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DECLARATION

FOR

THE VILLAGE GREEN CONDOMINIUMS

STATE OF GEORGIA

COUNTY OF GLYNN

WHEREAS, Joseph N. McDonough (hereinafter referred to as "Declarant") owns certain real property located on St. Simons Island, Glynn County, Georgia, being more particularly described in Exhibit "A" attached hereto and, by reference, incorporated herein and made a part hereof (the "Land"); and

WHEREAS, Declarant desires to submit the Land to the provisions of the Georgia Condominium Act, as amended from time to time (hereinafter referred to as the "Act"); and

WHEREAS, There exists on said land an Apartment Complex, known as the Village Green Apartments, consisting of one hundred two (102) one, two and three bedroom apartment units located in twelve (12) different buildings, in accordance with plans prepared by E. Julian Flexer, Architect., dated April 26, 1971 as revised and certified on August 11, 1983 (hereinafter referred to as "The Plans") which have been recorded in the office of the Clerk of the Superior Court, Glynn County, Georgia in Condominium Plan Book _____ at Page _____ and the Declarant desires to submit the Land and said Apartment buildings and its Improvements thereon to the Condominium (as hereafter defined) form of ownership; and

WHEREAS, Declarant has caused to be prepared and recorded in the Office of the Clerk of Superior Court, Glynn County, Georgia, in Condominium Plat Book _____, page _____ a plat of survey prepared by James L. Conine, R. G. S. No. 1545 dated August 11, 1983 (hereinafter referred to as "the Plat") showing the locations and dimensions of the Condominium Property, as defined in Exhibit A hereof, included) all Common Elements (as hereinafter defined):

D E C L A R A T I O N :

NOW THEREFORE, the Condominium Property (as hereinafter defined) is hereby submitted to the form of condominium ownership as provided for in the Georgia Condominium Act, and the Condominium Property (as hereinafter defined) shall be held, sold, and conveyed subject to the following covenants, conditions, and restrictions which shall be binding upon all parties having or acquiring any right, title, or interest in the Condominium Property (as hereinafter defined) or any portion thereof and shall inure to the benefit of each owner thereof.

The name of the Condominiums shall be "The Village Green Condominiums".

ARTICLE 1

DEFINITIONS

Section 1. General. The terms used in the Declaration, unless otherwise specified or unless the context otherwise requires, shall have the meaning specified in § 44-3-71 Official Code of Georgia Annotated (such Code is hereinafter designated "O.C.G.A."). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

Section 2. Definitions. As used in this Declaration of Condominium and Bylaws and Exhibits attached hereto, and all amendments thereof, the following definitions shall prevail:

(a) "Declaration" or "Declaration of Condominium" means this instrument as it may from time to time be amended.

(b) "Articles of Incorporation" means that document, as it may from time to time be amended, which is on file with the Secretary of the State of Georgia and provides for the incorporation of "Village Green Condominium Association, Inc." under the Georgia Nonprofit Corporation Code.

(c) "Association" means Village Green Condominium Association, Inc. a Georgia non-profit corporation.

(d) "Bylaws" means the bylaws of the Association as they exist and as may be amended from time to time.

(e) "Common Elements" means all portions of the Condominium Property not included within the units (as hereinafter defined).

(f) "Limited Common Elements" means and includes those Common Elements reserved for the use of less than all of the units as more particularly defined in Section 6 of Article II of this Declaration.

(g) "Condominium" means that form of ownership of condominium property under which the Units or improvements are subject to ownership by one or more owners and there is appurtenant to each Unit, as part thereof, an undivided share of the Common Elements, and as used in this Declaration shall mean and refer to Village Green Condominium as created pursuant to this Declaration of Condominium.

(h) "Condominium Property" means and includes the Land of the Condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

(i) "Assessment" means a share of the funds required for the payment of the common expenses which from time to time are assessed against the Unit Owners.

(j) "Unit Owner" or "Unit Owners" means the owner of or owners of a Condominium Unit (as hereinafter defined) together with its undivided percentage interest in the Common Elements and all appurtenances thereto.

(k) "Condominium Unit" or "Unit" is a unit as defined in the Act and as more specifically defined and described in Section 2 of Article II of this Declaration.

ARTICLE II

THE CONDOMINIUM

Section 1. General Descriptions. The Condominium is located at St. Simons Island, Glynn County, Georgia and consists of twelve (12) different buildings, containing one hundred two (102) one, two, and three bedroom units. The Condominium Property consists of approximately 7.5 acres of land together with all improvements located thereon. The improvements include the said twelve (12) buildings containing the 102 Units, Common Elements, and Limited Common Elements. In addition, the improvements on the Condominium Property include outside parking areas, walks, landscaping, a laundromat and an outdoor swimming pool.

Section 2. Description of Units. The Units are depicted on pages 1 through 8 of the plans and are constructed substantially in accordance with the Plans. Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundaries are as follows:

(a) The upper and the lower boundaries extended to an intersection with the perimetrical boundaries, the upper boundaries of the Unit being the plane of the interior surface of the ceiling of the uppermost level of the Unit and the lower boundaries being the plane of the undecorated finished floor of the lowermost level of the Unit. The interior surface of the upper and lower boundaries shall be part of the Unit, and the Unit Owner shall be responsible for maintenance and repair of same.

(b) The perimetrical boundaries of the Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(i) The exterior vertical boundaries are the vertical planes of the undecorated finished interior of the exterior walls of the building and the undecorated finished interior of the walls and partitions separating such Units from corridors, stairs, mechanical equipment spaces or other Units extended to intersection with each other and with upper and lower boundaries. The interior surface of the exterior boundary walls shall be part of the Unit, and the Unit Owner shall be responsible for the maintenance and repair of same.

