DECLARATION OF SHADOW BROOKE VILLAGE CONDOMINIUMS
Demere Road
St. Simons Island, Georgia

202915

WHEREAS, DEMERE MARSH ASSOCIATES, L.L.C. (hereinafter referred to as "Declarants") own certain property located on St. Simons Island, Glynn County, Georgia, being more particularly described in Exhibit "A" attached hereto and incorporated by this reference (the "Land") ; and

WHEREAS, Declarants desire to submit said Land to the provisions of the Georgia Condominium Act, O.C.G.A. Section 44-14, et. seq. , as amended from time to time; and

WHEREAS, Declarants are constructing two (2) buildings to contain twelve(12) individual residential units upon the Land described in Exhibit "A" attached hereto (which portions of the Land, together with the improvements thereon, shall be referred to as the "Submitted Property"), and the Declarants desire to submit the real property described in the attached Exhibit 'A" to the provisions of the Georgia Condominium Act provided for herein and, at Declarant's option, to expand the Condominium by submitting additional property; and

WHEREAS, the boundary survey which delineates the Property, together with the improvements being constructed upon the Property, is identified in Exhibit "B" attached hereto which, by this reference, is made a part hereof.

DECLARATION

NOW, THEREFORE, the Property described on Exhibit "A" is hereby submitted to the condominium form of ownership as provided for in this Declaration and the Submitted Property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which shall be binding upon all parties having or acquiring any right, title or interest in the Condominium Property or any part thereof and shall inure to the benefit of each owner thereof and to their respective successors in title.

The name of the condominium shall be "SHADOW BROOKE VILLAGE CONDOMINIUMS".

ARTICLE I

DEFINITIONS

Section 101. Definitions: Except as provided herein, the definitions set forth in O.C.G.A. Section

Recorded 10/22/02
Lila B. Jamaky
Clerk Superior Court

44-3-71 et. seq. shall apply to this Declaration and all other Instruments covering the Condominiums described herein.

(1) "Additional property" means any property which may be added to an expandable condominium in accordance with the provisions of the declaration and the Georgia Condominium Act.

(2) "Association" means a corporation formed for the purpose of exercising the powers of the association of any condominium created pursuant to the Georgia Condominium Act.

(3) "Board of Directors" or "Board" means an executive and administrative body, by whatever name denominated, designated in the condominium instruments as the governing body of the association.

4) "Code or Code Section" means or refers to the Official Code of Georgia Annotated and the Georgia Condominium Act.

5) "Common Elements" means all portions of the condominium other than the units.

6) "Common Expenses" means all expenditures lawfully made or occurred by or on behalf of the association together with all funds lawfully assessed for the creation and maintenance of reserves pursuant to the provisions of the condominium instruments.

7) "Common Profits" means all income collected or accrued by or on behalf of the association other than income derived from assessments pursuant Code Section 44-3-80.

(8) "Condominium" means the property lawfully submitted to the Georgia Condominium Act by the recordation of condominium instruments pursuant to the Georgia Condominium Act. No property shall be deemed to be a condominium within the meaning of this Declaration unless undivided interests in common elements are vested in the unit owners.

9) "Condominium Instruments" means the declaration and plats and plans recorded pursuant to the Georgia Condominium Act. Any exhibit, schedule, or certification accompanying a condominium instrument and recorded simultaneously therewith shall be deemed an integral part of that condominium instrument. Any amendment or certification of any condominium instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument so long as such amendment or certification was made in accordance with the Georgia Condominium Act.

10) "Condominium unit means a unit, as defined in Paragraph 26 of O.C.G.A. Section 44-3-71, together with the undivided interest in the common elements appertaining to that unit.

11) "Conversion condominium means a condominium all or part of which may be used for

residential purposes, which condominium contains any building or portion thereof that at any tome before the recording of the declaration was occupied wholly or partially by persons other than persons who, at the time of the recording, had contractual rights to acquire one or more units within the condominium. This paragraph shall not apply to any condominium created prior to July 1, 1980, or to the expansion of any such condominium.

12) "Convertible space" means a portion of a structure within a condominium, which portion may be converted in accordance with this Declaration into one or more units or common elements, including, but not limited to, limited common elements.

13) "Court" means the superior court of the county where the condominium or any part thereof is located.

14) "Declarant means all owners and lessees of the property who execute the declaration or on whose behalf the declaration is executed; provided, however, that the phrase "owner and lessees," as used in Code Sections 44-3-71, 44-3-72 and 44-3-89, shall not include in his capacity as such any mortgagee, any lien holder, any person having an equitable interest under any contract for the sale or lease of a unit, or any lessee or tenant of a unit. From the time of the recordation of any amendment to the declaration expanding an expandable condominium, all persons who execute that amendment or on whose behalf that amendment is executed shall also come within the definition of "declarant". Any successor-in-title of any owner or lessee referred to in this paragraph who comes to stand in the same relation to the condominium as his predecessor did shall also come within such definition.

15) "Declaration" means the recordable instrument containing those matters required by Code Section 44-3-77 and any lawful amendments thereto.

16) "Expandable condominium" means a condominium to which additional property may be added in accordance with the Georgia Condominium Act.

17) "Foreclosure" means, without limitation, the judicial foreclosure of a mortgage and the exercise of a power of sale contained in any mortgage.

18) " The Georgia Condominium Act" or "The Act" means Article 3 of Chapter 3 of O.C.G.A. Title 44.

19) "Identifying number" means one or more letters, numbers, symbols, words, or any combination thereof that identifies only one unit in the condominium.

20) "Leasehold condominium" means a condominium in all or any portion of which each unit owner owns an estate for years or leasehold estate in his unit or in the property on or within which that unit is situated or both. A condominium including an estate for years in property, or an interest therein, on or within which no units are situated or to be situated shall not be deemed a leasehold

condominium within the meaning of the Georgia Condominium Act.

21) "Limited common element" means a portion of the common elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the units.

22) "Mortgage" means a mortgage, deed to secure debt, deed of trust, or other instrument conveying a lien upon or security title to property.

23) "Mortgagee means the holder of a mortgage.

24) "Officer" means an officer of the association.

25) "Permanently assigned limited common element" means a limited common element which cannot be reassigned or which Can be reassigned only with the consent of the unit owner or owners of the unit or units to which it is assigned.

26) "Person means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.

27) "Property" means any real property and any interest in real property, including, without limitation, parcels of air space.

28) "Record" means to file for record in the office of the clerk of the superior court of all counties in which the condominium or any part thereof is located.

29) "Submitted Property" means the property lawfully submitted to the Georgia Condominium Act by the recordation of condominium instruments pursuant to the Georgia Condominium Act. Additional property shall be deemed to be submitted property upon the expansion of a condominium pursuant to the Georgia Condominium Act.

