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DECLARATION OF CONDOMINIUM FOR
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS
ST. SIMONS ISLAND
GLYNN COUNTY, GEORGIA

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FOR ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

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DECLARATION OF CONDOMINIUM FOR
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS
ST. SIMONS ISLAND,
GLYNN COUNTY, GEORGIA

THIS DECLARATION OF CONDOMINIUM is made on this the 8th day of March, 1999, by Tony Thaw of Glynn County, Georgia ("Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property situated on St. Simons Island, Glynn County, Georgia, more particularly described in Exhibits "A" and "B", attached hereto (the "Land");

WHEREAS, Declarant desires to submit the property described on Exhibit "A" and the improvements erected thereon to the provisions of the Georgia Condominium Act, under the terms, conditions and provisions of this Declaration (the "Submitted Property");

WHEREAS, Declarant desires to reserve an option to expand the property submitted to the provisions of the Georgia Condominium Act under this Declaration so as to include all or any portion of the property described in Exhibit "B" (the "Additional Property");

NOW THEREFORE, Declarant does hereby submit the property described on Exhibit "A" attached hereto and incorporated herein by reference, together with all the improvements located thereon and all of those improvements as may be hereafter located thereon in accordance with the terms, conditions, and provisions of this Declaration, to the provisions of the Georgia Condominium Act, Georgia Laws 1975, page 609, as amended (Official Code of Georgia Annotated § 44-3-70 through and including § 44-3-115) (the "Act"). From and after the date on which this Declaration, together with the Survey and the plans described in Article X hereof are recorded with the Clerk of Superior Court of Glynn County, Georgia, the property described in Exhibit "A", and all of the improvements now or hereafter located thereon, and all of the easements appurtenant thereto, shall be owned, held, transferred, conveyed, sold, occupied, encumbered or otherwise used subject to all of the terms, provisions, and restrictions of this Declaration and the Act.

ARTICLE I
NAME OF CONDOMINIUM

The name of the condominium is "Island Cottage & Business Center Condominium" (the "Condominium"), located on St. Simons Island, in Glynn County, Georgia.

ARTICLE II
DEFINED TERMS

Except as otherwise defined in this Declaration, all the terms used in the Declaration and related condominium documents shall have the meanings specified in the Act.

"Act" shall mean the Georgia Condominium Act, Official Code of Georgia Annotated § 44-3-70 through and including § 44-3-115, as amended.

"Additional Property" shall mean the additional property which may be added to the Condominium in accordance with the provisions of Article XI of this Declaration and of the Act. Said property is more particularly described in Exhibit "B" attached hereto and by reference incorporated herein.

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as same now exists or may be hereafter amended.

"Association" shall mean the Island Cottage & Business Center Condominium Association, Inc., a Georgia non-profit membership corporation formed for the purpose of exercising the powers of the Association under this Declaration, the Articles of Incorporation, the Bylaws, the Act, and the Georgia Non-Profit Corporation Code.

"Board of Directors" shall mean the Board of Directors of the Association, the members of which shall be appointed and elected from time to time as provided in this Declaration, the Articles of Incorporation, the Bylaws and the Act. The Board of Directors shall be the governing body of the Association.

"Bylaws" shall mean the Bylaws of the Association as the same now exist or may hereafter amended.

"First mortgage"/"First security deed" shall mean any deed to secure debt or security deed which conveys a condominium unit, as established herein, and affords the holder thereof a first and superior security interest title in such condominium unit.

"First mortgagee"/"First security deed holder" shall mean the holder of a first mortgage/security deed on any condominium unit or multiple condominium units.

"Land" shall mean the entirety of the property submitted to the Act by this Declaration or by any amendment hereto executed and recorded pursuant to Article XI, as described collectively on Exhibits "A" and "B".

"Phase I Property" shall mean the property described on Exhibit "A" attached hereto, which property is submitted to the provisions of the Act by this Declaration.

"Submitted Property" shall mean the property initially submitted to the Act by this Declaration, as described in Exhibit "A".

"Property" shall have the same meaning as the Land.

"Survey" shall mean that plat of survey prepared by Pruitt & Purcell, P.C. for Tony Thaw, entitled As-Built Condominium Survey Tract 'A' of Island Cottage & Business Center, dated March 8, 1999.

ARTICLE III SUBMITTED PROPERTY

All of the Phase I Property hereby submitted to the Act, and all of the Additional Property which may be hereafter submitted to the Act by amendment to this Declaration, is located on St. Simons Island, in Glynn County, Georgia. The Phase I Property consists of 6 units located in 2 buildings, the limited common elements described in Article V hereof, the common elements located on the Phase I Property, and the easements affecting or appurtenant to the Phase I Property, as described in Exhibit "A" attached hereto.

ARTICLE IV UNITS

Each unit together with its undivided interest in the common elements shall for all purposes constitute a separate parcel of real property, which may be owned, held, transferred, sold, conveyed, used, occupied, mortgaged or otherwise encumbered in the same manner as any other separate parcel of real property, subject to the terms, provisions, and restrictions of this Declaration and the Act. The undivided interest in the common elements appertaining to each unit, as the same may be reallocated pursuant to the provisions of Article XI hereof, shall not be separated from such unit and shall be deemed to be transferred, conveyed and encumbered with such unit even if such interest is not stated or referred to in the document or instrument effecting such transfer, conveyance or encumbrance. Each unit owner shall be entitled to the exclusive ownership and possession of the unit or units owned by such owner, subject to the terms, provisions and restrictions of this Declaration and the Act. Each unit shall include all of the space and improvements within the boundaries thereof.

4.1 Boundaries. The boundaries of the units which are located on the Phase I Property are described on Exhibit "C" (13 pages), attached hereto and by reference incorporated herein. In the event that any portion of the Additional Property shall be added to the Condominium pursuant to the provisions of Article XI hereof, the boundaries of the units to be located on such portion of the Additional Property shall be described in the amendment to this Declaration which shall be executed and recorded with the Clerk of the Superior Court of Glynn County, Georgia, for the purpose of expanding the property subject to this Declaration so as to include such portion of the Additional Property.

4.2 Relocation of Boundaries Between Units. The boundaries between adjoining units may be relocated from time to time, provided that any such relocation is made in accordance with the procedures and provisions of the Act.

4.3 Interior Spaces of Units. The delineation of any interior spaces by walls or otherwise, as well as the installation of interior surfaces, fixtures, electrical wiring and conduits, plumbing, pipes, telephone lines, cable TV lines, and the like, have not been completed by Declarant; moreover, all such interior finishings, the installation, construction, and maintenance thereof, shall be the responsibility of Unit Owner(s) and at the discretion of the Unit Owner(s).

4.4 Appurtenant Equipment. Each unit, and the ownership thereof, shall include the heating and air conditioning apparatus reasonably used to serve each unit, whether or not located within the unit boundaries set forth herein, as well as any portion of such apparatus extending to such unit on or across common elements; provided, each Unit Owner(s) shall be responsible for the acquisition, installation, and maintenance of such apparatus and all costs related thereto.

ARTICLE V LIMITED COMMON ELEMENTS

The Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of those persons who are entitled to the use of the unit or units to which such Limited Common Elements are assigned. The Limited Common Elements which are located on the Phase I Property, and the units to which same are assigned, are described on Exhibit "D", hereto attached and incorporated herein by reference.

In the event that any portion of the Additional Property shall be added to the Condominium pursuant to the provisions of Article XI hereof, and at the time such portion of the Additional Property is so added to the Condominium, the same shall contain any Limited Common Elements, such Limited Common Elements and the units to which the same are assigned, shall be described in the amendment to this Declaration which shall be executed and recorded with the Clerk of the Superior Court of Glynn County, Georgia, for the purpose of so adding such portion of the Additional Property to the Condominium.

The Limited Common Elements within the Condominium, including those Limited Common Elements located on the Phase I Property and those which shall be located on the Additional Property, may be reassigned at any time, and from time to time, provided that any and all such reassignments shall be made in accordance with the procedures and provisions of the Act.

ARTICLE VI

COMMON ELEMENTS. ALLOCATION OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS. VOTES IN THE ASSOCIATION. LIABILITY FOR EXPENSES.

The Common Elements shall consist of the Submitted Property, excluding all units, but including any improvements thereon which are not a part of a specific unit, including all paved surfaces, driveway areas, parking spaces, and walkways; all equipment and materials used or useful in connection with the Common Elements, including utilities provided to the Condominium, whether installed underground or above the surface of the Submitted Property; all plants, trees and landscaping materials; and, any and all other property used or useful in connection with the common interests of the Unit Owner(s) and which is not included in or does not belong to a specific unit.

In the event that any portion of the Additional Property shall be added to the Condominium pursuant to the provisions of Article XI hereof, and at the time such portion of the Additional Property is so added to the Condominium, the same may contain additional Common Elements, which shall be identified in the Amendment to this Declaration which shall be executed and recorded with the Clerk of the Superior Court of Glynn County, Georgia, for the purpose of adding such portion of the Additional Property to the Condominium.

6.1 Allocation of Undivided Interest in the Common Elements. The allocation of an undivided interest in the common elements shall be equal for all units, as set forth on Exhibit "E". The undivided interest in the common elements which shall be allocated to each unit within the Condominium shall be expressed as a fraction, the numerator of which shall be the number one, and the denominator of which shall be the total number of all units contained within the Condominium.

The undivided interest in the Common Elements which is initially allocated to each unit located on the Phase I Property is set forth on Exhibit "E" attached hereto. Such undivided interest allocated to each unit shall be subject to reallocation in the manner described in Section 6.2 hereinafter.

6.2 Reallocation of Undivided Interest in the Common Elements. Each amendment to this Declaration which shall be executed and recorded by the Declarant in the manner provided in Article XI hereof for the purpose of adding any portion of the Additional Property to the Condominium shall specify the number of units which shall be so added. From and after the execution and recording of each such amendment, the undivided interest in the common elements allocated to each unit theretofore included within the Condominium shall be automatically reallocated to equal a fraction, the numerator of which shall be the number one, and the denominator of which shall be the aggregate total of all units within the Condominium, including the units added by such amendment.

Each amendment to this Declaration which shall be executed and recorded by the Declarant in the manner provided by in Article XI hereof for the purpose of adding any portion

of the Additional Property to the Condominium shall set forth the undivided interest in the common elements which shall be allocated to each unit included within the Condominium from and after the execution and recording of such amendment.

