under, and/or over the Condominium; the right to carry on sales and promotional activities in the Condominium; and the right to construct and operate business offices, signs, construction trailers, model Units, and sales offices. Declarant and any such builder or developer may use Units or offices owned or leased by Declarant or such builder or developer as model Units and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

20.5. Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Condominium Instruments may be transferred or assigned in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the Act. Upon any such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

ARTICLE 21: EASEMENTS

21.1. Use and Enjoyment. Each Unit Owner and Occupant shall have a right and non-exclusive easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from its Unit over those portions of the Condominium designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

21.2. Utilities and Drainage. To the extent that any sprinkler system or any utility or drainage line, pipe, wire, or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, maintenance, repair, and replacement of such sprinkler system, utility line, pipe, wire, or conduit, with such easement being in favor of the Unit, Units or Common Elements served by the same and in favor of the Association. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct, or wire owned by such Owner, even if such pipe, line, conduit, duct, or wire is located in the Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit or the Common Elements resulting from performance of any such work. All Unit Owners hereby covenant and agree that as finished levels can have varying degrees, such repairs will be complete only to the extent of being

"paint-ready." Components that may require repair or replacement, such as tile or trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board.

21.3. Pest Control. As a Common Expense, the Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Each Unit Owner shall either provide a key to any Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage or injury caused by the dispensing of these chemicals for this purpose.

21.4. Declarant Easements. During the Development Period, the Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (a) an easement for the placement and maintenance of signs, a sales office, a business office, promotional facilities, and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, or sale of the Unit; and (2) a transferable non-exclusive easement on, over, through, under, and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium, and for the purpose of doing all things reasonably necessary and proper in connection therewith. In addition, Declarant shall have an easement to conduct all activities and for exercising all rights set forth in Article 20 of this Declaration. In exercising its easement rights provided herein, the Declarant shall have the right to temporarily close any portion of the Common Elements (including Limited Common Elements).

ARTICLE 22: GENERAL PROVISIONS

22.1. Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees, and invitees, of the Unit acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in and to the Condominium. It shall be the responsibility of each Owner to protect such Owner's persons and property and all responsibility to provide security shall lie solely with each Unit Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium, nor shall either of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measures cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Association, its Board and committees, and Declarant, and any successor Declarant, are not insurers and that each Person using the Condominium assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

22.2. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the By-Laws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

22.3. Amendment. Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding sixty-seven percent (67%) of the Total Eligible Association Vote. As long as the Declarant has the right to appoint the directors of the Association as provided in Article 20, any amendment to this Declaration or the By-Laws shall also require the written consent of the Declarant. In addition, no amendment to this Declaration shall alter the easement rights contained in Section 21.4 without the consent of the Person(s) holding such easement rights. Notice of any meeting at which a proposed amendment will be considered shall state the facts of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the president and secretary of the Association and recorded in the Public Records. Notwithstanding the foregoing, the Declarant or the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration or the By-Laws to comply with any applicable federal, state or local law.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

22.4. Compliance. Every Owner and Occupant of any Unit shall comply with this Declaration, the By-Laws, and the rules of the Association. Failure to comply shall be grounds for an action by the Declarant, the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 8.3.

22.5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Declaration are declared to be severable.

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

22.7. Notices. Notices provided for in this Declaration or the Articles or By-Laws shall be in writing, and shall be addressed to any Owner or Occupant at the address of the Unit and to the Declarant or the Association at the address of their respective registered agents in the State of Georgia. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three business days after mailing by United States Registered or Certified Mail, postpaid, or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

22.8. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

22.9. Indemnification. To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director, ARB member and committee member against any and all expenses, including, but not limited to, attorneys' and other legal fees, imposed upon or reasonably incurred by any officer, director, ARB member or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director, ARB member or committee member may be a party by reason of being or having been an officer, director, ARB member or committee member. The officers, directors, ARB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, ARB members and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director, ARB member and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, ARB member or committee member, or former officer, director or committee member may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

22.10. Disclosures. Each Owner and Occupant acknowledges the following:

(a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

(b) The views from a Unit including, without limitation, the view from the Unit towards the Atlantic Ocean, may change over time due to, among other things, additional development and the removal or addition of landscaping, and the construction of building(s) or other structures between subject property and the Atlantic Ocean. Each Owner agrees to accept the risk that the view from the Unit may be impaired.