30) "Unit" means a portion of the condominium intended for any type of independent ownership and use. The term "unit" and "villa" are use interchangeably in these declarations and shall both have the same definition. For the purposes of this Declaration, a convertible space shall also be deemed a unit.

31) "Unit Owner" means one or more persons, including the Declarant, who own a condominium unit or, in the case of a leasehold condominium, whose leasehold interest or interests in the condominium extend for the entire balance of the unexpired term or terms.

ARTICLE II

PROPERTY RIGHTS

Section 2.01. Buildings. Phase I of Shadow Brooke Village Condominiums consists, or will consist, of two (2) buildings containing twelve (12) identical condominium units, six (6) units in each

building. Each building is four stories with the ground level being for designated parking and storage. Each unit consists of a one level (a flat) living area , the first level units being immediately above the ground level parking and storage area; the second level units being immediately above the first level units, and the third level units being immediately above the second level units. The buildings are of Concrete block and wood frame construction, with the exterior covered in tabby and vinyl siding as shown on the plans. Each unit shares one (1) or more common boundaries with the other units in the building in that the units are built one above the other so that the ceiling of one may be shared with the floor of another. All interior walls are wood studs with gypsum board. The roof is a prefinished standing seam metal roof and hydrostop roof membrane system. Each unit has its own separate heating, air conditioning, lighting and plumbing systems, and each unit is individually metered for electricity, water and sewer.

Section 2.01a. Boundaries Further Defined. **A. Unit Boundaries - General Description**
The boundaries of each unit are as shown on the architectural plans prepared by William P. Hooker, Architect, the structural plans prepared by Pruitt & Purcell P.C., registered civil and structural engineers, and the location plat prepared by Pruitt & Purcell P.C., land surveyors and land planners, submitted with this Declaration or to be submitted and recorded in the office of the Clerk of Superior Court of Glynn County, Georgia. The boundaries of each unit shall consist of

(I) an upper boundary, which shall be the horizontal plane of the undecorated, finished ceiling of the heated living area of the unit,

(ii) a lower boundary, which shall be the horizontal, undecorated plane of the undecorated, finished floor of the heated living area of the unit and

(iii) side boundaries, which shall be the vertical plane of the undecorated and/or unfinished inner surface of the walls bounding the unit.

B. Unit Boundaries - Further Defined
The boundaries of the unit shall not include

(I) all of those spaces and improvements lying within the undecorated and/or unfinished inner surfaces of the perimeter walls and those surfaces below the undecorated, finished floor of each unit,

(ii) those spaces and improvements lying within the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions and,

(iii) all pipes, ducts, wires, conduits and other utilities running through any interior wall or partition for the furnishing of utility services to other units and/or the common elements.

C. Boundaries of Screened Porches, Storage and Garages
A unit shall include, as indicated above on the architectural plans a screened porch, designated ground floor storage and designated garage for each unit. The boundaries of the screened porch, storage and garage shall be as follows: all upper, lower and side boundaries shall be the same as set forth above for the heated living area; however, should the front and side boundaries of the screened porch be railing, then the unit shall not include the railing, and the boundary shall be the interior surface of the railing. Maintenance of the finished floor of the screened porch shall be borne by the unit owner to which the screened porch is appurtenant. Each screened porch, designated storage and

designated garage is a part of the unit which it abuts and/or is designated for and is for the exclusive use of the owner of the abutting and/or designated unit. It is further provided that no owner shall paint or otherwise decorate or change the exterior appearance of any portion of the condominium and/or condominium property.

Section 2.02. Condominium Information. Attached hereto, incorporated herein and made a part hereof by reference thereto is Exhibit "E , which is a list of all Condominiums located on the Submitted Property, their number and percentage of ownership for assessment of Common Expenses of the Condominiums.

Section 2.03. Condominiums. Each Condominium constitutes a separate parcel of real properly which will be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, subject only to the provisions of this Declaration and the Georgia Condominium Act. Each Owner shall be entitled to the exclusive ownership and possession of his or her Condominium unit, subject to the provisions of applicable Georgia law and this Declaration. Each Condominium shall include all of the area within the boundaries thereof as shown upon the recorded plat and plans of said Condominium, including all appliances, equipment and fixtures located therein, together with all conduits, ducts, plumbing, wiring and other facilities for utility service contained within the boundaries of the Condominium.

Section 2.04. Common Elements and Limited Common Elements. The Common Elements of the Condominium include all of the Submitted Property, except the Unit as defined above and any limited Common Areas. Generally, all landscaping, greenspace, parking area, sidewalks, walks, entry foyers and common stairways or stairwells, elevators and elevator areas servicing and/or providing access to more than one Unit shall be considered as general Common Area. Limited Common Area shall consist of any area of a Unit which is accessible only through an individual Condominium Unit. The Owner of the Unit to which the Limited Common Area is attached shall have the exclusive use and possession of that limited area. In the event the Association shall elect to designate parking spaces for each Unit in addition to the permanently assigned parking areas in Section 204a these additional designated spaces shall be Limited Common Elements. Any garbage receptacle or trash dumpster maintained for the Condominium Property shall be considered as a Common Element and a common expense.

Section 2.04a. Permanently Assigned Limited Common Elements. The Permanently Assigned Limited Common Elements are the ground level garage and ground level storage areas designated on the plans with the unit number of the unit to which each is assigned.. These areas cannot be reassigned or can be reassigned only with the consent of the unit owner or owners of the unit or units to which it is assigned. Because reallocation of parking would affect all unit owners in a building, no such reassignment shall be valid unless approved in writing by a majority vote of all unit owners in such building and by majority vote of the Board of Directors of the Association.

Section 2.05. Exclusive Use. Ownership of each Condominium shall entitle the Owner or Owners thereof to the exclusive use of such Condominium as designated on the Plat, Plans or in this

Declaration.

Section 2.06. Encroachments. If any portion of any Condominium now encroaches upon any other Condominium as a result of the construction of a Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any Building, a valid easement for said encroachment and for the maintenance of the same shall exist so long as the Building shall stand. In the event a Building or any portion thereof shall be partially or totally destroyed as a result of a fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then is rebuilt, and as a result of said construction the Building encroaches on any part of or upon any other Condominium due to such rebuilding, then there shall be created a valid easement for such encroachments and the maintenance thereof which shall exist so long as the Building shall stand.