6.3 Allocation of Votes in the Association. Each condominium unit, including those located on Phase I Property, and those as may be hereafter added to the Condominium and in the manner provided in Article XI hereof, shall be allocated an equal vote in the Association. The total number of votes in the Association shall be equal to the aggregate total number of all the units contained within the Condominium.

6.4 Allocation of Share of Liability for Common Expenses. Each unit shall be allocated a share of the liability for common expenses which is equal to the undivided interest in the common elements which shall be allocated to such condominium unit, as described in Section 6.1 hereof. The share of the liability for common expenses which is initially allocated to each unit which is located on the Phase I Property is set forth on Exhibit "E" hereto. Such share of the liability for common expenses shall be subject to reallocation in the manner described in Section 6.5 hereinbelow.

6.5 Reallocation of Share of Liability for Common Expenses. From time to time as the Declarant shall execute and record amendments to this Declaration in the manner provided in Article XI hereof for the purposes of adding additional Units to the Condominium, the share of the liability for common expenses which is then allocated to each unit theretofore included in the Condominium shall be automatically reallocated, in accordance with the formula described in Section 6.2 hereof, to equal the undivided interest in the common elements which shall be allocated to such condominium unit from and after the execution and recording of such amendment.

Each amendment to this Declaration which shall be executed and recorded by the Declarant in the manner provided for in Article XI hereof for the purpose of adding any portion of the Additional Property to the Condominium shall set forth the share of the liability for the common expenses which shall be allocated to each unit included within the Condominium from and after the execution and recording of such amendment.

ARTICLE VII
POWERS AND DUTIES OF THE ASSOCIATION AND
THE BOARD OF DIRECTORS

7.1 Powers. The powers of the Association and of the Board of Directors shall be all of those powers conferred by the Act, the Georgia Non-Profit Corporation Code, this Declaration, the Articles of Incorporation, the Bylaws, and the other condominium instruments, together with such other powers as the Association and the Board of Directors may reasonably require in order to perform and discharge all of their duties and responsibilities, and to carry out the purposes of the Association.

7.2 Rules and regulations. Without limiting the generality of the provisions of Section 7.1 above, the Board of Directors shall have the power and authority to adopt, make and amend reasonable rules and regulations in regard to the use and occupancy of the units, the limited common elements and the common elements. Such rules and regulations adopted by the Board of Directors may include, without limitation, the establishing of rules and regulations regarding the parking of motor vehicles, the prohibiting of parking of certain types of motor vehicles, and the general manner of use of the common elements and limited common elements.

In no event shall any person make any use of the limited common elements or the common elements, nor shall any person place or fix any object thereon or thereto, in violation of any rules and regulations which shall be established by the Board of Directors pursuant to this Section 7.2. The Board of Directors, or its agent, shall have the power and authority to remove and dispose of any thing or object which is placed upon or affixed to any common element or limited common element in violation of any such rule or regulation, and neither the Board of Directors, nor its agent, nor the Association or its officers shall have any liability for so removing and disposing of any such thing or object.

It shall be the duty of the Board of Directors to furnish written copies of all rules and regulations as may be adopted, made and amended by it pursuant to the exercise of its power and authority herein stated to all unit owners prior to the time such rules and regulations shall go into effect. All of the rules and regulations as may be adopted, made or amended by the Board of Directors and furnished in writing to the unit owner shall be binding upon the unit owners, their families, tenants, guests and invitees, and the failure of any such person(s) to comply with or abide by any such rule or regulation shall be grounds for an action by the Association for damages, for injunctive relief, or for the imposition and assessment of fines, as provided in the Declaration, as amended, and for all or any combination of the foregoing.

7.3 Professional Management. It shall be the duty of the Board of Directors to employ a professional management firm to manage the operation and affairs of the Condominium, and the Association. Such management firm shall be employed pursuant to a management agreement which shall be approved on behalf of the Association by no less than a majority of the members of the Board of Directors.

During the term of any such management agreement, such management firm shall be the agent of the Board of Directors and the Association. To the extent permitted by law, the Board of Directors shall be authorized to delegate to such management firm such of the duties and powers of the Association and of its Board of Directors and officers, as the Board of Directors shall determine, and in which event such management firm shall be empowered and authorized to exercise such powers and duties, on behalf of, and in the name of, the Association.

It shall be expressly permissible for the Declarant, or any firm affiliated with the Declarant, to be employed as the professional management firm pursuant to the provisions of this Section 7.3.

7.4 Enforcement of Directors' Duties. In the event that the Board of Directors shall fail to perform any duty or duties which under the terms and provisions of this Declaration, the Articles of Incorporation, the Bylaws, or the Act are to be performed by it, any unit owner or first mortgagee who is aggrieved by such failure shall have the right to proceed in equity to compel the Board of Directors to perform such duty or duties. In no event, however, shall any member or members of the Board of Directors have any liability to any unit owner or mortgagee for any failure by the Board of Directors to perform any such duty or duties, except to the extent specifically provided otherwise in the Act.

ARTICLE VIII
RESTRICTIONS

In order to provide for the maximum enjoyment of the property by all of the Unit Owners, tenants, and residents thereof, and to provide for the protection and value of the units, the use of the Property and all of the units located thereon shall be restricted to, and shall be only in accordance with the following provisions:

8.1 Mixed Use. Each unit is intended for both business and residential use as hereinafter provided.

8.2 Residential Use. Not more than fifty percent (50%) of each unit may be used for residential purposes; provided, all residential use must be confined to areas above the first or ground floor of each Unit. Residential Use shall be solely for single-family residence purposes. Owner(s) may lease the residential portion of a unit subject to all terms and conditions set forth herein and as maybe adopted by the Board of Directors.

8.3 Business Use. A minimum of fifty percent (50%) of each unit shall be reserved for business purposes as allowed by governmental zoning and use regulations and as permitted under the terms set forth in this Declaration. It is intended that the business use would involve the rendering of personal services with minimal retail sales. Excluded or prohibited uses shall include, but not be limited to, the following: restaurants, prepared food vendors, bars, lounges, and liquor stores. Subject to specific regulations or requirements as maybe established by the Board of Directors, Owner(s) or Tenant(s) shall be further prohibited from use of a unit which, by its nature, would include or generate levels of traffic by employees or agents connected with such business use, which levels are not consistent with general traffic volumes on or about the Submitted Property. The ground or first floor of each unit shall be used exclusively for such business purposes. All or a portion of each unit above such ground or first floor may be used for business purposes.

8.4 Restrictions on Leasing. In no event shall any unit or a portion thereof be leased for a term of less than one (1) year, except with the prior written consent of the Board of Directors. Any lease entered into in regard to all or any portion of a unit, in violation of the provisions of this Section 8.3, shall be null and void.

8.5 Nuisances. Nothing shall be done or kept in or about any unit or in or about the Limited Common Elements or Common Elements which will increase the rate of insurance on any portion of the Submitted Property, without the prior written consent of the Board of Directors. No Unit Owner(s) shall permit anything to be done or kept in or about such Owner(s)' Unit or in or about the Limited Common Elements or Common Elements which would result in the cancellation of any insurance maintained by the Association, or which would be in violation of any law, ordinance, order of any governmental unit, or the provision of this Declaration. No obnoxious or offensive activity shall be carried on in or about any unit, or upon any Limited Common Elements or Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owner(s) or occupants or which disrupts any other Unit Owner(s)' reasonable use or enjoyment of such Owner(s)' Unit, the Limited Common Elements, or the Common Elements. All parts of the Submitted Property shall be kept and maintained in a clean, orderly, and safe condition. All garbage, refuse and waste shall be placed only in appropriate receptacles located on or about the Limited Common Elements or Common Elements, or at such other location as the Board of Directors shall direct. No fire hazard shall be permitted to exist on the Submitted Property. No portion of the Submitted Property shall in any manner be used for any immoral, improper, unethical, or unlawful use whatsoever.

8.6 Animals. No animals or birds shall be permitted upon the Submitted Property, or any portion thereof, including, without limitation, within any unit.

8.7 Common Elements. The Common Elements shall be used only by the Unit Owner(s) and their Tenant(s), including their agents, family members, licensees and invitees and shall only be used for access to and from the respective units, parking incidental to the use(s) of the unit(s) provided by this Declaration, and for such other purposes incidental to the residential or business use of the respective unit(s). Temporary or long-term storage of any item upon or about the Common Elements is expressly prohibited. Such use and the maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any party whatsoever, and shall be subject to any easement presently in existence or entered into by the Board of Directors or by the Declarant at some future time affecting any part or all of the Common Elements.

8.8 Easements.

A. Declarant reserves a perpetual parking easement affecting up to eleven (11) parking spaces located in the southwestern portion of the Property, nearest Arnold Road. Declarant further reserves a perpetual easement for ingress and egress across the Submitted Property to access said parking spaces as well as to access other property owned by Declarant adjacent to the Property.

B. Declarant further reserves an easement in the Property, to be exercised on a temporary basis for the purpose of ingress and egress and use incidental to erecting, maintaining, or repairing improvements located on other property of Declarant adjacent to the Submitted Property.

C. Declarant further reserves a perpetual easement for access to and the use of the irrigation well located on the Submitted Property near the western boundary, north of adjacent property owned by Declarant. Declarant shall further have the right to draw water from such well for use on other property owned by Declarant.

8.9 Parking. Except as approved in writing by the Board of Directors, the parking or storage of recreational vehicles, campers, trailers, mobile homes, boats, personal watercraft, snowmobiles, trucks having more than a single rear axle, motor vehicles not licensed for street use, and the like, is prohibited from the Common Elements. Each Unit Owner, and such other parties entitled to use the parking spaces, shall endeavor to utilize the parking spaces nearest such Owner's Unit before parking in other parking spaces on or about other portions of the Common Elements. The Board of Directors may designate, and identify by appropriate signage, spaces assigned to a specific unit; provided, such designation shall not make such designated spaces Limited Common Elements, the creation and assignment of any parking spaces as Limited Common Elements being reserved to amendment(s) to this Declaration; provided, further if any parking spaces shall be assigned as Limited Common Elements, the above prohibition as to the parking or storage of recreational vehicles, etc. shall apply to all such Limited Common Elements.

8.10 Exterior Equipment. Except as set forth herein regarding heating and air conditioning apparatus, no Unit Owner shall erect or maintain on or attached to any unit, or on any portion of the Property, without the prior consent of the Board of Directors, any exterior antennae, satellite dish or other electrical apparatus or equipment of any nature.