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(d) No representations are made regarding the schools that currently, or which may in the future, serve the Condominium.

(e) Since, in every neighborhood, there are conditions which different people may find objectionable, it is acknowledged that there may be conditions outside of the Condominium property which an Owner or occupant may find objectionable and that it shall be the sole responsibility of the Owners and occupants to become acquainted with neighborhood conditions which could affect the Units.

(f) No representations are made that any Unit is or will be soundproof or that sound may not be transmitted from one (1) Unit to another.

(g) Noise may emanate from the office space or common area located within the Condominium.

(h) Other than any Plat and Plans which have been filed of record, any Unit floor plan received by a prospective Unit Purchaser and the dimensions and square footage shown thereon are only approximations. Any such Purchaser who is concerned about any representation regarding any such Unit floor plan should conduct his/her own investigation as to the dimensions, measurements and square footage of the Unit in question.

(i) All Owners and Occupants acknowledge and understand that the Declarant may be renovating portions of the Condominium and/or engaging in other construction activities related to the construction of the Common Elements. Such construction activities may produce, from time to time, certain conditions on the Condominium, including, without limitation: (a) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (b) smoke; (c) obnoxious odors; (d) dust and dirt; (e) unusual fire or explosion hazards; (f) temporary interruption of utilities; and/or (g) other conditions that may threaten the safety or security of Persons on the Condominium. Notwithstanding the foregoing, all Owners and Occupants agree that such conditions on the Condominium resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause the Declarant and its agents to be deemed in violation of any provision of this Declaration.

(j) Exposed concrete surfaces in portions of the Condominium that are not heated and/or cooled are subject to cracking due to water penetration, expansion and contraction of the concrete with temperature changes, building settlement, and such other similar causes.

(k) Typical residential uses may cause condensation to appear on the interior portion of the windows and the glass surfaces causing fogging to occur. If left unattended and not properly maintained by Owners and Occupants, the condensation may increase resulting in staining; damage to surrounding seals, caulk, paint, woodwork and sheetrock; and, potentially, the growth of mildew and/or mold.

ARTICLE 23: PREPARER

This Declaration was prepared by G. Carroll Palmatary, Attorney at Law, 1600 Union Street, Brunswick, Georgia 31520.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal, this 15
day of September 2005.

DECLARANT:

MSS INVESTMENTS, L.L.C.
a Limited Liability Company

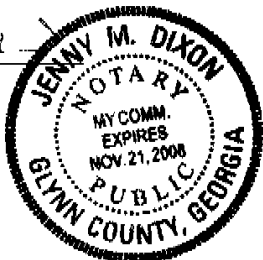
Signed, sealed, and delivered
in the presence of:

[Signature]
Witness

Jenny Dixon
Notary Public

My Commission Expires:

NOTARIAT SEAL



By: [Signature] (SEAL)
Name: J. P. [Signature]
Member _____

The undersigned, First National Bank & Trust Company located in Metter, Georgia hereby joins in the execution of this Declaration of Condominium solely as a consequence of holding the Deed to Secure Debt on said property from MSS Investments, LLC.

This 15th day of September, 2005.

Signed, sealed and delivered on this

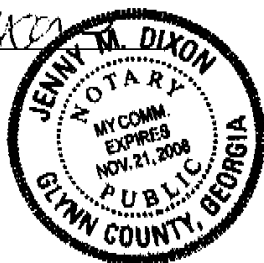
15 day of Sept, 2005:

[Signature]
Witness

Jenny Dixon
Notary Public

Notary Public

State of Georgia



FIRST NATIONAL BANK & TRUST:

BY: [Signature]

Dennis Allen

It's: County President

LEGAL DESCRIPTION

EXHIBIT "A"

ALL of those certain lots, tracts or parcels of land situate lying and being on St. Simons Island, Glynn County, Georgia as shown and depicted upon the recorded map and plan of St. Simons Beach Subdivision, said property having been more recently surveyed by Charles L. Johnson, Georgia Registered Land Surveyor No. 2640 dated August 9, 2005 and being all of St. Simons Beach Lot No. 176 and the easterly 45 feet of St. Simons Beach Lot No. 178. Said lots lie together forming one parcel of land. To locate the point of beginning commence at the intersection of the westerly line of 12th Street with the northerly line of Beachview Drive and run thence north 64 degrees 45 minutes 00 seconds west along the northerly line of Beachview Drive a distance of 50.00 feet to a point which is the point or place of beginning. From said point or place of beginning, continue north 64 degrees 45 minutes west along the northerly right of way of Beachview Drive a distance of 95.00 feet to a point; thence turn and run north 25 degrees 29 minutes 00 seconds east a distance of 150.00 feet to a point on the southerly right of way of Oglethorpe Avenue; thence south 64 degrees 45 minutes 00 seconds east a distance of 95.00 feet to a point; thence south 25 degrees 29 minutes 00 seconds west a distance of 150.00 feet to at the point or place of beginning.