Section 2.07. General Easements, Each Condominium Owner shall have an easement in common with the other Owner or Owners of the other Condominium Units or Condominiums to use all pipes, ducts, wires, cables, conduits, chutes, utility lines, artesian wells, irrigation lines and other physical facilities which serve the Owner's Condominium. Additionally, each Condominium shall be subject to an easement in favor of the other Owner or Owners for the use of such pipes, ducts, wires, cables, conduits, chores, utility lines or other physical facilities which serve the Condominium Property or other units. A general easement for the benefit of all Owners is reserved in favor of Declarants, and ultimately in favor of the Condominium Association through the Property, including the Condominiums, as may be required for installation, maintenance, repair or replacement of pipes, ducts, wires, cables, conduits, chutes, utility lines or other physical facilities which may now or hereafter become necessary to adequately serve the Condominium Property.

Section 2.08. Inspection and Maintenance. Any member of the Board, or any other person authorized by the Board, shall have the right of access to the Property and to each Condominium for the purpose of inspection, maintenance, repair or replacement of any part of the Condominium Property. Provided, however, that except in the case of emergency, such right of access to a Condominium shall not be exercised without reasonable notice to the Condominium Owner and all reasonable attempts will be made to make such entry and repairs, etc. at a reasonable and convenient time to the Owner.

Section 2.09. Expansion of Condominium.

(1) The Declarants reserve the option(s) to expand the condominium from time to time by adding additional Units and additional land.

(2) The Declarants reserve the right to expand the condominium for a period of seven (7) years from the date of the recordation of this Declaration in the Office of the Clerk of Court in the County in which the property is located. This seven (7) year period may be expanded if the owners of two-thirds (2/3) of the Units entitled to vote in the Association consent to the extension of such option within one (1) year prior to the date in which the option would otherwise have expired. There are no limitations on Declarant's options.

(3) The exact legal description by metes and bounds of the additional property which may be added to the Condominium has not yet been determined. However, the additional property which may be included is owned by the Declarants and lies adjacent and contiguous to the property hereby submitted to this Declaration.

(4) The total area to which the Condominium can be expanded will not exceed 6.07 acres and the number of units will not exceed 90 total units.

(5) Any expansion of the Condominium will be restricted exclusively to residential use including use for common amenities such as pools, club houses, and similar uses.

(6) The expansion of the Condominium will be compatible with the structures on the Submitted Property in terms of quality of construction, materials and architectural style.

(7) Upon the expansion of the Condominium, all units will be equal and the undivided interests in the Common Elements shall be divided among the total number of Condominium Units in the project.

(8) At such time as the Condominium has been expanded to include all residential units or sooner at the election of Declarants, Declarants will build and construct a swimming pool in the pool area shown upon the plat of a future phase. Declarants shall have the total authority to determine the size, location, type of pool, etc..

(9) The Declarants do reserve the right to create additional Limited Common Elements, although creation of same is not anticipated.

(10) The Declarants shall have all the rights to expand the Condominium as are provided for by law, and unless otherwise provided herein, in every instance where limitations are to be disclosed, there are no such limitations and in every instance where assurances are to be made, no assurances are made in those regards.

ARTICLE III

USE RESTRICTIONS

Section 3.01. Condominiums. Each of the Condominiums shall be occupied as a residence and is restricted to such use. No structure of a temporary character, including, but not by way of limitation, trailers, tents, shacks, carports or other outbuildings shall be constructed on or used as a residence on any portion of the Condominium Property at any time.

Section 3.02 Nuisances. No nuisance shall be allowed to occur upon the Condominium Property, nor any use or practice not ordinarily contemplated in the uses and purposes herein above set forth which would be the source of an annoyance to Condominium Owners or an interference with the peaceful

possession and proper use of the Property by the Condominium Owners. All parts of the Condominium Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No Owner shall make or permit any use of his, her or its Condominium which will violate the provisions of the Condominium Instruments, any insurance policy covering the Condominium Property or any rules and regulations of the Association.

Section 3.03. No Unlawful Use. No immoral, improper, offensive or unlawful use shall be made of any part of the Condominium Property, and all applicable laws, zoning ordinances and regulations of all governmental bodies shall be observed. The responsibility and expense of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for maintenance and repair of the Condominium Property unless necessitated by the misuse, misconduct, neglect or specific use of the Condominium owner, in which case such expenses shall be assessed against such Owner, and shall be payable like any other assessment provided for in this Declaration.

Section 3.04. Animals and Pets. A Condominium Owner or occupant may keep one or more domestic cats or dogs as household pets, provided such pet or pets do not create a nuisance or disturb any other Owner or occupant, and provided that such Owner or occupant complies with all the rules and regulations established by the Board of Directors relating to household pets. The rules and regulations of the Board of Directors may limit the number of household pets kept in any Condominium. No livestock or poultry of any kind nor any pet shall be raised, bred or kept on any part of the Property for commercial purposes.

Section 3.05. Exterior Antennas. No exterior television or radio antenna shall be placed on the Property without prior written approval of the Board of Directors, except an antenna or antennas which may be constructed or attached by Declarants or the Board of Directors as part of the Condominium Property.

Section 3.06. Parking. Each Owner of a Condominium shall park automobiles only, in the enclosed garage of that Unit. The parking or storage of boats, canoes, campers, trailers or other recreational vehicles outside of the garage is prohibited.

Section 3.07. Signs and Business Activities. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the Condominium Property, nor shall the Condominium Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Condominium or any resident thereof. No business activities of any kind whatever shall be conducted in any Building or in any portion of any Condominium.

Section 3.08. Garbage Cans, Mailboxes, Etc.. Trash and/or garbage receptacles shall be maintained in a designated area of the Condominium. No storage piles shall be permitted on the Condominium Property.

Section 3.09. Use of Yards. No planting or gardening shall be done by Owners, and no fences, hedges or walls shall be erected or maintained upon the Condominium Property except such as are approved by the Board of Directors or its designated architectural committee. No vehicle may be parked upon any lawn or area other than a designated paved parking place.

Section 3.10. Exterior appearance. To provide a neat, attractive and harmonious appearance throughout the Condominium Property, no awnings, shades, screens, shutters or other item shall be attached to, hung or used on the exterior of any window or door of a Condominium or on the exterior of any Building without the prior written consent of the Board of Directors of the Association or an architectural committee appointed by the Board of Directors. Further, no foil or other reflective material shall be used on any windows for sun screens, blinds, shades or any other purpose. All shades, drapery linings and other window treatments visible from the front and side of a Condominium on any such window or door shall be white or off-white. Outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained on any portion of the Property, nor shall any clothing, rugs or any other items be hung on any railing or fence enclosing any patio, balcony or porch visible from the street.

Section 3.11. Rules and Regulations Rules and regulations concerning the use of Condominiums or Property may be made and amended from time to time by the Board. Copies of such rules and regulations shall be maintained by the Secretary of the Association and furnished to all Condominium Owners and Mortgagees upon request. Such rules and regulations shall be binding upon the Owners, their families, visitors, guests, servants, employees, lessees, licensees, invitees, successors and assigns until and unless they are rescinded or amended in a regular or special meeting of the Association by the affirmative vote of a majority of the Condominium Owners.