8.11 Signs. Each Unit Owner, or such Owner's Tenant, may erect a sign identifying the business(es) being conducted in a unit; provided, all signs shall be comparable in size and color. All signs shall be ordered through the Board of Directors which shall, to the extent reasonably possible, obtain signs which conform in size and color to other signs erected on the Submitted Property. Signs shall be hung from the cross support of entrance ways at the front door of a unit, or at such other location as the Board of Directors may approve. No neon signs or lighting shall be permitted. No signs, advertising, or promotional material of any nature shall be placed in or on the windows to a unit nor upon any exterior surface of a unit.

Signs identifying the mailing address, or other identification, of a unit shall be obtained and erected by the Association.

All costs specifically associated with any sign, and its installation, shall be the responsibility of the Owner of the unit to which such sign or signs shall be placed.

Declarant reserves the right to erect and display such sign or signs as Declarant shall deem appropriate in connection with sales activities by Declarant relative to existing Units or proposed units.

8.12 Garbage Cans, Mailboxes.

No above-ground trash or garbage receptacles or storage piles shall be permitted on the Property, except as provided hereinafter. The Association shall maintain one or more trash dumpster unit(s) on or about the Common Elements, for use by Unit Owners; provided, in lieu of the Association maintaining a trash dumpster unit, Declarant may lease a trash dumpster, which may be located on the Submitted Property, which shall be shared by Declarant and the Unit Owner(s). At such time as Declarant shall deem appropriate, such lease may be assigned by Declarant to the Association; provided, Declarant reserves the right to continue to use said dumpster, or any dumpster maintained by the Association, relative to any need or purpose of Declarant, and shall contribute to the Association, 1/13th of all costs associated with said dumpster unit. Said dumpster shall be located near the western boundary of the Submitted Property, north of Declarant's adjacent property, in the area described hereinabove as being the location for the irrigation well. In the event Declarant does not lease and locate a dumpster as herein provided, the Association shall provide a dumpster for use by Unit Owners and Declarant, as set forth above.

In the event the United States Postal Service is willing to make mail deliveries to each unit, each Unit Owner may place a mailbox near the front entrance of his unit; however, prior to its placement, the design of such mailbox, and its specific location, shall be approved by the Board of Directors, and must be compatible with the quality of design of the units and other mailboxes located on the Property.

8.13 Exterior Appearance of Units. The Board of Directors shall have exclusive authority for establishing rules, standards, and criteria pertaining to the exteriors of all units, including doors and windows. No Unit Owner shall repaint, resurface, or in any manner modify the exterior of a unit without the express written approval of the Board of Directors. Upon written application setting forth appropriate and specific information regarding any proposed painting, resurfacing, or modification of any exterior surface, the Board shall promptly review same, and respond in writing to such Unit Owner. If approval of any such request is not given, the response by the Board of Directors shall specify the objections and/or reason(s) for such disapproval.

ARTICLE IX
REPAIR AND MAINTENANCE

The repair and maintenance of the Property shall be in accordance with the following terms and provisions:

9.1 Common Elements. The Association shall be responsible for maintenance, repair, renovation, restoration and replacement of all portions of all of the Common Elements, except only for those portions of the Limited Common Elements for which the Unit Owners shall be responsible, as provided in Section 9.2 hereinafter. Such responsibility of the Association shall include, but shall not be limited to, the following:

A. Providing exterior maintenance on all buildings and structures located in the Property including painting, repairing, replacing and caring for all roofs, gutters and downspouts, if any, and exterior walls and surfaces (except for doors, glass surfaces and window screens, the responsibility for maintenance, repair, renovation, restoration and replacement of which shall be that of the individual Unit Owners); and,

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B. Repairing, replacing and maintaining all utility lines, pipes, wires, and conduits located outside the boundaries of the units and serving the units (except for those utility lines, pipes, wires and conduits forming a part of the heating and air conditioning systems serving a particular unit, the responsibility for the repair, replacement and maintenance of which shall be that of the Owner of the unit served by such heating and air conditioning system).

9.2 Limited Common Elements.

A. Unit Owners' Responsibility. Except as, and to the extent, specifically provided for differently in Section 16.4 hereof in the case of damage or destruction, each Unit Owner shall be responsible for the maintenance, repair, renovation, restoration and replacement of (i) any balcony which is a Limited Common Element assigned to his unit, including the responsibility to maintain railings or fences enclosing such balcony; (ii) all porches assigned to his unit, including support structure thereof, steps adjacent thereto and appropriate handrails for such steps; and, (iii) the area immediately surrounding the heating and air conditioning equipment serving his unit unless such maintenance can be performed as a part of the Association's general maintenance of Common Elements, without additional expense to the Association.

All of the maintenance, repair, renovation, restoration and replacement work which shall be the responsibility of each Unit Owner under this Section 9.2 shall be performed at the sole cost and expense of the Owner of the unit to which such Limited Common Element is assigned and in such a manner so as to cause as little disturbance to the occupants of the other units as is reasonably possible.

B. Association's Responsibility. The Association shall be responsible for the maintenance, repair, renovation, restoration and replacement of all of the Limited Common Elements, except as provided in Paragraph A above. Such responsibility of the Association shall include, but shall not be limited to, painting, repairing and carry for all roofs of porches and the repaving and resurfacing of the pavement of all walkways. Except as provided for differently herein, no expense associated with the performance of any of the maintenance, repair, renovation, restoration or replacement work which is the responsibility of the Association under this Paragraph B shall be specifically assessed against the unit or units to which such Limited Common Elements is assigned.

9.3 Units. Except as, to the extent, specifically provided for differently in Section 16.4 hereof and in the case of damage or destruction, each Unit Owner shall be solely responsible for the maintenance, repair, renovation, restoration and replacement of all portions

of his unit, including, without limitation, the heating and air conditioning system(s) serving his unit, and all interior furnishings, as set forth and described in Section 4.3. In addition, each Unit Owner shall be responsible for the maintenance and repair of the doors, glass surfaces, and window screens, if any, serving his unit, irrespective whether the same shall be located within or without the boundaries of such unit. All such responsibility of each Unit Owner shall be performed by such Unit Owner at his sole cost and expense, and in such manner so as to cause as little disturbance to the occupants of the other units as is reasonably possible.

9.4 Prohibited Changes. No Unit Owner shall paint or otherwise change in any respect the exterior appearance of his unit or any other portion of the Property including any of the Limited Common Elements assigned to his unit without having first obtained the written consent of the Board of Directors. Additionally, the design, type, location, size, intensity in color of all exterior lights (including both those mounted as part of the original design of the Property or otherwise in place at the time of the conveyance of the unit to a Unit Owner, and those mounted with the consent of the Board of Directors) shall be subject to the control of the Board of Directors.

ARTICLE X
PLAT AND PLANS

Simultaneously with the recording of this Declaration with the Clerk of the Superior Court of Glynn County, Georgia, the Survey is being filed in Condominium Plat Book 25, Map No. 62, Glynn County, Georgia records. The survey is hereby incorporated herein by reference thereto as fully as if the same were set forth in the entirety herein.

Simultaneously with the recording of this Declaration with the Clerk of the Superior Court of Glynn County, Georgia, the Plans of the buildings which contain the units located on the Phase I Property prepared by William P. Lorenz-Hooker, Architect, dated February 2, 1998, and conforming to the requirements set forth for the same in the Act, are being filed in Plat Drawer V, Plat No. 1422, Glynn County, Georgia records. These Plans are incorporated herein by reference thereto as fully as if the same were set forth in the entirety herein.

ARTICLE XI
EXPANSION OF CONDOMINIUM

11.1 Option to Expand. The Declarant does hereby explicitly reserve an option or options to expand the Condominium so as to add all or any portion of the Additional Property to the Condominium.

11.2 Expiration of Option. The option hereby reserved unto the Declarant shall be exercisable at any time, and from time to time, on or before the date which is seven (7) years after the date on which this Declaration is filed for record with the Clerk of Superior Court of

Glynn County, Georgia. The option herein reserved shall expire on said date. Notwithstanding the foregoing, however, the option herein reserved unto the Declarant may be extended if the Unit Owners or units to which 2/3 of the votes in the Association appertain, shall consent to such extension of such option within one (1) year prior to the said date on which such option would have otherwise expired.

11.3 Limitations on Option. Except as specifically set forth in this Declaration, there shall be no limitation on the option herein reserved unto the Declarant.

11.4 Exercise of Option. The option herein reserved unto the Declarant may be exercised so as to add all or any portion or portions of the Additional Property to the Condominium at different times, and in any order or sequence. The limitations on the boundaries of the Additional Property which may be added to the Condominium by the exercise of said option, are set forth in Exhibit "B" and shown upon the survey described in Article X, as tracts B-1, B-2, and B-3. The exercise of said option as to any portion of the Additional Property shall not bar the further exercise of the said option as to any other portion or portions of the Additional Property.

11.5 Manner of Exercise. The option herein reserved unto the Declarant shall be exercisable by the recording with the Clerk of Superior Court of Glynn County, Georgia, of (a) an Amendment to this Declaration, duly executed on behalf of the Declarant, and on behalf of all other Owners and Mortgagees of and on the portion of the Additional Property being thereby added to the Condominium; (b) a plat or plats of survey of the portion of the Additional Property being thereby added to the Condominium, which plat or plats shall conform to the requirements of O.C.G.A. § 44-3-83; (c) certifications, conforming to the certification requirements of O.C.G.A. § 44-3-83, of plans previously filed with the Clerk of the Superior Court of Glynn County, Georgia, which certifications shall specify which of the structures located on the portion of the Additional Property being thereby added to the Condominium they are given in respect to; and, (d) plans conforming to the requirements of O.C.G.A. § 44-3-83 of every structure on the portion of the Additional Property being thereby added to the Condominium which contains or constitutes all or any part of a unit and in respect to which a certification is not given as provided in sub-paragraph (c) hereinabove.

Each Amendment which shall be filed by the Declarant with the Clerk of Superior of Glynn County, Georgia, pursuant to this Article XI shall contain a legal description by metes and bounds of the portion of the Additional Property being thereby added to the Condominium, and shall specify the undivided interest in the Common Elements, the votes in the Association, and the share of liability for Common Expenses which shall be allocated to all of the units included in the Condominium from and after the filing of such Amendment, as provided in Article VI hereof.

11.6 Maximum Number of Units. The maximum number of units that may be created on the Additional Property is as follows: Tract B-1, 2 units; Tract B-2, 2 units; and Tract B-3, 2 units.