Reference is hereby made to the aforesaid map and plat and survey and the record thereof for all further purposes of description and identification and all other purposes.

C:\RESIST\CO.LD

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EXHIBIT "A"

CONDOMINIUM SURVEY

EXHIBIT "B"

That certain survey prepared by Johnson Land Surveyors and signed by Charles L. Johnson, Georgia Registered Land Surveyor No. 2640 dated August 9, 2005 entitled "Map to show Condominium Survey of St. Simons Inn by the Lighthouse Condominium" Lot 176 and a portion of Lot 178, St. Simons Beach, St. Simons Island, 25 District G.M., Glynn County, Georgia, said survey consisting of one sheet and being filed with the Office of Clerk of Superior Court of Glynn County, Georgia in Cabinet 1 as Plat No. 141B.

EXHIBIT "C"

CONDOMINIUM PLANS

The plans for St. Simons Inn by the Lighthouse are those certain architectural plans prepared by F. Larry Evans, Georgia Registered Architect No. 3068 dated September 1, 2005 and consisting of Sheets No. A101, A102, A103, A201, A202, and A203 which are filed in the Office of the Clerk of Glynn Superior Court in Condominium Plan Drawer VI as Sheets No. 22-A thru 22-E.

EXHIBIT "D"

UNDIVIDED INTEREST IN THE COMMON ELEMENTS
AND LIABILITY FOR EXPENSES

<u>Unit Number</u>	<u>Ownership Percentage</u>
100	2.8571%
102	2.8571%
106	2.8586%
107	2.8571%
108	2.8571%
109	2.8571%
110	2.8571%
111	2.8571%
112	2.8571%
113	2.8571%
114	2.8571%
115	2.8571%
116	2.8571%
117	2.8571%
200	2.8571%
202	2.8571%
203	2.8571%
204	2.8571%
205	2.8571%
206	2.8571%
207	2.8571%
208	2.8571%
209	2.8571%
210	2.8571%
211	2.8571%
212	2.8571%
213	2.8571%
214	2.8571%
215	2.8571%
216	2.8571%
217	2.8571%
302	2.8571%
303	2.8571%
304	2.8571%
305	2.8571%
TOTAL 35	100%

AT:146464v3

ARTICLES OF INCORPORATION
OF

ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM OWNER'S ASSOC., INC.

I.

NAME:

The name of the Corporation is:

"ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM OWNER'S ASSOC.,
INC.."

II.

AUTHORITY AND DURATION:

This Corporation is organized pursuant to the provisions of the Georgia Non-Profit Corporation Code, Georgia Laws, 1963, Page 571, as amended, and shall have perpetual duration.

III.

PURPOSE:

The Corporation does not contemplate any pecuniary gain or profit, direct or indirect, to its members, and no part of the net earnings, if any, shall inure to their benefit. The purposes for which the Corporation is formed are: To promote the health, safety and welfare of condominium owners of the St. Simons Inn by the Lighthouse Condominiums as set forth in the Declaration of St. Simons Inn by the Lighthouse Condominiums; to exercise the powers and responsibilities set forth in the Declaration and as otherwise provided by law; to fix assessments; provide for common expenses; and, where permitted by law, to do any other thing, act or undertaking as, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the condominium owners.

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pg 508

IV.

LIMITATIONS:

The Corporation is not organized and shall not be operated for pecuniary gain or profit. No part of the property of the Corporation and no part of its net earnings shall inure to the benefit of any director, or other private individual. The Corporation shall never be authorized to engage in a regular business of a kind ordinarily carried on for profit or in any other activity except in the furtherance of the purposes stated above for which the Corporation is organized. The Corporation shall never engage in propaganda, attempt to campaign on behalf of any candidate for public office, nor shall any part of its property nor any part of the income therefrom be diverged to such purposes.

V.