Section 3.12. Leasing of Condominiums. Condominiums may be leased by Condominium Owners subject to the covenants and restrictions of this Declaration and to the rules and regulations governing leasing established by the Board of Directors. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the By-Laws of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

Section 3.13 Approval Required for Changes. To preserve the architectural appearance of the Condominium, no construction of any nature whatsoever shall be commenced or maintained by any Owner with respect to the exterior of any Condominium or any other portion of the Condominium Property nor shall any exterior addition to or change or alteration therein be made, unless and until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee appointed by the Board of Directors. The foregoing restrictions shall apply without limitation to any enclosure of an exterior stairway or patio proposed to be made by any Condominium Owner. A Condominium Owner may make improvements and alterations within his Condominium; provided, however, that no Owner shall make any structural

alterations in a Condominium or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety, soundness or structural integrity of that Condominium or any other Condominium without first obtaining the written consent of the Board of Directors and all Owners and Mortgagees of the Condominiums affected, nor shall any Condominium Owner impair any easement without first obtaining the written consent of the Association and of the Condominium Owner or Owners and their Mortgagees for whose benefit such easement exists.

ARTICLE IV

MAINTENANCE

Section 4.01. Responsibility of Association. Maintenance of the yards and landscaping shall be the responsibility and a common expense of the Association. ("Maintenance" as used in this Declaration shall refer to and include all upkeep, repairs and replacements.) In addition to maintenance of the yards, the Association shall, as a common expense except as herein provided, provide maintenance of the exteriors of all Condominiums, to include: paint, repair, replace and care for roof surfaces, gutters, down spouts and exterior surfaces of Condominium walls, including veneer or siding attached thereto and screens of porches. Such exterior maintenance by the Association shall not include entry steps, glass surfaces, screens of windows, windows, lighting fixtures, mailboxes or other hardware attached to the exterior surfaces of a Condominium, all of which shall be the responsibility and expense of individual Condominium Owners.

Section 4.02. Responsibility of Owner.

(a) Maintenance of a Condominium shall be the responsibility and expense of the Owner thereof and shall, subject to the provisions of Section 4.01, included but not be limited to, maintenance of all portions of the Condominium, all fixtures, appliances and equipment installed therein commencing at a point where the utility lines, wires, pipes, conduits or systems enter the exterior walls of a Condominium, and such work shall be done without disturbing the rights of other Owners. However, repair to sewer lines determined to have been necessitated by the actions of any Condominium Owner shall be the sole responsibility of such Owner. In addition, each Condominium Owner shall be responsible for the maintenance of all glass surfaces of his Condominium and of all windows, window screens, mailboxes and other hardware attached to the exterior surfaces of his Condominium; all maintenance and replacement of such items shall be of the same type originally installed in the Condominium unless replacement with a different type is approved in writing by the Board of Directors of the Association or its designated architectural committee.

(b) In the event that the Board of Directors shall determine that the need for maintenance by the Association as provided for in this Article is caused through the willful or negligent act of an Owner, his family, guests, tenants, licensees or invitees and is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance shall be added to and become a part of the assessment to which such Owner is subject; provided, however, that the Association shall have given

such Owner thirty (30) days prior written notice of such default, and such Owner shall not have cured such default within such thirty (30) day period.

ARTICLE V

INSURANCE AND CASUALTY LOSSES

Section 5.01. Insurance. The Board of Directors, or its duly authorized agent, shall obtain property and casualty insurance for all of the improvements on the Condominium Property (with the exception of improvements and betterments made by the respective Condominium Owners at his or her expense and further excluding title insurance, which shall be an expense of the Owner) against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief, in an amount sufficient to cover the full replacement value or cost of any repair or reconstruction in the event of damage or destruction for any such hazard. The Board shall also obtain public liability insurance in an amount not less than $500,000.00 for injury, including death, to a single person, $1,000,000.00 for an injury or injuries, including death, arising out of a single occurrence, and $50,000.00 property damage, covering all damage or injury caused by the negligence of the Association or any of its members or agents, and premiums for all such insurance shall be Common Expense. (The Board may also obtain flood insurance in such amounts and with such deductibles as the Owners Association may authorize by a majority vote at its annual meeting.) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for each of the Condominium Owners in such amounts as the Board of Directors shall determine, which determination shall be based on the annual insurance review provided for in this Section. Such insurance shall be governed by the following provisions:

(a) Companies. All policies shall be written with a company licensed to do business in the State of Georgia and holding, if possible, a rating of "B+" or better by Best s Insurance Reports.

(b) Beneficiaries. All policies shall be for the benefit of Condominium Owners and their Mortgagees, as their respective interests may appear.

(c) Certificates. Certificates of insurance coverage identifying the Unit, its Owner, Mortgagee and amount and type of coverage shall be issued for each Unit.

(d) Policies. The original of all policies and endorsements thereto shall be deposited with the Board of Directors or with the Insurance Trustee appointed by the Board.

(e) Adjustments. Exclusive authority to adjust losses under policies hereafter in force on the Condominium Property shall be vested in the Board of Directors or its duly authorized agent; provided, however, that no Mortgagee having an interest in such losses shall be excluded from participating in the settlement negotiations, if any, related thereto.

(f) Contributions. In no event shall any recovery of payment under the insurance coverage obtained

and maintained by the Board of Directors hereunder be affected or diminished by insurance purchased by individual Owners or their Mortgagees.

Section 5.02. Additional Insurance. it shall be the individual responsibility of each Owner, at his own expense, to provide, as he sees fit, title insurance on his individual Condominium, premises liability insurance, comprehensive public and private liability insurance, theft or other insurance coverage covering improvements and betterments made by him and personal property damage and loss. Each Condominium Owner may obtain additional insurance at his or her own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain additional insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all of the Owners and their Mortgagees, may realize under any insurance policy which the Board of Directors may have in force on the Condominium Property at any particular time. In the event the Owners Association does not elect to carry flood insurance, an individual Unit Owner may purchase such coverage for his Unit if such coverage is available.

Section 5.03. Individual Insurance Coverage. Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property, other than improvements and betterments made by such Owner at his own expense and other than personal property belonging to such Owner, shall file a copy of each such individual policy with the Board of Directors within ten (10) days after obtaining such insurance.

Section 5.04. Insurance Review. The Board of Directors shall cause to be conducted an annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all improvements on the Condominium Property (with the exception of improvements and betterments made by the respective Owners at their expense) by one or more qualified building cost estimators.