11.7 Compatibility of Structures. The quality of construction, principal materials and architectural style of any structures containing units which shall be erected on any part of that portion of the Additional Property which shall be added to the Condominium by the exercise of the option herein reserved unto the Declarant shall be substantially compatible with those structures containing units which are located on the Phase I Property.

In addition, the Declarant shall have the right to construct on the Additional Property such recreational and other common facilities as the Declarant shall determine prior to the time to that the portion of the Additional Property on which such recreational or other common facilities may be constructed shall be added to the Condominium. There shall be no limitations on, or assurances in regard to, the extent to which any such recreational or other facilities shall be compatible with the structures located on the Phase I Property in terms of quality of construction, the principal materials to be used, and architectural style.

11.8 Improvements. There shall be no limitations on, and there are no assurances made in regard to, all other improvements that may be made on any portion of the Additional Property which shall be added to the Condominium by the exercise of the option herein reserved unto the Declarant.

11.9 Any units which may be created on the Additional Property shall be restricted as to the residential use and business use of each unit, as well as all other restrictions, as set forth in Article VIII.

11.10 No Obligation. Notwithstanding anything contained in this Declaration which may be construed to the contrary, the Declarant shall be under no obligation to exercise the option herein reserved unto him so as to add all or any portion of the Additional Property to the Condominium. Prior to being added to the Condominium pursuant to the exercise of the option herein reserved unto the Declarant, no portion of the Additional Property is subject to the terms, provisions and restrictions of this Declaration, and all portions of the Additional Property may be conveyed, pledged, leased and encumbered totally free of the terms, provisions and restrictions of this Declaration.

ARTICLE XII ASSESSMENTS

Assessments against the Unit Owners shall be made for the purpose of raising funds to pay the common expenses of the Condominium, and shall be governed by the following provisions:

12.1 Liability. Each and every Unit Owner shall be liable to the Association for all sums as are lawfully assessed against him or his condominium unit(s) by the Association in accordance with the terms and provisions of this Declaration, the Articles of Incorporation and the Bylaws. In addition to exercising the remedies provided for in Paragraph 12.7 below, the Association may enforce such liability by an action at law to recover all amounts assessed

against each Unit Owner in accordance with the provisions of this Article XII.

12.2 Purpose. Assessments shall be levied against the Unit Owners and the Condominium Units to defray the common expenses of the Condominium. Common expenses of the Condominium shall be all of the expenditures made or incurred by or on behalf of the Association in connection with the exercise of its powers and responsibilities, and shall include but shall not be limited to, the following:

- A. Management fees and expenses of administration of the Condominium;
- B. Common utility bills and charges for other common services;
- C. Premiums for all insurance policies maintained by the Association;
- D. The expenses of performing the maintenance, repair, renovation, restoration and replacement work which is the responsibility of the Association under Article IX hereof;
- E. Such other costs, expenses and liabilities as may be determined from time to time by the Board of Directors to be common expenses; and,
- F. The creation and maintenance of such reserve funds as are required to be maintained by the Association under Paragraph 12.3 below, and such other reserve funds as the Board of Directors shall determine.

12.3 Budget, Payment Dates. Prior to the commencement of each fiscal year of the Association, the Board of Directors shall adopt a budget for the succeeding fiscal year, which budget (i) shall estimate the amount of common expenses which are anticipated to be incurred during such year, and (ii) shall make provision for an adequate reserve fund for the maintenance, repair and replacement of those portions of the Property which are to be maintained, repaired and replaced by the Association and which must be maintained, repaired or replaced on a periodic basis. The Board of Directors shall furnish a copy of such budget to each Unit Owner, together with a written statement of the amount of such common expenses which shall be assessed against such Unit Owner for such fiscal year. Each Unit Owner shall pay such assessment to the Association in such periodic installments as the Board of Directors shall determine. The Declarant shall be responsible for the assessment on all unsold units owned by Declarant. In addition, any fees, charges, and other amounts which shall be payable by any Unit Owner to the Association shall be added to and shall, unless paid at the time same are incurred or at some other time determined by the Board of Directors, be due and payable as part of the installment of the assessment next coming due.

12.4 Special Assessments. If for any reason, including non-payment of any Unit Owners' assessments, an annual budget adopted by the Board of Directors for any physical year proves inadequate to defray the common expenses for such fiscal year, the Board of Directors

may, at any time, levy a special assessment to raise the additional funds necessary to defray such common expenses. In addition, the Board of Directors shall be authorized to levy the special assessments described in Section 16.5 hereof, upon the circumstances described in said Section 16.5. Any special assessments levied by the Board of Directors pursuant to this Section shall be due and payable at such time and in such installments as the Board of Directors shall determine. Additionally, the Board of Directors shall be authorized to levy special assessments against all of the Condominium Units under the circumstances described in Section 12.6 of this Declaration.

12.5 Equal Assessment. Except as provided for differently in Sections 9.2 and 16.5 hereof, no expenses associated with the maintenance, repair, renovation, restoration, or replacement of any Limited Common Elements shall be specifically assessed against the unit or units to which such Limited Common Element is assigned.

12.6 Special Assessments for Capital Improvements. In addition to the assessments which shall be levied against the Unit Owners for the purposes described in Sections 12.2 and 12.4 hereof, the Board of Directors shall be authorized, upon the affirmative vote of the Unit Owners of units to which 2/3 of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any unit or units then owned by the Declarant, to levy a special assessment for the purpose of defraying, in whole or in part, the cost of any capital improvement to be made upon the Common Elements. Any such special assessment for any capital improvement to be made upon the Common Elements shall be payable at such times and in such installments as the Board of Directors shall determine.

12.7 Collection. In addition to all other remedies provided by law, the Association may enforce collection of the assessments for which a Unit Owner is liable, together with all other amounts as may be owed by such Unit Owner to the Association, as hereinafter provided.

A. In the event that any Unit Owner shall fail to pay any installment of any assessment levied against him within ten (10) days after the date such installment shall be due and payable, the entire unpaid balance of such assessment may, at the option of the Board of Directors, be accelerated and be declared immediately due and payable in full, without notice to such Unit Owner.

B. In the event that any Unit Owner shall fail to pay within five (5) days after the same shall be due, any amounts due and payable to the Association, such Unit Owner shall be liable for the payment, and shall pay, in addition to the amount so due the Association, the costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the unit, and reasonable attorney's fees actually incurred; and in the event the Association shall seek to foreclose its lien on the Condominium Unit of such Unit Owner, the fair rental value of the Condominium Unit from the time of the institution of suit until the sale of the Condominium Unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

C. The lien or assessments in favor of the Association provided by O.C.G.A. § 44-3-109 shall include all sums as may become payable by a Unit Owner to the Association pursuant to Paragraphs A & B. above.

12.8 Fee for Statements of Amounts Due. The Association may require the payment of a fee, not to exceed \$10.00, as a prerequisite to its issuance of any statement pursuant to subsection (d) of O.C.G.A. § 44-3-109.

12.9 New Owner Administration Fee. In addition to any and all other fees, assessments, or costs payable hereunder, the purchaser(s) of any unit or units shall, at the time of such purchase pay to the Association a fee of \$100.00 per unit purchased. Such fees shall be used by the Association to cover administrative expenses of the Association relative to such change in ownership of the unit or units and shall be deemed a part of the income to the Association for use in meeting the expenses of the Association, including the establishment of one or more reserve funds.

12.10 Deed in Lieu of Foreclosure of First Mortgage. Notwithstanding anything contained in this Declaration or in the Act which may be construed to the contrary, in the event any first mortgagee shall come into possession of any Condominium Unit by virtue of any deed or assignment in lieu of foreclosure, such first mortgagee shall not be liable for, nor shall such Condominium Unit be subject to a lien for, any assessment chargeable to such Condominium Unit on account of any period prior to the time such first mortgagee shall come into possession of such Condominium Unit; provided, however, that such unpaid assessment or assessments shall be deemed to be common expenses collectable from all Unit Owners, including such first mortgagee. The provisions of this Section 12.9 are in addition, and not in lieu of, the provisions of O.C.G.A. § 44-3-80.

ARTICLE XIII COMMON PROFITS

Any surplus remaining after the payment of the common expenses shall be either (a) distributed to, or credited to the next assessments chargeable to, the Unit Owners, or (b) added to the reserve funds maintained by the Association, as the Board of Directors shall determine.

ARTICLE XIV COMPLIANCE WITH CONDOMINIUM INSTRUMENTS

14.1 Compliance. All Unit Owners and all persons who are entitled to occupy a unit, or any portion thereof, shall comply with and abide by all of the terms, provisions and restrictions of this Declaration, the Articles of Incorporation and the Bylaws, the Act and all rules and regulations which shall be adopted by the Board of Directors in regard to the use and occupancy of the Property. In the event any Unit Owner or any person who is entitled to occupy any unit, or portion thereof, shall fail to comply or abide by any such term, provision, restriction or regulation, the Association shall have the right to proceed at law or in equity to

compel compliance or abidance therewith. In the event that any Unit Owner shall permit or suffer to exist any condition in his unit or upon any portion of any of the Limited Common Elements assigned to his unit which is not in compliance with any of the terms, provisions and restrictions of this Declaration, the Articles of Incorporation, the Bylaws, or the Act, or any rule or regulation adopted by the Board of Directors, the Association shall have the right to enter in and upon such unit or Limited Common Element and remove or correct such non-compliant condition, and the Unit Owner who permitted or suffered such condition to exist shall be liable to the Association for all of the costs and expenses it shall incur in so doing. Such Unit Owner shall pay all such costs and expenses to the Association promptly upon demand. In no event shall the Association or any of its agents, have any liability to any Unit Owner or any person entitled to occupy a unit, or a portion thereof, for entering or upon his unit or the Limited Common Elements assigned to his unit and correcting or removing any such non-compliant condition pursuant to the provisions of this Article XIV.

14.2 No Waiver. No delay, failure or omission on the part of the Association in exercising any right, power or remedy provided for in this Article XIV in the event of the failure of any Unit Owner, or of any person who is entitled to occupy an Unit, or a portion thereof, to comply with or abide by any of the terms, provisions and restrictions of this Declaration, the Articles of Incorporation, the Bylaws, the Act, or any rule or regulation adopted by the Board of Directors in regard to the use and occupancy of the Property, shall be deemed a waiver of the right to do so thereafter as to the same failure of compliance or abidance, or as to a failure as to compliance or abidance occurring prior thereto or subsequent thereto.