MEMBERSHIP:

Every condominium owner as defined in the Declaration of St. Simons Inn by the Lighthouse Condominiums, as amended from time to time, shall be a member of the Corporation so long as such person continues as an owner provided that no person or entity who holds an interest or title interest merely as security or collateral for the performance of any obligation shall be deemed to be a member of the Corporation. Membership in the Corporation shall automatically transfer, with each deed transferring ownership.

VI.

VOTING RIGHTS:

The voting shall be on a percentage basis and the percentage of votes to which each member is entitled is the percentage of ownership as outlined in the Declaration of St. Simons Inn by the Lighthouse Condominiums and the percentage of liabilities for common expenses as set forth

in the Exhibit to said Declaration. Said percentage may not be divided and the vote shall not be cast in part. Voting rights may only be amended as set forth in the Declaration of St. Simons Inn by the Lighthouse Condominiums.

VII.

BOARD OF DIRECTORS:

The affairs of the Corporation shall be managed by a Board of Directors who shall be members of the Corporation. The initial Board of Directors shall consist of one (1) director who shall hold office until the election of their successors.

VIII.

DISSOLUTION:

The Corporation may be dissolved only with the assent given, in writing, and signed by the members entitled to cast seventy-five percent (75%) of the votes in the Corporation. Written notice of a proposal to dissolve setting forth the reason therefor and the disposition to be made of the assets (in accordance with these Articles and the By-Laws of the Corporation) shall be mailed to every member, and every mortgage holder of a condominium, at least ninety (90) days in advance of any action taken on a proposal to dissolve the Corporation.

IX.

DISPOSITION OF ASSETS UPON DISSOLUTION:

Upon dissolution of the Corporation, the assets, both real and personal of the Corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation. In the event that such dedication is refused acceptance, such assets shall be granted,

conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted by the Corporation. No such disposition of Association properties shall be effective to divest or diminish any right or title to any member vested in him under the Declaration of St. Simons Inn by the Lighthouse Condominiums and deeds applicable to the properties unless made in accordance with the provisions of such Declaration and deeds.

X.

AMENDMENTS:

The Articles may be amended in accordance with the law, provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision, and provided further that no amendment shall be effective, to impair or dilute any rights of members that are governed by the recorded Declaration of St. Simons Inn by the Lighthouse Condominiums applicable to the property (as for example, membership and voting rights) which are part of the property interest created thereby.

XI.

REGISTERED AGENT, DIRECTORS AND INCORPORATORS:

The initial registered office of the Corporation is located at 507 Ocean Boulevard, St. Simons Island, Georgia, 31522, and its registered agent at such address is Thomas D. Stewart, Jr.. The initial Board of Directors shall be constituted of one (1) member, whose names and addresses are as follows:

Thomas D. Stewart, Jr.
507 Ocean Blvd.
St. Simons Island, Glynn County, GA 31522

XII.

The name and address of the Incorporator is:

Thomas D. Stewart, Jr.
507 Ocean Boulevard
St. Simons Island, Glynn County, GA 31522

XIII.

The mailing address of the principal office is:

507 Ocean Boulevard
St. Simons Island, GA 31522

XIV.

AMENDMENT TO BY-LAWS:

The By-Laws of the Corporation may be altered, amended or appealed and new By-Laws adopted, only by vote of the members as provided by such By-Laws and Declaration of St. Simons Inn by the Lighthouse Condominiums, provided such provisions shall be consistent with the voting requirements and with the quorum requirements of these Articles of Incorporation.

IN WITNESS WHEREOF, the Incorporator does execute these Articles of Incorporation by and through his attorney at law this the 13 day of Sept, 2005.

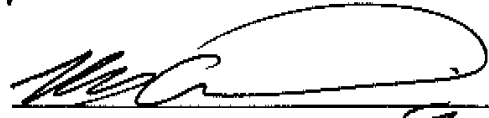

THOMAS D. STEWART, JR.

CONSENT TO APPOINTMENT AS REGISTERED AGENT

TO: Secretary of State
Ex-Officio Corporation
Commissioner
State of Georgia

I, Thomas D. Stewart, Jr., do hereby consent to serve as registered agent for the Corporation, "ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUMS OWNERS ASSOC., INC.".

This the 13 day of Sept, 2005.


THOMAS D. STEWART, JR.