Section 5.05. Policy Provisions. The Board of Directors, or its duly authorized agent, shall be required to make every effort to secure insurance policies that will provide for the following:

(I) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its duly authorized agent, the Owners and their respective servants, agents, employees and guests; (ii) a waiver of insurer s right to repair or reconstruct instead of paying cash; (iii) that the policies on the Condominium Property cannot be canceled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association, or its duly authorized agent, without the prior demand, in writing, delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its agents or any Owner or Mortgagee; and (iv) that any "other insurance" clause in the master policy excludes individual Owner s policies from consideration.

Section 5.06. No Partition. There shall be no judicial partition of the Condominium Property or any part thereof, nor shall the owners or persons acquiring any interest in the Condominium Property, or any part thereof, seek any such judicial partition.

section 5.07 Insurance Trustee. All insurance policies purchased by and in the name of the Association shall provide that the proceeds covering property losses shall be paid jointly to the Association and a trustee, which shall be a Georgia banking institution having trust powers and at least Ten Million Dollars ($10,000,000.00) total capital and surplus, selected by the Board of Directors which trustee is herein referred to as the Insurance Trustee. If the Insurance Trustee resigns or is unable or unwilling to serve at any time, the Board of Directors shall appoint a successor trustee. Immediately upon the receipt by the Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and deliver or cause to be delivered such instrument to the Insurance Trustee.

Section 5.08. Duties of Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. The Insurance Trustee shall not be required to file any return, make any report or accounting to any Court, nor shall it be required to file any bond. Nor shall the Insurance Trustee have any obligation to inspect the Condominium Property to determine whether a loss has been sustained or to file any claim, or claims, against any insurer or other person. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and delivered to it and to hold such proceeds in trust for the benefit of the Owners and their Mortgagees in the shares as hereinafter provided, but which shares need not be set forth in the records of the Insurance Trustee. An undivided share of such proceeds on account of damage or destruction to the Property shall be reserved for the Owners in accordance with their respective percentage of interest in the Property. Proceeds on account of damage or destruction to Condominiums shall be reserved for the Owners of the damaged or destroyed Condominiums in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each Condominium Owner. In the event that a Mortgagee Endorsement has been issued as to any particular Condominium, the share of such Condominium Owner shall be held in trust for such Owner and his Mortgagee as their interests may appear. The Insurance Trustee shall be authorized to seek the instructions of any Court by appropriate petition for construction, instruction, declaratory judgment or such other appropriate proceeding as it may deem proper in its sole discretion and the expenses of same shall be borne by the Association as a Common Expense and may be chargeable by the Insurance Trustee against the proceeds of insurance.

Section 5.09. Disbursement of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Insurance Trustee after approval by the Board of Directors shall first be paid and the remaining proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be disbursed to the beneficial owners, remittance to Condominium Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Condominium and may be enforced by such Mortgagee.

(b) If it is determined as provided for in Section 5.10(b) herein that the damage or destruction for

which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.

©) Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds or any combination thereof, to be made by the Insurance Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary setting forth whether or not the damage or destruction was to one or more of the Condominiums. If the damage or destruction is not to be repaired or reconstructed, said certificate shall direct that disbursements be made by the Insurance Trustee as by law provided and in accordance with the terms of this Declaration.

(d) If the damage or destruction is to one or more Condominiums and is to be repaired or reconstructed, said Insurance Trustee may require the signature of any or all of the Mortgagees on such Condominium or Condominiums as the Insurance Trustee, in its sole discretion, may required, and said certificate may direct that disbursements be made by the Insurance Trustee to those persons and in such amounts as may be specified therein, or, in the alternative, said certificate may authorize the Insurance Trustee to make disbursements upon and pursuant to such written authorization as may be submitted to it by an architect or other persons named therein as having been employed by the Association to supervise such repairs or reconstruction.

(e) The Insurance Trustee shall not incur any liability to any Owner, Mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificate or written authorization. Nor shall the Insurance Trustee incur any liabilities to any Owner or Mortgagee by reasons of disbursements pursuant to the order of any Court.

Section 5.10. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Condominium Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Paragraph, means repairing or restoring the Condominium Property to substantially the same condition in which it existed prior to the fire or other casualty with each Condominium having the same boundaries as before such fire or other casualty.

(b) Following any damage or destruction to all or part of the Property, the Board shall attempt to obtain within sixty (60) days thereof a determination by a majority vote of the Association to repair or reconstruct such damage or destruction. Any such damage or destruction shall be repaired or reconstructed unless at least three-fourths (3/4ths) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If, for any reason, the amount of the insurance proceeds to be paid as a result of such-damage or destruction is not available or if reliable and detailed estimates of the cost of repair or reconstruction are not made available to the

Association within said period of sixty (60) days after the casualty, then such period shall be extended until such information shall be made available to the Association; provided, however, that said period of time shall in no event exceed one hundred twenty (120) days after the casualty. In the determination of the question of whether or not to repair or reconstruct, the Mortgagee shall not have the right to participate in the decision as to whether the damaged or destroyed property shall be repaired or reconstructed except in the following cases: (I) a Condominium Owner is in default under the terms of the Mortgage and written notice thereof has been provided to the Board of Directors; (ii) damage or destruction of the Condominium mortgaged; (iii) damage or destruction to more than fifty percent (50%) of the Condominiums. In such event, the Mortgagee or Mortgagees shall have an irrevocable proxy so long as said Mortgagee shall continue as the Mortgagee) to jointly exercise the vote of the Condominium Owner in the determination of whether the damage or destruction shall be repaired or reconstructed. Unless written notice specifying the right to exercise the proxy as set forth above has been given to the Secretary of the Association, the individual Owners are deemed and conclusively presumed to be authorized to vote on such matters.

(c) In the event it is determined by the Association in the manner described above that any damage or destruction to all or any part of the property shall not be repaired or reconstructed, then and in that event: (I) the damaged or destroyed property (including all Condominiums) shall be deemed to be owned in common by the Condominium Owners; (ii) the undivided interest in the property shall appertain to each Condominium Owner shall be the percentage of undivided interest previously owned by such Owner in the Property; (iii) any liens (including mortgages) affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Condominium Owner in the property; and (iv) the property shall be subject to an action for partition at the suit of any Condominium Owner. In the event of sale, the net proceeds shall be paid to the Insurance Trustee. Said net proceeds of sale, together with the net proceeds of the insurance on the property, shall be considered as one fund. After payment of all expenses of the Insurance Trustee, said funds shall be divided among all of the Condominium Owners in a percentage equal to the percentage owned by each Owner. Pursuant to this Section, prior to payment, the expenses of the Insurance Trustee shall be approved by the Board of Directors. Prior to any disbursements to Condominium Owners, the holder of a first mortgage on any Condominium shall receive payment in full of the debt secured by such Mortgage to the extent that such debt does not exceed an amount equal to (I) the insurance proceeds paid with respect to the Condominium covered by such Mortgage; plus (ii) any sums which might otherwise be due the Owner of such Condominium from the proceeds of the sale of the entire property. Disbursements to Owners shall be made as provided for herein.