14.3 Enforcement by Unit Owners. In the event that any Unit Owner, or any person who is entitled to occupy any unit, or portion thereof, shall fail to comply with or abide with any term, provision or restriction of this Declaration, the Articles of Incorporation, the Bylaws, or the Act, or any decision of the Association which is made pursuant to its authority under the foregoing, or any rule or regulation which shall be adopted by the Board of Directors in regard to the use and occupancy of the Property, then any other Unit Owner who is aggrieved by such failure of compliance or abeyance shall have the right to proceed at law or in equity to compel such Unit Owner or such unit occupant to comply with and abide thereby. Additionally, any Unit Owner who, or whose lessee, shall fail to comply with or abide by any such term, provision, restriction, decision, rule or regulation shall be liable for any damages as may be suffered by any other Unit Owner as a consequence of such failure.

14.4 Failure of Endorsement. In no event shall the Board of Directors, or any of its agents, be liable to any one whomsoever on account of the failure to bring any action or enforce any remedy provided for in this Article XIV for the failure by any Unit Owner or any person entitled to occupy a unit, or portion thereof, to comply with or abide by any of the terms, provision, or restrictions of this Declaration, the Articles of Incorporation, the Bylaws, the Act, or any rule or regulation adopted by the Board of Directors in regard to the use and occupancy of the Property.

ARTICLE XV
INSURANCE

It shall be the duty of the Board of Directors to cause the Association to obtain and maintain such policies of casualty, liability and other insurance as are required to be obtained and maintained by the Association by the provisions of the Act, this Declaration, and the Bylaws; provided, such insurance shall include, but not be limited to, fire and extended coverage insurance for and in an amount consistent with the full replacement value of all structures within the Condominium; provided, however, the Association may exclude from such coverage improvements made by the Unit Owners, interior furnishings as set forth and described in Section 4.3, and structures covered by builder's risk insurance, as set forth and provided in the Act. In addition, the Board of Directors shall have the authority to obtain and maintain such other policies of insurance as it believes to be in the best interest of the Association and its members.

The Unit Owners may carry at their own initiative and expense such individual insurance policies as they shall deem desirable; provided, however, that in no event shall any Unit Owner exercise his right to maintain such individual insurance in such a way so as to decrease the amount which the Association may realize under any insurance policy which it may have in force on the Property at any particular time.

ARTICLE XVI
DAMAGE OR DESTRUCTION

The repair, reconstruction or rebuilding of the Property following the occurrence of damage to or destruction of any portion thereof shall be governed by the following provisions:

16.1 Estimates of the Cost of Repair. As soon as practicable following the occurrence of any damage to or destruction of any portion of the Property, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing or restoring such portion of the Property so damaged or destroyed to substantially the same condition as such portion of the Property was in prior to the occurrence of such damage or destruction, and shall proceed with the filing and adjustment of all claims arising under insurance maintained by the Association as a result of such damage or destruction.

16.2 Determination to Repair, Reconstruct or Rebuild Common Elements. Any damage to or destruction of any portion of the common elements not forming a part of the building containing units will be repaired, reconstructed or rebuilt unless the owners of the units to which three-fourths (3/4ths) of the votes in the Association are allocated shall determine, within thirty (30) days after the occurrence of the casualty, not to repair, reconstruct or rebuild same.

16.3 Determination to Repair, Reconstruct or Rebuild Units. The determination to repair, reconstruct or rebuild any unit, and the common elements forming a part of the building

containing such unit, which may be damaged or destroyed by fire or any other casualty shall be made in the following manner:

A. If any unit is damaged, but is neither rendered untenable nor contained within a building which also contains another unit which is rendered untenable by such casualty, such unit, together with the common elements forming part of the building containing such unit, shall be repaired in all events.

B. In the event that any unit is so damaged or destroyed that such unit is thereby rendered untenable, or, if not rendered untenable, is contained within a building which also contains another unit which is rendered untenable by such casualty, such unit, together with the common elements forming a part of the building containing such unit, will be repaired, reconstructed or rebuilt unless within forty-five (45) days after the occurrence of such casualty (1) the owner of such damaged or destroyed unit, together with (2) the owners of all of the other units contained within the building in which such unit is located, and together with (3) the owners of three-fourths (3/4ths) of the remaining units within the Condominium, shall all determine not to repair, reconstruct or rebuild such damaged or destroyed unit.

C. For purposes of this Section 16.3, a unit shall be deemed to be untenable only if as a consequence of occurrence of a fire or other casualty, such unit has been damaged or destroyed to the extent that it is not fit for present habitation, and the estimated cost of making the repairs necessary to render such unit fit for present habitation, as determined pursuant to Section 16.1 hereof, shall exceed one-half (1/2) of the fair market value of such unit prior to the occurrence of such fire or other casualty.

16.4 Manner of Repair, Reconstruction or Rebuilding. All repairs, reconstruction or rebuilding to be made as a consequence of the occurrence of a fire or other casualty shall be made in accordance with the following provisions:

A. Common Elements. (1) If the damage to be repaired, reconstructed or rebuilt is to the common elements, and if the proceeds of insurance maintained by the Association which are payable as a result of such damage or destruction are less than ten percent (10%) of the total revenues anticipated to be received by the Association under the then current annual budget of the Association, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors.

(2) If the damage to be repaired, reconstructed or rebuilt is to the common elements and if the proceeds of insurance maintained by the Association which are payable as a result of such damage or destruction are greater than ten percent (10%) of the total revenues anticipated to be received by the Association under the then current annual budget of the Association, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such

damage, or in accordance with such different plans and specification as may be approved for such purpose by the Board of Directors; provided, however, that in the event the Board of Directors shall approve plans and specifications for the repair, reconstruction or rebuilding of such damaged property which differ materially from those of the damaged property prior to the occurrence of such damage, such plans and specifications shall be submitted for the approval of the majority of the vote of the Association, if a request to such effect is submitted in writing signed by Unit Owners together possessing fifteen percent (15%) of the total vote of the Association no later than fourteen (14) days after the meeting at which the Board of Directors approved such differing plans and specifications.

B. Units. If the damage to be repaired, reconstructed or rebuilt is to any unit, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged unit prior to the occurrence of such damage, or in accordance with such differing plans and specifications as are approved for such purpose by both the Owner of the unit which is to be so repaired, reconstructed or rebuilt, and by the Board of Directors.

C. All of the work of repairing, reconstructing or rebuilding any portion of the Property, the damage to or destruction of which resulted in the payment of any insurance proceeds under any insurance policy maintained by the Association, shall be the responsibility of the Association, and shall be performed under the supervision of the Board of Directors; provided, the work of repairing, reconstructing or rebuilding all interior finishings, as set forth and described in Section 4.3, shall be the responsibility of each Unit Owner and shall be performed at the discretion of the Unit Owner without supervision by the Board of Directors. In discharging such supervisory responsibility, the Board of Directors shall be authorized, but not be obligated, to employ as its agent or consultant such building supervisors or architects as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor or architect as shall be employed by the Board of Directors shall be a common expense of the Association.

16.5 Costs of Repair, Reconstruction or Rebuilding. The cost of repairing, reconstructing or rebuilding any portion of the common elements or any portion of a unit which shall be damaged or destroyed shall be paid with any insurance proceeds which shall be paid to the Association on account of such damage or destruction. If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the Association for such purposes, are not sufficient to defray such costs of repair, reconstruction or rebuilding, then the Board of Directors shall levy a special assessment, pursuant to the provisions of Section 12.4 hereof, against all of the Unit Owners and the condominium units to raise the excess funds necessary to defray such cost.

16.6 Units Not Rebuilt. In the event that it shall be determined in the manner provided in Section 16.3 hereof not to repair, reconstruct or rebuild any unit, the same shall not be repaired, reconstructed or rebuilt, and the entire undivided interest in the common elements have appertaining to that unit shall thenceforth appertain to the remaining units, being allocated

to them in proportion to their undivided interest in the common elements, and the remaining portion of that unit shall thenceforth be a part of the common elements. Votes in the Association and liability for future common expenses shall thereupon appertain to the remaining condominium units, being allocated to them in proportion to their relative voting strength in the Association and liability for common expenses, respectively.

Any insurance proceeds which are received by the Association on account of the casualty which damaged or destroyed any units which are not to be repaired, reconstructed or rebuilt, shall be first used to pay for the costs of cleaning up and landscaping the area on which such unit or units were formerly located, as necessary in view of the fact that the same were not to be repaired, reconstructed or rebuilt, and the balance of such proceeds shall be disbursed jointly to the owner or owners of such unit or units and their first mortgagees, such disbursement to be made according to the undivided interest in the common elements which was allocated to each such unit which is not to be repaired, reconstructed or rebuilt.

ARTICLE XVII
CONTROL BY DECLARANT

Notwithstanding anything contained elsewhere in this Declaration, or in the Articles of Incorporation or Bylaws, which may be construed to the contrary, the Declarant shall be authorized to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association. The Declarant's authority to so appoint and remove members of the Board of Directors and officers of the Association shall expire upon the first of the following to occur: (a) the expiration of seven (7) years after the date upon which this Declaration shall be filed for record with the Clerk of the Superior Court of Glynn County, Georgia; (b) the date as of which units to which five-sixths (5/6ths) of the undivided interest in the common elements appertain shall have been conveyed by the Declarant to unit owners other than a person or persons constituting the Declarant, unless the Declarant at that time has an unexpired option to add any portion of the Additional Property to the Condominium; or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant.

ARTICLE XVIII
AMENDMENT

This Declaration, and the terms, provisions and restrictions thereof, may be amended only in accordance with the terms and provisions of this Article XVIII.

18.1 Expansion Amendments. As more specifically provided in Article XI hereof, the Declarant has the right to amend this Declaration at any time, and from time to time, within the time period specified herein, as the same may be extended as provided in Section 11.2 hereof, for the purpose of adding all or any portion of the Additional Property to the Condominium. All such amendments shall conform with the requirements set forth in Article

XI hereof, and shall be duly executed on behalf of those persons specified in Section 11.5 hereof. No amendment to this Declaration made pursuant to the provisions of Article XI hereof shall require the joinder, approval or consent of any persons other than those persons specified in Section 11.5 hereof.

18.2 Certain Amendments. Those amendments to this Declaration which are to be made for the purposes hereinafter set forth may be made in accordance with the procedures identified or described hereinbelow for each such purpose.

A. Any amendment to this Declaration to be made for the purpose of reassigning any Limited Common Element shall be made in accordance with the procedures and provisions of the Act.