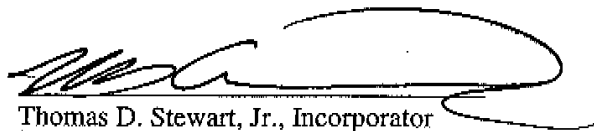
Address of Registered Agent:

507 Ocean Boulevard
St. Simons Island, GA 31522

CERTIFICATE OF INCORPORATOR

I, the undersigned, hereby certify that the request for publication of Notice of Intent to File Articles of Incorporation and the payment therefor have been made as is required by O.C.G.A. Section 14-2-201.1(b) and that a copy of the same is attached hereto and the same has been delivered to an authorized newspaper as required by law.

This the 13 day of Sept, 2005.


Thomas D. Stewart, Jr., Incorporator

BY-LAWS

OF

ST. SIMONS INN BY THE LIGHTHOUSE CONDOMINIUM OWNERS ASSOC., INC.

1. Authority: These By-Laws are established pursuant to Georgia law and the Declaration of Condominium (hereinafter referred to as "Declaration") by Thomas D. Stewart, Jr. (hereinafter referred to as "Owner"). The law and the Declarations are incorporated herein by reference.

2. Name: The name of this Association shall be "St. Simons Inn by the Lighthouse Condominium Owners Assoc., Inc.", an association of condominium owners.

3. Powers: The Association shall have all of the powers and duties as set forth in the law, except as modified by the Declaration and these By-Laws, and all other powers and duties reasonably necessary to operate and maintain the Property on the principles and standards set forth in the Declaration, these By-Laws and the other condominium documents.

4. Membership: The membership of the Association shall consist of all of the records owners of the condominiums. Each condominium owner shall automatically become a member of the Association upon acquisition of title to a condominium, and the membership of the prior owner shall be automatically terminated upon transfer of his entire title. However, execution of a mortgage shall not entitle the mortgagee to membership and shall not terminate the membership of the owner executing such mortgage.

5. Applicability: These By-Laws shall apply to the Property known as 609 Beachview Drive, St. Simons Island, Georgia, 31522, said property being more particularly described in the Declaration, and shall be binding upon all condominium owners, their lessees, grantees, heirs, executors, administrators, devisees, successors and assigns, and on all other persons occupying or

using said property in any manner. The ownership, rental or occupancy of any condominium shall constitute acceptance and ratification of these By-Laws and all other condominium documents.

6. Board of Directors:

A. Number: The affairs of the Association shall be governed by Board of Directors (hereinafter referred to as "Board") composed of four (4) members, all of whom must at all times during their services as Directors be owners of condominiums or an officer or employee of a mortgagee, or officers or employees of a corporation owning one or more condominium.

B. Powers: The Board shall have all the powers and duties necessary to administer the affairs of the Association and to do all things on behalf of the Association as are not by law nor by the Declaration directed to be done otherwise. The property and the business of the Association shall be managed by its Board of Directors.

C. Management: The Board may employ for the Association a management agent or agents and such personnel as the Board may deem necessary under such terms and compensation and with such duties as the Board may authorize.

D. Election and Term of Office: At the first meeting of the Association, one (1) Director shall be elected for the term of one year. The Director shall serve a term of one year and be elected at the annual meeting or at such other meeting of the Association as shall be called for such purpose. A Director shall hold office until his successor has been elected and takes office.

E. Vacancies: Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the remaining Director, even though they may constitute less than a quorum; and each person so elected shall hold office until a successor is elected at the next annual meeting of the Association, unless sooner removed.

F. Removal of Directors: At any regular or special meeting of the Association, any of the Directors may be removed with or without cause by a vote of one hundred percent (100%) of the total authorized vote of the Association members, and a successor may then and there be elected by majority to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting prior to the vote on his removal.

G. Organizational Meeting: The first meeting of the first Board shall be held within ten (10) days after election at such time and place as shall be determined by the Directors.

H. Regular Meetings: Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. At least one regular meeting shall be held during each calendar year. Written notice of the time and place of regular meetings of the Board shall be given to each Director at least three (3) days prior to the day named for such meeting.

I. Spccial Meetings: Special meetings of the Board may be called on ten (10) days written notice to each Director, which notice shall state the time, place and purpose of the meeting.

J. Waiver of Notice: Any Director may waive notice of a meeting by written waiver executed before, at or after the meeting. Attendance by a Director at any meeting of the Board shall be a waiver of notice of such meeting.