Section 5.11. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall levy a special assessment against all of the Owners of the damaged Condominiums in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Such assessments against Condominium Owners for damage to their Condominiums shall be in proportion to the cost of repair and reconstruction of their respective Condominiums. Any and all sums paid to the Association under and by virtue of those special assessments provided for

above to defray the estimated excess cost of repair or reconstruction shall be deposited by the Association with the Insurance Trustee. The proceeds from insurance and assessments, if any, received by the Insurance Trustee when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for herein.

Section 5.12. Minor Repairs. Notwithstanding the foregoing provisions, in the event of damage by fire or other casualty to a single Condominium covered by insurance written in the name of the Association and if the insurance proceeds initially offered or paid therefor are less than Ten Thousand Dollars ($10,000.00) and the estimated cost of repairing such damage is less than twice the amount of such proceeds, then the instrument by means of which such proceeds are paid shall be endorsed by the Insurance Trustee and delivered to the Association and the damage shall be repaired in accordance with the following provisions:

(a) Single Condominium. If the damage is confined to a single Condominium, such insurance proceeds shall be used by the Association to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be paid jointly to the Owner and his Mortgagee, if any, who may use the proceeds as they alone may determine. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess shall be provided by means of a special assessment levied by the Board of Directors against the Owner of the damaged Condominium. Payments for repairs provided for in this Sub-Section shall be made only after all such repairs have been completed and approved by the Association, the Owner and his Mortgagee, if any, which approval shall not be unreasonably withheld.

ARTICLE VI

COMMON EXPENSES

Section 6.01. Budget. At the first meeting of the Board and thereafter within thirty (30) days prior to the date of each annual meeting of the Association, the Board shall prepare a proposed operating budget for the maintenance and operation of the Condominium Property for the succeeding calendar year, and shall estimate the amount of Common Expenses to be paid for such year. The amount of Common Expenses so determined shall be allocated and assessed by the Board among the Condominium Owners in proportion to their respective percentages of ownership as specified in Exhibit "E"

Section 6.02. common Expenses. The Common Expenses shall include, but not be limited to, the following:

(a) fees and expenses of managing and administering the Association, including legal and accounting fees;

(b) expenses of maintaining, preserving, operating, repairing or replacing the Condominium

Property;

(c) the cost of all insurance premiums on all policies of insurance obtained by the Board pursuant to this Declaration;

(d) amounts determined by the Board to be reasonably required as working capital of the Association, for a general operation reserve, for a reserve fund for replacements and for deficiencies arising from unpaid assessments;

(e) special assessments for capital improvements as provided for below; and ownership of the Property. Any such special assessment shall be a lien against the Condominium as of the date specified in the notice of such special assessment. Each Owner shall pay to the Association Treasurer such expenses in advance in equal monthly or quarterly installments on or before the first day of each month or quarter or at such other time and in such other manner as the Board may from time to time designate. Any special assessments shall be governed by the provisions of O.C.G.A. Section 44-3-80(g).

Section 6.04. Special Assessments for Capital

Improvements. In addition to the assessments provided for above, the Association may levy special assessments for the purpose of paying, in whole or in part, the cost of construction of any new improvement or reconstruction or replacement of any existing improvement within the Condominium Property provided that such assessment shall first have been approved by the vote of two-thirds (2/3rds) of the Owners voting at a meeting duly called for this purpose, written notice of which shall have been given in the manner specified in the By-Laws of the Association. For purposes of said special assessments for capital improvements, any Mortgagee or Mortgagees shall have an irrevocable proxy (so long as said Mortgagee shall continue as the Mortgagee) to jointly exercise the vote of the Condominium Owner and shall be given the same notice as a Condominium Owner. Unless written notice specifying the right to exercise the proxy has been given to the Secretary of the Association, the Owners are deemed and conclusively presumed to be authorized to vote on such matters. No special assessment for capital improvements shall exceed the maximum amounts that are allowed by O.C.G.A. Section 44-3-80(g).

Section 6.05. Collection. The Board shall take prompt action to collect any Common Expenses due from any Condominium Owner which remains unpaid for more than ten (10) days from the due date for payment thereof. The Board may assess a late charge for any assessment not promptly paid by an Owner not to exceed the larger of $10.00 or ten percent (10%) (or such larger sum allowable by law) of each assessment of installment thereof not paid when due. Also, any unpaid sums and late charge shall bear interest at ten percent (10%) per annum from the date due until paid. In the event of default by any Condominium Owner in paying the Common Expenses as determined by the Board, such Condominium Owner shall be obligated to pay interest at the rate established by the Board (not to exceed any statutory maximum rate) on such Common Expenses from the due date thereof, together with all expenses, including reasonable attorney s fees incurred by the Board in any

proceeding brought to collect such unpaid Common Expenses. The Board shall have the right and duty to attempt to recover such Common Expenses, together with interest thereon, and the expenses of the proceeding, including attorney s fees, in any action to recover the same brought against the Owner, or by foreclosure of the lien on the Condominium of such Owner. All sums lawfully assessed by the Board (Association) against any unit owner, or condominium unit, shall form the time the same becomes due, constitute a lien in favor of the Association and on against the condominium unit. The Board shall have the right to file a lien against an Owner and against a Condominium in the same manner and with the same results as provided for and described in O.C.G.A. Section 44-3-109.

ARTICLE VII

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 7.01. Membership. The operation of the Condominium shall be vested in an Association as herein above defined which shall be organized and operated pursuant to law, this Declaration and by the By-Laws. Each Condominium Owner shall be a member of the Association.

Section 7.02. Votes. The percentage attributable to each Condominium is equal. The vote of the members of the Association may be reallocated pursuant to the provisions of Article VIII of the Declaration. The Owner or Owners of each Condominium shall be entitled to designate one person from among the Owner or Owners of that Condominium, or a member of the immediate family of such Owner or Owners, or an officer of a corporate Owner and such member shall represent such Condominium and exercise the voting rights thereof.

Section 7.03. control of the Association. Notwithstanding any provision contained in this Declaration or the By-Laws to the contrary, Declarants reserve the right to appoint and remove any member of the Board of Directors and officers of the Association. This right shall expire upon the first of the following events to occur:

(a) the date on which three-fourths (3/4) of the Condominium Units shall have been conveyed by Declarants including three-fourths (3/4) of those added by expansion of said Condominium as the same is contemplated herein;

(b) the surrender by the Declarants of the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to the Declaration executed and recorded by the Declarant; and

(c) seven (7) years from the latter of the date hereof or the date of the last expansion of said Condominium.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01. Incorporation of the Act. Except as modified by the provisions of the Declaration and the Exhibits hereto, the provisions of O.C.G.A. Section 44-3-70, et.seq , where necessary or applicable, are, by reference, incorporated herein.