B. Any amendment to this Declaration to be made for the purpose of relocating the boundaries between adjoining units shall be made in accordance with the procedures and provisions of the Act.

C. Any amendment to this Declaration to be made for the purpose of surrendering the Declarant's right to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association pursuant to subparagraph (c) of Article XVII hereof shall be executed and recorded by the Declarant and by any holder of a first mortgage upon any condominium units owned by the Declarant.

18.3 Other Amendments. Except as otherwise provided in the Act, all amendments to this Declaration, other than those types described in Section 18.1 and 18.2 hereof, may be made only by agreement of the following required persons:

A. The Unit Owners of units to which at least two-thirds (2/3rds) of the votes in the Association appertain; and,

B. The Declarant, if, at the time such amendment is to be made, the Declarant has an unexpired option to add any portion of the Additional Property to the Condominium pursuant to the provisions of Article XI hereof, or if the Declarant has the right to appoint and remove the members of the Board of Directors and officers of the Association pursuant to the provisions of Article XVII hereof.

ARTICLE XIX TERMINATION

The Condominium shall be terminated or abandoned only by the agreement of (a) the Unit Owners of units to which at least five-sixths (5/6ths) of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any unit or units then owned by the Declarant, together with (b) all first mortgagees of all of the condominium units within the Condominium, and (c) the Declarant, if at that time the Declarant shall own any condominium unit within the Condominium.

ARTICLE XX
AMENDMENT OF ACT

In the event that after the date this Declaration is recorded with the Clerk of the Superior Court of Glynn County, Georgia, the Act shall be amended, such amendment shall not operate to modify, revoke or amend any term, provision or restriction of this Declaration unless, by the specific terms of such amendment to the Act, any term, provision or restriction of this Declaration is thereby rendered invalid, notwithstanding the fact that this Declaration was made, executed and recorded prior to the date of such amendment to the Act.

In the event that after the date this Declaration is recorded with the Clerk of the Superior Court of Glynn County, Georgia, the Act shall be amended, the terms, provisions and restrictions of the Act, as the same existed prior to the amendment, shall continue to control for purposes of this Declaration, to the extent that the same shall be permitted by law, or to the extent that such prior existing terms, provisions or restrictions of the Act would be valid or enforceable if the same were set forth in a declaration of condominium made after the date of such amendment as an alternative to such amended term, provision of restriction.

To the extent necessary to effectuate the foregoing provisions of this Article XX, each unit owner, by acceptance of the deed of conveyance to his condominium unit, shall be deemed thereby waive, to the extent permitted by law, the effect of any amendment to the Act which shall be made after the date this Declaration is recorded with the Clerk of Superior Court of Glynn County, Georgia.

Nothing set forth in this Article XX shall be deemed to prohibit this Declaration from being amended in the manner provided by Article XVIII so as to render applicable to this Declaration and to the Condominium any amendment to the Act which may become effective after the date this Declaration is recorded with the Clerk of the Superior Court of Glynn County, Georgia.

ARTICLE XXI
PREPARER OF DECLARATION

The name and address of the attorney who prepared this Declaration is Robert M. Cunningham, Robert M. Cunningham, P.C., 1519 Glynn Avenue, Brunswick, Georgia 31520.

ARTICLE XXII
EASEMENTS

In addition to easements created in other sections of the Declaration, the following easements are hereby established:

22.1 Easement for Support. Every portion of a unit which contributes to the structural support of another unit shall be burdened with an easement of structural support in favor of such other unit.

22.2 Easement for Utilities. To the extent that any utility line, pipe, wire or conduit serving any unit or units shall lie wholly or partially within the boundaries of another unit, such other unit shall be burdened with an easement for the use, maintenance, repair and replacement of such utility line, pipe, wire or conduit, such easement to be in favor of the unit or units served by the same.

22.3 Easement for Certain Repairs. Every unit shall be subject to an easement in favor of the Association for entry into such unit for the purpose of effecting any emergency repair and any repair which, under the terms and provisions of this Declaration or the Bylaws, or under any rule or regulation adopted by the Board of Directors, the Unit Owner of such unit had the responsibility to make, but which such unit owner failed to make. The easement herein described shall be exercisable by any member of the Board of Directors, by any officer of the Association, and any authorized agent, representative or employee of the management firm employed by the Association pursuant to Section 7.3 hereof. In no event shall any person who is authorized to exercise the easement herein described be liable for any damage as may be inflicted on any unit in connection with the exercise of such easement, except for such damage as such person may inflict by his gross negligence or intentional misconduct.

22.4 Sales Easements. For so long as the Declarant shall own any condominium unit primarily for the purpose of sale, there shall be reserved unto the Declarant an easement for the use of such portions of the property (other than units conveyed by the Declarant to Unit Owners other than the Declarant) as the Declarant shall deem desirable in connection with its sales activities for such condominium unit or condominium units owned by him. Such easement shall include the right to erect such signs upon the Property, and to conduct such sales and promotional activities upon the Property, as he shall in his sole discretion determine.

22.5 Access and Utility Easements. All portions of the Phase I Property hereby submitted to the Act, and all portions of the Additional Property as may hereafter be submitted to the Act by amendment to this Declaration in the manner provided for in Article XI hereof, shall be subject to the following easements, which easements are and shall be reserved in favor of the Declarant and its successors and assigns.

A. A perpetual, non-exclusive easement, over, on, across and through all roads, drives and streets located on the Property, for the benefit of the property described on Exhibit "B" hereto, for the purpose of pedestrian and vehicular traffic providing access between and among all portions of the property described on Exhibit "B" hereto, and between any portion of the property described on Exhibit "B" hereto and any public right-of-way or other easement providing access to any public right-of-way.

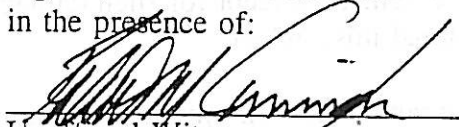
B. A perpetual, non-exclusive easement for the benefit of the property described on Exhibit "B" hereto, for the repair, maintenance and use of all sewer, water, gas, electric, telephone and other utility lines and pipes now or hereafter located in, on, under or through the property, and serving all or any portion of the property described on Exhibit "B" hereto.

ARTICLE XXIII
SEVERABILITY


Wherever possible, all of the terms, provisions and restrictions of this Declaration shall be interpreted in such a manner as to be effective and valid, but if any of such terms, provisions and restrictions, or the application of the same to any person or property, shall be held to be ineffective or invalid, such ineffectiveness or invalidity shall not affect the effectiveness or validity of any other term, provision or restriction herein set forth which can be given effect without the ineffective or invalid term, provision or restriction, and to this end the terms, provisions and restrictions of this Declaration are declared to be severable.

IN WITNESS WHEREOF, Tony Thaw, as the Declarant, has executed and delivered the within Declaration on the day and year first above written.


Signed, sealed and delivered
in the presence of:



Unofficial Witness



Tony Thaw



Notary Public

My Comm. Expires: ~~My Commission Expires~~ 1/16/2002

EXHIBIT "A" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Submitted Property

All that certain lot, tract or parcel of land situate, lying and being in the 25th G.M.D., Glynn County, Georgia, and located on St. Simons Island, being 1.0285 acres, shown and identified as Tract A according to a plat of survey prepared for Tony Thaw, by Pruitt and Purcell, P.C., dated March 8, 1999, and more particularly described as follows: Beginning at the intersection of the eastern right-of-way of Demere Road and the northern right-of-way of Arnold Road, and from said point running along said northern right-of-way of Arnold Road 479.7 feet to the point or place of beginning of said Tract A, and from said point of beginning running N22°58'26"E a distance of 115.0 feet, thence running N55°08'47"W a distance of 62.66 feet, thence running N22°59'43"E a distance of 27.02 feet, thence running S67°04'12"E a distance of 81.34 feet, thence running N22°35'40"E a distance of 141.91 feet, thence running S72°02'15"E a distance of 41.12 feet, thence running N18°05'49"E a distance of 74.16 feet, thence running S68°42'43"E a distance of 116.81 feet, thence running S00°22'01"E a distance of 105.31 feet, thence running N68°43'38"W a distance of 111.41 feet, thence running S22°54'00"W a distance of 54.90 feet, thence running S67°06'00"E a distance of 8.53 feet, thence running S22°54'00"W a distance of 245.85 feet, to the said northern right-of-way of Arnold Road, thence running along said northern right-of-way N55°13'30"W a distance of 112.17 feet to said point or place of beginning.

Reference is hereby made to said plat of survey, a copy of which is recorded in Plat Drawer _____, as Map No. _____, Glynn County Superior Court records, for purposes of description and all other purposes.

EXHIBIT "B" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Additional Property

Parcel B-1

All that certain lot, tract or parcel of land situate, lying and being in the 25th G.M.D., Glynn County, Georgia, and located on St. Simons Island, shown and identified as Tract B-1 according to a plat of survey prepared for Tony Thaw, by Pruitt and Purcell, P.C., dated March 8, 1999, and more particularly described as follows: Beginning at the intersection of the eastern right-of-way of Demere Road and the northern right-of-way of Arnold Road, and from said point running along said northern right-of-way of Arnold Road 479.7 feet to a point, thence running S55°13'30"E a distance of 112.17 feet, thence running N22°54'00"E a distance of 236.90 feet, to the point or place of beginning of said Tract B-1, and from said point of beginning running S68°42'43"E a distance of 130.12 feet, thence running N00°22'01"W a distance of 68.96 feet, thence running N68°43'38"W a distance of 111.41 feet, thence running S22°54'00"W a distance of 54.90 feet, thence running S67°06'00"E a distance of 8.53 feet, thence running S22°54'00"W a distance of 8.95 feet to said point or place of beginning.

Reference is hereby made to said plat of survey, a copy of which is recorded in Plat Drawer _____, as Map No. _____, Glynn County Superior Court records, for purposes of description and all other purposes.

Parcel B-2

All that certain lot, tract or parcel of land situate, lying and being in the 25th G.M.D., Glynn County, Georgia, and located on St. Simons Island, shown and identified as Tract B-2 according to a plat of survey prepared for Tony Thaw, by Pruitt and Purcell, P.C., dated March 8, 1999, and more particularly described as follows: Beginning at the intersection of the eastern right-of-way of Demere Road and the northern right-of-way of Arnold Road, and from said point running along said northern right-of-way of Arnold Road 479.7 feet, thence running N22°58'26"E a distance of 115.0 feet, thence running N55°08'47"W a distance of 62.66 feet, thence running N22°59'43"E a distance of 85.94 feet, thence running N22°55'01"E a distance of 75.99 feet to the point or place of beginning of said Tract B-2, and from said point of beginning running S72°02'15"E a distance of 121.88 feet, thence running N18°05'49"E a distance of 74.16 feet, thence running N68°42'43"W a distance of 115.24 feet, thence running S22°55'01"W a distance of 81.14 feet to said point or place of beginning.