K. Board of Directors Quorum: At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn

the meeting from time to time. Any business which might have been transacted at any adjourned meeting as originally called may be transacted at any adjourned meeting at which a quorum is present, without further notice.

7. Association Officers:

A. Number and Election: There will be elected by and from the Board an Association President (who shall also be the Chairman of the Board), a Secretary and a Treasurer. The Secretary and Treasurer may be the same person. The Directors may appoint such other officers from the Association membership as in their judgment may be needed.

B. President: The President shall also serve as Chairman of the Board of Directors and shall be the chief executive officer of the Association. The President shall be in charge of the general management of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall be ex officio a member of all standing committees, unless otherwise provided in the resolution appointing the same. The President shall call meetings of the members of the Association and the Board of Directors to order and shall preside at such meetings. The President shall also have such powers and perform such duties as are specifically imposed upon him by law and as may be assigned to him by the Board of Directors.

C. Secretary: The Secretary shall attend all sessions of the Board of Directors and all meetings of the Association and record all votes and the minutes of all proceedings in books to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, any notice required to be given of any meetings of the Association and of the Board of Directors, and shall perform such other duties as may be prescribed

by the Board of Directors or the President, under whose supervision he shall be. The Assistant Secretary shall, in the absence or disability of the Secretary, or at his request, shall perform the duties of the Secretary and exercise the powers and authority of this office.

D. Treasurer: The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Association, and shall deposit, or cause to be deposited, in the name of the Association, all monies or other valuable effects, in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Association, and in general, he shall perform all the duties incidental to the office of a Treasurer of a corporation, and such other duties as may be assigned to him by the Board of Directors or the President.

E. In case of the absence of any officer of the corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate, for the time being, any or all of the powers or duties of such officer to any officer or to any director.

F. Term: The officers shall be elected annually and shall hold office at the pleasure of the Board.

8. Indemnification and Compensation of

Officers and Directors:

A. Indemnification: Each Director and each officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or

officer at the time such expenses were incurred. However, no indemnification shall be paid to a Director or officer who is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties.

B. Compensation: No Director or officer shall receive any fee or compensation for services performed by him unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the condominium owners.

9. Association Meetings:

A. Place of Meeting: Meetings of the Association shall be held in Glynn County, Georgia, at such suitable place convenient to the members as may be designated by the Board, except that the owners shall designate the place of the first meeting.

B. Annual Meeting: The first meeting of the Association shall be held within one hundred eight (180) days after the filing of the Declaration. Thereafter, the annual meeting of the Association shall be held on the first day of _____ of each calendar year, unless such day is a legal holiday, in which event the meeting shall be held on the next succeeding business day.

C. Special Meetings: The President may call a special meeting of the Association at any time and he shall be required to call a special meeting of the Association if directed by a majority of the Association members and presented to the Secretary. The call of a special meeting shall be by notice stating the time, the place, the purpose and the order of business of such special meeting. Only the business stated in the notice may be transacted at a special meeting.

D. Notice of Meeting: It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each condominium owner at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days of any other meeting. The mailing of such notices shall be considered notice served. Any member may waive notice of a meeting by written waiver executed before, at or after the meeting. Any members attending a regular meeting or special meeting shall be deemed to have waived notice of such meeting. The notice of the meeting shall state the time, place and purpose of such meeting.

E. Order of Business: The order of business at all annual meetings shall be as follows:

- (1) Roll call.
- (2) Proof of notice of meeting.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of officers.
- (5) Reports of committees, if any.
- (6) Election of inspectors of election.
- (7) Election of Directors.
- (8) Unfinished business.
- (9) New business.

F. Quorum. At all meetings, regular or special, the presence of members entitled to vote shall constitute a quorum.

G. Rules of Order: Except as may be otherwise provided herein, the parliamentary conduct of all meetings of the Board of Directors or of the Association shall be governed by Roberts Rules of Order.

10. Voting by Members of the Association:

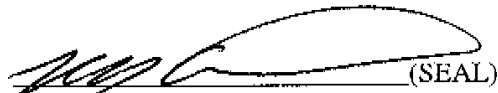
A. Percentage of Vote: Voting shall be on a percentage basis and the percentage of the vote to which each member is entitled is the percentage of the ownership of the Common Elements assigned to the condominium or condominiums owned by such member. Said percentage shall not be divisible and the vote thereof may not be cast in part.