Section 8.02. Multiple Owners. If any Condominium shall be owned as tenants in common or joint tenants by two or more persons, such persons shall be jointly and severally liable for the Common Expenses assessed against such Condominium and for the prompt discharge of each and every obligation or duty imposed on such Owners by the Condominium Documents.

Section 8.03. Enforcement. Each Condominium owner shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration, the By-Laws and the rules and regulations of the Association now or hereafter adopted, as the same may be lawfully amended from time to time. In the event of a violation or breach, or threatened violation or breach of any of the same, the Association, or in a proper case, any aggrieved Condominium Owner or Owners, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies provided by law, the Association or a duly authorized agent thereof shall have the right to enter upon any portion of the Property where a violation exists, at the expense of the violating Condominium Owner, and, using such force as may be reasonably necessary, summarily abate or remove any erection, thing or condition that may be or exist contrary to the intent and meaning of the provisions hereof or of the By-Laws or rules and regulations if, after ten (10) days written notice of such violation, it shall not have been corrected by such Condominium Owner. Neither the Association, nor its agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the Association employ legal counsel to enforce any of the foregoing or any other rights or remedies of the Association, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the violating Condominium Owner. Inasmuch as the enforcement of the provisions of this Declaration and the ByLaws and such rules and regulations is essential for the protection of present and future Condominium Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the Association or, in any proper case, any aggrieved Condominium Owner or Owners, in addition to all other remedies, may require and shall be entitled to the remedy by injunction to restrain any such violation or breach or threatened violation or breach. Further, in any case of flagrant or repeated violation by a Condominium Owner, then, in addition to the foregoing remedies, the Association may suspend temporarily the voting rights of a Condominium Owner and/or levy summary charges against the Owner for such violation, provided that no summary charges may be levied for more than $100.00 for any one violation- However, each day or time a violation is continued or repeated after written notice is given to the Owner to cease and desist, it shall be considered a separate violation. Collection of summary charges may he enforced against a Condominium Owner as if such charges were a Common Expense owed by the Owner involved, and such charges may be added to and thereupon shall become part of that portion

of any assessment next coning due to which the Owner is subject. No delay, failure or omission on the part of the Association or any aggrieved Owner or Owners in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto. No cause of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions and regulations, however long continued, or for the imposing of provisions which may be unenforceable.

Section 8.04. Name of Preparer. This Declaration was prepared by James G. Williams, Attorney at Law,286 Redfern Village, Saint Simons Island, Georgia, 31522.

Section 8.05. Notice of Lien or Suit. A Condominium Owner shall give notice to the Board of every lien filed against his Condominium (other than permitted mortgages, taxes and assessments by the Association) . Within ten (10) days after the attaching of the lien, the Condominium Owner shall give notice to the Board of every suit or other proceeding which may affect the title to his Condominium, such notice to be given within five (5) days after such Owner receives knowledge of such suit or other proceeding, and shall give notice to the Board immediately upon receipt by such Owner from a Mortgagee holding a Mortgage on such Condominium of any notice, demand or other communications demanding payment of the debt secured by such Mortgage, accelerating or proposing to accelerate the maturity of such debt, or in any manner informing such Owner of an actual, pending or alleged default by Owner under such Mortgage.

Section 8.06. Notice. Any notice required by law or by any of the Condominium Instruments shall be a written notice delivered to the recipient or mailed to him by the United States Mail, postage prepaid, at his last known address if the recipient is an individual, or addressed to the president of the Association if the recipient is the Association or the Board. All notices delivered by mail shall be deemed to have been given as of the date and hour of the postmark thereon. The address of Condominium Owners shown on the records maintained by the Secretary of the Association shall be the address of such Owner for mailing of all notices required from the Board or the Association, and it shall be the responsibility of each Owner to furnish the Secretary written notice of any error in such records or of change of address.

Section 8.07. Agent to Receive Service of Process. All notices, stipulations, writings or process to be served upon the Association or upon the Board shall be delivered to the registered agent of the Association. Said agent shall be the then incumbent President of the Association whose name and residence address shall be a matter of record as part of this section and Declaration. From time to time as new persons serve in the office of President, the Secretary shall file an annual report with the Secretary of State of the State of Georgia designating the registered agent of the Association. Until the election of the first president, Robert Jenkins shall be considered the registered agent.

Section 8.08 Renewal of Covenants and Restrictions. The provisions of this Declaration and the

other Condominium Documents shall constitute covenants running with the land, binding on the undersigned, their respective heirs, administrators, executors, successors and assigns, and on all subsequent Owners of any part of the Condominium Property, together with their grantees, successors, heirs, executors, administrators, devisees, lessees and assigns. By the acceptance of any deed or other document conveying or transferring any interest in a Condominium, the recipient thereof accepts and ratifies all covenants and restrictions contained herein and in the other Condominium Instruments. Each Condominium Owner, by the acceptance of said deed or other document, covenants and agrees, each with the other, that he will join in the execution of any and all documents which are deemed necessary by the Board to renew or extend said covenants and restrictions from time to time so long as the Property exists.

Section 8.09. Construction The provisions of this Declaration and all other Condominium Instruments shall be construed in light of the provisions of law and, to the extent possible, as being consistent with the law. If any provision, sentence, clause, phrase or work of this Declaration or any other Condominium Instrument is held invalid or unenforceable for any reason, such holding shall not be deemed to affect, alter, modify or impair in any manner any other provision herein or in said document. Whenever the context so permits, the use of the plural shall include the singular, the singular, the plural, and the use of any gender shall be deemed to include all genders. The captions used herein and in the other Condominium Instruments are solely to aid in the location of the various provisions, and in no way shall such captions be construed to limit or define the subject matter of such provisions.