Reference is hereby made to said plat of survey, a copy of which is recorded in Plat Drawer _____, as Map No. _____, Glynn County Superior Court records, for purposes of description and all other purposes.

EXHIBIT "B" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Additional Property

Parcel B-3

All that certain lot, tract or parcel of land situate, lying and being in the 25th G.M.D., Glynn County, Georgia, and located on St. Simons Island, shown and identified as Tract B-3 according to a plat of survey prepared for Tony Thaw, by Pruitt and Purcell, P.C., dated March 8, 1999, and more particularly described as follows: Beginning at the intersection of the eastern right-of-way of Demere Road and the northern right-of-way of Arnold Road, and from said point running along said northern right-of-way of Arnold Road 479.7 feet, thence running N22°58'26"E a distance of 115.0 feet, thence running N55°08'47"W a distance of 62.66 feet, thence running N22°59'43"E a distance of 27.02 feet, to the point or place of beginning of said Tract B-3, and from said point of beginning running S67°04'12"E a distance of 81.34 feet, thence running N22°35'40"E a distance of 141.91 feet, thence running N72°02'15"W a distance of 80.76 feet, thence running S22°55'01"W a distance of 75.99 feet, thence running S22°59'43"W a distance of 58.92 feet to said point or place of beginning.

Reference is hereby made to said plat of survey, a copy of which is recorded in Plat Drawer _____, as Map No. _____, Glynn County Superior Court records, for purposes of description and all other purposes.

EXHIBIT "C" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Description of Boundaries of Units

- A. Horizontal Boundaries: The units shall have no horizontal boundaries.
- B. Vertical Boundaries: The vertical boundaries of each unit shall be the finished exterior surfaces of the exterior walls of the units and the center line of all party or common walls between each unit and another unit or other improvement, as shown on the condominium plats and/or plans; provided, such vertical boundaries shall include all doors and windows and all materials constituting any part of the finished surfaces thereof.
- C. All of the boundaries herein described shall be extended to the intersections with each other. All of the boundaries above-described are shown and depicted on the Plans prepared by William P. Lorenz-Hooker Architect, which Plans are more specifically identified in Article X of this Declaration.
- D. Notwithstanding the description of the boundaries of the units set forth in this Exhibit "C", or the depiction of said boundaries on the said Plans, it shall be deemed to be included within the boundaries of each unit all portions of the heating and air conditioning systems (including furnaces, compressors, conduits, pipes, wires, ducts and the like) serving only that unit; and such portions of the heating and air conditioning systems shall be deemed to be contained within the boundaries of the unit, and shall form a part of the unit, exclusively served by the same, regardless of whether the same are located within or without the boundaries of such unit as described in this Exhibit "C" and depicted on the said Plans.

EXHIBIT "D" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Description of Limited Common Elements

The limited common elements which are located on the Phase I property are as follows:

1. All balconies which are appurtenant to each unit having a balcony shall be a limited common element assigned to the unit having direct access thereto. All of the balconies located on the Phase I property as shown and depicted on the Plans which are more specifically identified in Article X of this Declaration.

2. All porches which are appurtenant to each unit having a porch shall be a limited common element assigned to the unit having direct access thereto. All of the porches on the Phase I property as shown and depicted on the Plans which are more specifically identified in Article X of this Declaration.

3. All portions of the common elements on which there is located any portion of the heating and air conditioning system exclusively serving a particular unit or units shall be a limited common element assigned to the unit or units which is or are exclusively served by such heating and air conditioning system.

4. A common element not previously assigned as a limited common element may be so assigned by amendment to the Declaration, pursuant to the applicable provisions of the Act.

EXHIBIT "E" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Allocation of Undivided Interest
in the Common Elements, Share of
Liability for Common Expenses, and
Votes in the Association

1. The allocation of undivided interest in the common elements, share of liability for common expenses and votes in the Association shall be equal for all units. The Phase I property shall consist of 6 units; therefore, each unit is allocated a 1/6th undivided interest in the common elements, a 1/6th share of the liability for common expenses, and shall have one (1) vote out of a total of six (6) votes in the Association.

2. Island Cottage & Business Center Condominiums is an expandable condominium and additional units may be added thereto by the Declarant; provided, in the event additional property is added to the condominium, the unit(s) on such additional property, as well as units already a part of the condominium, shall have an equal allocation of interest in the common elements, an equal share of liability for common expenses, and equal votes in the Association. For example, if additional property is added to the condominium, which additional property contains two (2) units, thereby increasing the total number of units in the condominium to eight (8), then in such event each unit shall have a 1/8th undivided interest in the common elements, a 1/8th share of liability for common expenses, and one (1) vote out of eight (8) total votes in the Association.

EXHIBIT "F" TO DECLARATION OF CONDOMINIUM
OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Deed Form

STATE OF GEORGIA
COUNTY OF GLYNN

THIS INDENTURE, made and entered into on this the _____ day of _____, 1999, by and between Tony M. Thaw, of Glynn County, Georgia, as Grantor and _____, of _____ County, Georgia, as Grantee,

WITNESSETH that: Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations in hand paid at and before the sealing and delivery of these presents, the receipt and sufficiency whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee:

All that tract or parcel of land situate, lying and being on St. Simons Island, in Glynn County, Georgia, and being UNIT _____ OF ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS as shown on that certain plat prepared by Pruitt & Purcell, P.C., dated March 8, 1999, recorded in Plat Drawer 25, as Map No. 62, in the office of the Clerk of the Superior Court of Glynn County, Georgia.

The Unit is a part of the property described in the Declaration of Condominium dated March 8, 1999 (the "Declaration"), and recorded in Deed Book _____, page _____, aforesaid records.

The Unit includes an undivided one-sixth (1/6th) interest in the common elements of Island Cottage & Business Center Condominiums, as such Common Elements are defined in the Declaration for Island Cottage & Business Center Condominiums, together with all the right, title and interest of Grantor in said Unit and the appurtenances thereto under said Declaration; provided, said Declaration provides that additional property may be added thereto which would result in a reallocation of the undivided interest in said Common Elements conveyed herewith, all as provided in said Declaration.

The above described plat, Declaration and any recorded amendments thereto are incorporated herein by reference and made a part hereof for all purposes.

This conveyance is made subject to the terms, provisions and restrictions contained in

the Georgia Condominium Act, Georgia Laws 1975, page 609, as amended from time to time, and in the said Declaration. By the acceptance of this Deed, Grantee acknowledges receipt of a copy of the said Declaration and agrees to comply with all of the terms, provisions and restrictions set forth therein, as amended from time to time.

Grantee, by acceptance of this deed, consents to and appoints Grantor, his attorney-in-fact for the exercise of the rights and powers reserved unto the Declarant in the Declaration, which includes the right to amend the Declaration, to include Additional Land, as defined in the Declaration and thereby reduce the percentage of undivided interest in the Common Elements appurtenant to the unit herein conveyed.

TO HAVE AND TO HOLD the Unit with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee forever in fee simple; subject, however, to the restrictions, conditions, limitations and easements imposed upon the use of said real property and the rights and privileges reserved therein and thereto by the Grantor (as "Declarant") in the Declaration.

AND THE SAID GRANTOR will warrant and forever defend the right and title to the Unit to the said Grantee against the claims of all persons claiming under Grantor except as hereinabove provided.

IN WITNESS WHEREOF, the said Grantor has executed this instrument, on this the day and year first above written.

Tony M. Thaw (L.S.)

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public
My Comm. expires: _____

ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS
ST. SIMONS ISLAND, GEORGIA

ADDITIONAL UNITS/PROPERTY

As set forth in Article XI of the Declaration of Condominium for Island Cottage & Business Center Condominiums, dated March 8, 1999, recorded in Deed Book 555, at page 48, in the Office of the Clerk of Superior Court of Glynn County, Georgia, the Declarant therein, Tony Thaw, has reserved an option to submit additional property to said Declaration. Said additional property is described in said Declaration in Exhibit "B" thereto, and further shown and identified according to that certain plat of survey depicting Island Cottage & Business Center Condominiums, recorded in Plat Book 25, Map No. 62, said records.

Declarant has reserved the option to add all or a portion of the Additional Property as described in said Declaration, and shown on said Exhibit "B" thereto. Declarant is not obligated to add said property. Additional units will not be added to Island Cottage & Business Center Condominiums unless additional property is submitted to said Declaration, as provided above and as set forth in said Declaration.

This the 8th day of March, 1999.

Tony Thaw, Declarant

ISLAND COTTAGE & BUSINESS CENTER

1999 PROPOSED BUDGET

REVENUES

CONDO FEES
 COMPLETED UNITS 6 @ 200/MO

14400

 14400

EXPENSES

ACCOUNTING FEES 125
 INSURANCE - FLOOD (1st 6 units) 1791
 INSURANCE - BLD (1st 6 units) 4446
 df 5000
 MANAGEMENT FEES 600
 OFFICE SUPPLIES & POSTAGE 100
 REPAIRS & MAINTENANCE 500
 TAXES & LICENSES 10
 TRASH COLLECTION 650
 UTILITIES 1000

 14222

NET INCOME

 178

** NOTE ** UNIT FEES AND INSURANCE COSTS WILL BE ADJUSTED AS
 ADDITIONAL BULDINGS ARE CONSTRUCTED.

ARTICLES OF INCORPORATION OF
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUM ASSOCIATION, INC.
A GEORGIA NONPROFIT CORPORATION

ARTICLE I

NAME

The name of the corporation is: "ISLAND COTTAGE & BUSINESS CENTER
CONDOMINIUM ASSOCIATION, INC." ("Corporation").

ARTICLE II

AUTHORITY

The Corporation is organized pursuant to the provisions of the Georgia Nonprofit
Corporation Code ("Code").

ARTICLE III

MEMBERS

The Corporation will have members, who shall be owners of condominium units in Island
Cottage & Business Center Condominiums.

ARTICLE IV

INITIAL PRINCIPAL OFFICE

The mailing address of the initial principal office of the Corporation is 1519 Glynn
Avenue, Brunswick, GA 31520.