B. Designation of Voting Representative: If a condominium is owned by one person, his right to vote shall be established by the record title to his condominium. If a condominium is owned by more than one person or is under lease, the person entitled to cast the vote for the condominium shall be designated by a certificate signed by all of the record owners of the condominium and filed with the Secretary. If a condominium is owned by a corporation, the person entitled to cast the vote for the condominium shall be designated by a certificate of appointment signed by the president or vice president of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until written notice of a change in the ownership of the condominium concerned is delivered to the Secretary of the Association. Whenever the decision of a condominium owner is desired upon any matter, whether or not the subject of a vote at an Association meeting, such decision shall be expressed by the person who would be entitled to cast the vote of such condominium in an Association meeting.

C. Proxy. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary at or before the appointed time of each meeting.

11. Amendment. These By-Laws may be amended only at a duly constituted annual or special meeting of the Association, the notice of which states that consideration of such proposed amendment is a purpose of the meeting. These By-Laws may be amended only by the affirmative vote of members entitled to cast 51% or more of the total vote of the Association.

Adopted as the By-Laws of St. Simons Inn by the Lighthouse Condominiums Owners Assoc., Inc. at the organization meeting of the Board of Directors held on the 13 day of September, 2005.


(SEAL)
THOMAS D. STEWART, JR.

Ratified as the By-Laws of St. Simons Inn by the Lighthouse Condominiums Owners Assoc., Inc. at the first regular meeting of members of the Association held on the 13 day of September, 2005.

C:\WP51\BP-553

EXHIBIT "G"

**BUDGET OF ST. SIMONS INN
HOMEOWNERS ASSOCIATION
SEPTEMBER 2005 - AUGUST 2006**

Income**Cost per month****# of Units****\$248.00 per unit****35****Expenses****\$104,160.00**

Trash	\$1,200.00
Cable TV	\$6,300.00
Pest Control	\$750.00
Water & Sewer	\$7,580.00
Gas & Electric	\$9,450.00
Landscape	\$2,000.00
Elevator Maint.	\$2,400.00
Flood & Hazard Insurance	\$24,000.00
Repairs & Maint.	\$20,000.00
Pool	\$1,800.00
Property Tax	\$22,600.00
Office Supplies	\$600.00
Reserve-Maintenance	\$5,000.00
Professional Fees	\$400.00

TOTAL**\$104,080.00****Net Income / Loss****\$80.00**

1 week 11.000

August 20, 2009

Glynn County Clerk of Superior Court

St. Simons Inn by the Lighthouse
609 Beachview Dr., St. Simons Island, Ga. 31522
Glynn County

AMENDMENT TO DECLARATION OF CONDOMINIUM
Deed Bk. 1766 Page 461

In accordance with the St. Simons Inn by the Lighthouse condominium board of directors meeting on July 2nd, 2009, the following changes to the Declaration of Condominium dated September 13th, 2005 are hereby made:

Page 6 Para. 2.6 "By-Laws" line 2, change "Exhibit D" to "Exhibit F."

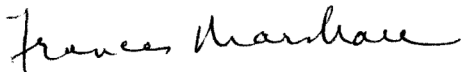
Reason for change: To correct a mistake. Exhibit D is the unit numbers and common elements %. The change makes exhibits consistent with the table of contents.

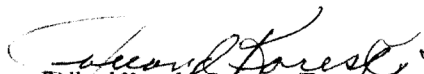
Exhibit F "By-Laws" Para. 6. Board of Directors sub para. A Number line 2 change "composed of four (4) members to read "composed of a minimum of three (3) members."

Reason for change: To provide consistency with Para. 7 of the BY-Laws , which states the "Secretary and Treasurer may be the same person."

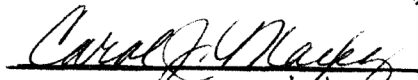
Exhibit F "By-Laws" change para F Term to read "the officers shall be elected at the annual meeting or special meeting called for that purpose, and shall hold office for a three (3) year term. Add a sentence to Para. F to read "The board of directors will elect the new board."

Reason for change: To stipulate term limits for the directors.


Frances (Bunny) Marshall, President


Rolland Koreski, Secretary/Treasurer


Meredith O. Stubbs
Notary


Carol J. Hayes
Witness



After filing, please return to: Frances Marshall, 649 Dellwood Ave., St. Simons Island, Ga. 31522