ARTICLE IX

AMENDMENTS

Section 9.01. Amendment. This Declaration and the other Condominium Instruments may be amended at any time and from time to time by the assent of Condominium Owners having at least two-thirds (2/3rds) of the total vote of the Association. The Declarants expressly reserve the right to amend this Declaration for the purpose of expansion of the Condominium, including the necessary reallocation of Common Areas by virtue of any such expansion. In addition, this Declaration may be amended in such respects and in such manner as may be expressly permitted by the provisions of the law so long as the same shall not (a) adversely affect the title to any Condominium, (b) change the percentage of ownership interest in and to the Condominium Property or any Condominium, (c) materially alter or change any Condominium Owner's right to the use and enjoyment of his Condominium as set forth in this Declaration, or (d) otherwise make any material change in this Declaration. No amendment to this Declaration may require approval of more than eighty percent (80%) of the Unit Owners and the mortgagees of Units holding eighty percent (80%) of the voting interest in the Association. Each Condominium Owner, by acceptance of a deed or other conveyance to a Condominium, agrees that if requested to do so, such Condominium Owner will consent to the amendment of this Declaration or the other Condominium Instruments or the By-Laws of Articles of Incorporation of the Association, (I) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with, or remove any conflict or inconsistency with the

provisions of any applicable governmental statute, rule, regulation, including without limitation, the provisions of the Georgia law, or judicial determination which shall be in conflict therewith, (ii) if such amendment is required by the government statutes, laws, rules or regulations applicable to or promulgated by a governmental or quasi-governmental lender or purchaser of mortgage loans; including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Condominium, or (iii) if any such amendment is necessary to enable any governmental agency to insure mortgage loans on the Condominiums based on the statutes, laws, rules or regulations applicable to or promulgated by such agency. Except as expressly permitted or required by the Georgia law and the provisions of this Declaration, or to expand the Condominium, any amendment to this Declaration which would change the boundaries of any Condominium, the number of votes in the Association or the liability for Common Expenses appertaining to any Condominium shall be approved in writing by all Condominium Owners and all holders of all mortgages encumbering the Condominiums. Any provision in this Declaration which may be construed to the contrary, notwithstanding any amendment to this Declaration which would change, alter, modify or rescind any right, title, interest or privilege herein expressly granted to the holder of any mortgage affecting any of the Condominiums shall require the prior written approval of such holder. Amendments to this Declaration or the other Condominium Instruments may be proposed by Declarants by the Board of Directors of the Association or by petition signed by Condominium Owners having at least fifty percent (50%) of the total votes of the Association. Agreement of the required two-thirds (2/3rds) majority of Condominium Owners to any amendment of the Condominium Instruments shall be evidenced by their execution of the amendment or, in the alternative and provided that Declarants do not then have the right to appoint and remove members of the Board of Directors or officers of the Association, the sworn statement of the President, any Vice President or Secretary of the Association, attached to or incorporated in an amendment executed by the Association, in which sworn statement it is stated unequivocally that agreement of the required majority of Condominium Owners was otherwise lawfully obtained. Any such amendment of the Condominium Instruments, including this Declaration, shall become effective only when recorded or at such later date as may be specified in the amendment itself. The written consent of any Mortgagee required with respect to such amendment shall also be recorded with such amendment.

IN WITNESS WHEREOF, the Declarants have caused this Declaration to be executed on this the 19 day of October, 2002.

DECLARANT:

DEMERE MARSH ASSOCIATES, L.L.C.

Jody Ryan, Managing Member

Witness

Notary
my com exp 6-28-04

GEORGIA, GLYNN COUNTY.

The undersigned, Fairfield Financial Services, Inc., hereby joins in the execution of this Declaration of Condominium solely as a consequence of its status of holding the outstanding Deed to Secure Debt upon the real property which is the subject of this Declaration.

This the 16 day of October, 2002.

Fairfield Financial Services, Inc.

By: _____

Title Vice Chairman

EXHIBIT "H"

BY-LAWS
OF
SHADOW BROOKE VILLAGE CONDOMINIUM OWNERS ASSOC., INC.

1. Authority: These By-Laws are established pursuant to Georgia law and the Declaration of SHADOW BROOKE VILLAGE CONDOMINIUMS (hereinafter referred to as "Declaration") by DEMERE MARSH ASSOCIATES, L.L.C. (hereinafter referred to as "Owner"). The law and the Declarations are incorporated herein by reference.

2. Name: The name of this Association shall be "SHADOW BROOKE VILLAGE 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 Condominium 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 record 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 condominiums known as SHADOW BROOKE VILLAGE CONDOMINIUMS, 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 Condominium 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") initially composed of two (2) members, both 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. At such time as Declarant shall surrender control of the Association, the number of Directors shall increase to five (5) members.

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 Condominium 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, two initial (2) Directors shall be elected for the term of one year. The Directors 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 eighty percent (801) 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 ten (10) days prior to the day named for such meeting.

I. Special 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. Telephonic meetings may be held by the Board and written minutes shall be prepared and filed with the Board s records.

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 or 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 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 Saturday of February 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. The Board of Directors shall have the right to change the time and place of any meeting.

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 by United States 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.

(B) Unfinished business.

(9) New business.

F. quorum. At all meetings, regular or special, the presence of members entitled to cast 51% or more of the total authorized votes 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 affirmative vote of members entitled to cast 52 % or more votes of all the members of the Association.

Adopted as the By-Laws of SHADOW BROOKE VILLAGE CONDOMINIUM OWNERS ASSOC., INC at the organization meeting of the Board of Directors held on 15 day of March, 2002.

Director

Director

Certified as the By-Laws of SHADOW BROOKE VILLAGE CONDOMINIUM OWNERS ASSOC., INC at the first regular meeting of members of the Association held on the 15 day of March, 2002.

President of Association

Attest:

Secretary

AMENDMENT TO
BY-LAWS OF SHADOW BROOKE VILLAGE CONDOMINIUM OWNERS ASSOC., INC.

At the annual meeting of homeowners held on March 7, 2009, the same being duly called with proper notice to all and pursuant to authority granted in Paragraph 11 of the By-Laws Shadow Brooke Village Condominium Owners Assoc., Inc., said By-Laws were duly amended as follows:

Paragraph 6, subparagraph D. Election and Term of Office was amended to read as follows: Election and Term of Office: At the annual meeting of the Association, five (5) directors shall be elected as follows: Two (2) Directors shall be elected for the term of one year, Two (2) Directors shall be elected for the term of two years, and one Director shall be elected for the term of three years. The Directors 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.

Paragraph 9, subparagraph F. Quorum was amended to read as follows:
F. Quorum. At all meetings, regular or special, the presence of members entitled to cast 52% or more of the total authorized votes shall constitute a quorum.

This the 14 day of July, 2009.

Signed, sealed and delivered in the presence of:

Witness

Marilyn James
Notary Public

My commission expires:

Marilyn James
NOTARY PUBLIC
EXPIRES Nov. 16, 2010
Glynn County, Georgia

SHADOW BROOKE VILLAGE CONDOMINIUM OWNERS ASSOC., INC.

Flo Vining
Flo Vining, President

Nancy Jenkins
Nancy Jenkins, Secretary

Filed and Recorded 08/07/2009 at 03:27:41 PM
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Clerk of Superior Court Glynn County County, GA
Deed BK 2620 PG 1 - 1. Lola Jamsky #1