ARTICLE V

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Corporation is 428 Arnold Road, St. Simons Island,
Georgia 31522. The initial registered agent of the Corporation is Tony M. Thaw.

ARTICLE VI

INCORPORATOR

The name and address of the incorporator is: Tony M. Thaw, 428 Arnold Road, St. Simons Island, GA 31522.

ARTICLE VII

NON-PROFIT STATUS

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 or be distributable to any director, member, 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 furtherance of the purposes stated above for which the Corporation is organized.

No substantial part of the activities of the Corporation shall consist of attempting to influence legislation, by propaganda or otherwise. The Corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition of any candidate for public office.

ARTICLE VIII

DISSOLUTION

In the event of the dissolution of the Corporation, to the extent allowed under applicable law, after all lawful debts and liabilities of the Corporation have been paid, all of the assets of the Corporation shall be distributed pursuant to a plan of distribution, in conformity with the Official Code of Georgia Annotated.

Secretary of State

Corporations Division

315 West Tower

2 Martin Luther King, Jr. Dr.

Atlanta, Georgia 30334-1530

CONTROL NUMBER: K907166
EFFECTIVE DATE: 02/09/1999
COUNTY : GLYNN
REFERENCE : 0044
PRINT DATE : 02/17/1999
FORM NUMBER : 311

ROBERT M. CUNNINGHAM
P.O. BOX 1513
BRUNSWICK GA 31521

CERTIFICATE OF INCORPORATION

I, Cathy Cox, the Secretary of State and the Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

**ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUM ASSOCIATION, INC.
A DOMESTIC NONPROFIT CORPORATION**

has been duly incorporated under the laws of the State of Georgia on the effective date stated above by the filing of articles of incorporation in the office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



A handwritten signature in black ink, appearing to read 'Cathy Cox', is written over the printed name.

CATHY COX
SECRETARY OF STATE



REFERENCE: DECLARATION OF CONDOMINIUM FOR ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS, RECORDED IN DEED BOOK 555, PAGE 48, GLYNN COUNTY, GEORGIA SUPERIOR COURT RECORDS.

FILED
GLYNN CO. CLERK'S OFFICE

2005 MAY 27 P 4: 53

Lola B. Jamakey
CLERK SUPERIOR COURT

Recorded 5/31/05
Lola B. Jamakey
Clerk Superior Court

AMENDMENT
TO
DECLARATION OF CONDOMINIUM FOR
ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUMS

Pursuant to Section 18.3 of the Declaration of Condominium for Island Cottage & Business Center Condominiums, dated March 8, 1999, recorded in Deed Book 555, page 48, Glynn County, Georgia Superior Court records ("Declaration"), the undersigned, representing at least two-thirds (2/3) of the votes in Island Cottage & Business Center Condominium Association, Inc., a Georgia non-profit membership corporation ("Association") do hereby amend the Declaration as follows:

1.

By deleting in its entirety the provisions of Section 4.3 Interior Spaces of Units, of ARTICLE IV, UNITS, and inserting in lieu thereof the following:

"4.3 Interior Spaces of Units. The delineations of any interior spaces by walls or otherwise, as well as the installation of interior surfaces, fixtures, electrical wiring and conduits, plumbing, pipes, telephones lines, cable tv lines, and the like have not been completed by Declarant; moreover, all such interior finishings, the installations, the construction, normal repairs, and maintenance thereof, shall be the responsibility of the Unit Owner(s) and at the discretion of the Unit Owner(s). The Association shall be responsible for maintaining hazard insurance on the interior of all units as set forth in ARTICLE XV."

2.

By deleting in its entirety the provisions of ARTICLE XV, INSURANCE, and inserting in lieu thereof the following:

"ARTICLE XV
INSURANCE

15.1 Required Insurance. It shall be the duty of the Board of Directors to cause the Association to obtain and maintain such policies of casualty, liability and other insurance as are required to be obtained and maintained by the Association by the provisions of the Act, this Declaration, and the Bylaws; provided, such insurance shall include, but not be limited to, fire and extended coverage insurance for and in an amount consistent with the full replacement value of all

structures within the Condominium; provided, further, such coverage shall include all interior betterments and improvements which are permanently attached to a building, such interior betterments and improvements include all doors, walls, ceilings, flooring, trim, heating and air conditioning, electrical and plumbing fixtures, wiring, conduit, and pipes.

15.2 Excluded from Insurance Coverage. The Association may exclude from such coverage interior furnishings and all personal property including but not limited to office equipment, computers, furniture and furnishings. The Association may further exclude structures covered by builder's risk insurance, as set forth and provided in the Act.

15.3 Optional Insurance. The Board of Directors shall have the authority to obtain and maintain such other policies of insurance as it believes to be in the best interest of the Association and its Members.

15.4 Responsibility of Unit Owners. Owners of Units for which any claim may be made against insurance provided by the Association shall be responsible for the applicable deductible under such insurance relative to any such claim; provided, in the event multiple units are involved in a claim arising from a single event, such Unit Owners shall each be responsible for an equal share of such applicable deductible. The Unit Owners may carry at their own initiative and expense such individual insurance policies as they shall deem desirable; provided, however, in no event shall any Unit Owner exercise the right to maintain such individual insurance in such a way so as to decrease the amount which the Association may realize under any insurance policy which it may have in force on the Property at any particular time."

IN WITNESS WHEREOF, the undersigned, representing Unit Owners of Units in Island Cottage & Business Center Condominiums holding at least two-thirds (2/3) of the votes in the Association, have affixed their hands and seals and consent to the within Amendments to the Declaration as of the dates set forth below.

UNIT 1:

Ken S. Trowbridge, III

Ken S. Trowbridge, III

Kelly H. Trowbridge

Kelly H. Trowbridge

May 12, 2005

Signed, sealed and delivered
in the presence of:

Rene K...

Unofficial Witness

Joyce Haas

Notary Public, ~~Cherokee County~~ Georgia.

My Commission Expires Sept. 23, 2007



UNIT 2:

John N. McMillan
John N. McMillan

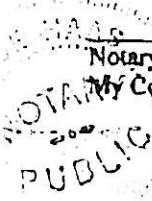
5-9, 2005

Signed, sealed and delivered
in the presence of:

Renee Kuch
Unofficial Witness

John Haas
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 3:

Roland L. Daniel

Roland L. Daniel
05-09, 2005

Signed, sealed and delivered
in the presence of:

Renee Kuch
Unofficial Witness

John Haas
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 4:

John C. Adams, Jr.

Sharon S. Adams
Sharon S. Adams

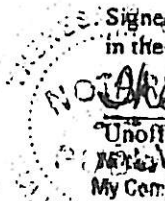
9/31 ↑ 2005
DR. JOHN C. ADAMS, JR.
LEGAL SIGNATURE

Signed, sealed and delivered
in the presence of:

Christine D. Lord
Unofficial Witness

John Haas
Notary Public, Glynn County, Georgia
My Commission Expires March 14, 2006

Notary Public, Glynn County, Georgia. Bulloch County
My Comm. expires: 3/14/2006



UNIT 5:

MedBiz, L.L.C.

By:

John Dow, its

member

5-9

, 2005

Signed, sealed and delivered
in the presence of:

Renee Kirk

Unofficial Witness

Joan Haas

Notary Public, Glynn County, Georgia.

My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 6:

MedBiz, L.L.C.

By:

John Dow, its

member

5-9

, 2005

Signed, sealed and delivered
in the presence of:

Renee Kirk

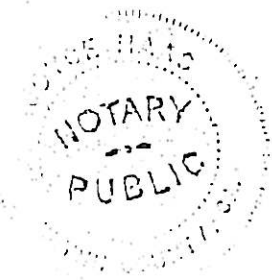
Unofficial Witness

Joan Haas

Notary Public, Glynn County, Georgia.

My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 7:

Warranty Specialists, Inc. d/b/a
Glynn General Corporation

By: [Signature]
Jock Cockroft, its President



ATTEST:

By: _____
its _____

(Corporate Seal)

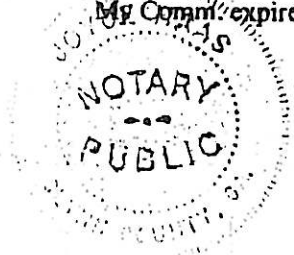
5-9, 2005

Signed, sealed and delivered
in the presence of:

[Signature: Renae Kirk]
Unofficial Witness

[Signature: Joyce Heas]
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

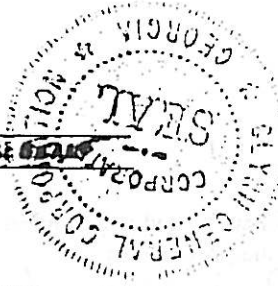
Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 8:

Warranty Specialists, Inc.

By: [Signature]
Jock Cockroft, its President



ATTEST:

By: _____
its _____

(Corporate Seal)

5-9, 2005

Signed, sealed and delivered
in the presence of:

[Signature: Renae Kirk]
Unofficial Witness

[Signature: Joyce Heas]
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 11:

Eric Schlossberg

_____, 2005

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public, Glynn County, Georgia.
My Comm. expires: _____

UNIT 12:

Darrell J. Thaw
Darrell J. Thaw

Deborah T. Thaw
Deborah T. Thaw

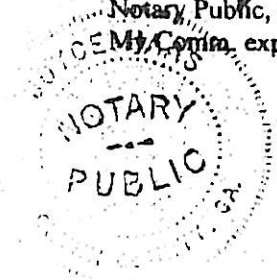
_____, 2005
May 9

Signed, sealed and delivered
in the presence of:

Kerrie Kirk
Unofficial Witness

Joyce Heas
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 9

William Craig Dart
William Craig Dart

Sheila Dart
Sheila Dart

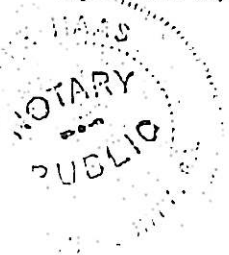
5-17-05, 2005

Signed, sealed and delivered
in the presence of:

Renee Kirk
Unofficial Witness

James Haas
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.



UNIT 10:

Mark S. Mosely
Mark S. Mosely

Linda U. Mosely
Linda U. Mosely

5-9-05, 2005

Signed, sealed and delivered
in the presence of:

Renee Kirk
Unofficial Witness

James Haas
Notary Public, Glynn County, Georgia.
My Comm. expires: _____

Notary Public, Glynn County, Georgia
My Commission Expires Sept. 23, 2007.