(ii) The term "walls", "ceiling" and floors" as used in this paragraph shall include vents, doors, gates, windows, screens and screen partitions and such other structural elements located therein which are regarded as enclosures of space.

(iii) For each Unit exterior windows, the frames, glass and screens thereof as well as exterior doors, gates, and glass-sliding doors and the frames and casings of same are part of the unit, and the Unit Owner shall have responsibility for maintenance and repair of same.

(iv) The Unit shall not include interior walls, floors, ceilings or ceiling joists which are load bearing or which enclose the common pipe chases or installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation, nor shall the Unit include roof rafters; provided, however, that the interior surface of all such interior walls, ceiling and floors shall be part of the Unit, and the Unit Owner shall have the responsibility for maintenance and repair of same. All Units shall be subject to easements through such Units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to Units and the Common Elements, and to an easement of support in every portion of the Unit which contributes to support of the buildings. All of these items and easements shall be part of the Common Elements together with the Land described in Exhibit "A", property and installation required for furnishing of services and utilities to more than one Unit or the Common Elements (excluding such property title to which is reserved by the particular company furnishing such utility service) and all other parts of the improvements not included within the Units.

(v) If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the building, a valid easement for the encroachment and for the maintenance of same, so long as the building stands, shall exist. In the event the building, a Unit, an adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

Section 3. Alterations Within Units. Alterations within Units may be made pursuant to the provisions of § 44-3-90 O.C.G.A.

Section 4. Descriptions of Common Elements. The Common Elements consist of all portions of the Condominium not included within the Units.

Section 5. Allocation of Undivided Interests in Common Elements. Pursuant to the provisions of § 44-3-78 O.C.G.A., undivided interests in the Common Elements in the percentages as set forth in Exhibit "C" attached hereto are hereby allocated to the Units. The undivided interests in the Common Elements hereby allocated shall not be altered except to the extent otherwise

expressly provided by the Act. The rights of the Unit Owners to use Common Elements shall be subject to such rules and regulation as may be adopted by the Association.

Section 6. Description of Limited Common Elements. Supplementing the provisions of § 44-3-75 O.C.G.A., ownership of each Unit shall entitle the Unit Owner thereof to the exclusive use of those portions of the Common Elements consisting of (a) any utility boxes, water heaters, or heating and/or air conditioning compressors or components or other apparatus serving only such Unit which may be located beyond the boundaries of the Unit, and (b) any entrance ways, stairways, and appurtenant fixtures and facilities providing direct access to the Unit.

Section 7. Reassignment of Limited Common Elements The reassignment of Limited Common Elements may be made pursuant to the provisions of § 44-3-82 O.C.G.A.

SECTION 8. Subsequent Assignment of Common Elements as Limited Common Elements. Subject to the provisions in this Section 8, below, in the event that the Board of Directors of the Association should authorize or otherwise provide for the assignment of parking spaces as Limited Common Elements, an amendment to this Declaration making such an assignment shall be prepared, executed, and recorded pursuant to the provisions of § 44-3-82 O.C.G.A. Any other assignment of Commons Elements as Limited Common Elements shall be effective only by means of an amendment to this Declaration pursuant to the provisions of § 44-3-93 O.C.G.A.; provided, however, that the following Common Elements may not be assigned as Limited Common Elements without the express written consent of all of the unit owners, their successors or assigns: the areas identified as the Laundromat on the Plat and swimming pool.

Section 9. Upkeep of the Condominium. Each Unit and the fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, kept in good repair and replaced by and at the expense of the Unit Owner. All powers and responsibilities with regard to maintenance, repair, renovation, restoration, and replacement of Common Elements shall appertain to the Association, providing, however, the cost of maintenance Limited Common Elements shall be borne by the owners of the Units benefiting from such Limited Common Elements.

ARTICLE III

THE CONDOMINIUM ASSOCIATION

Section 1. General. The Association has been incorporated as a nonprofit membership corporation under the Georgia Nonprofit Corporation Code. The organization of the Association has been duly effectuated, including appointment of officers. The Declarant shall be and is authorized to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association provided, however, the Declarant's authority so to appoint and to remove members of the Board of Directors and officers shall in no event extend beyond, and shall in all cases expire upon, the first of the following to occur:

(a) Four months from the date 75% of all units shall have been sold and conveyed by Declarant to Unit Owners other than Declarant;

(b) The expiration of 3 years from the conveyance of the first unit hereunder by Declarant;

(c) The surrender by the Declarant of the authority to appoint and remove members of the Board of Directors and officers by an express amendment to this Declaration executed and recorded by the Declarant.

No formal or written proxy or power of attorney need be required of the Unit Owners to vest such authority to appoint and remove members of the Board of Directors and officers in the Declarant, acceptance of a conveyance of a Condominium Unit being wholly sufficient for such purpose.

Upon the expiration of the period of the Declarant's right to control the Association pursuant to the provisions of this Section 1 of Article III, and §

44-3-101 O.C.G.A., such right to control shall automatically pass to the Unit Owners (including the Declarant if the Declarant then owns one or more Condominium Units).

Section 2. Membership. The owner or owners of each Unit shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee simple title thereto from Declarant, or in a conveyance by a grantee or remote grantee of Declarant, a deed which complies with the terms and conditions of this Declaration. The qualification of members of and manner of admission to membership in the Association and the termination of such membership shall be provided for in the Articles of Incorporation or Bylaws of the Association.

Section 3. Allocation of Votes in the Association. Pursuant to the provisions of § 44-3-79 O.C.G.A., the number of votes in the Association hereby allocated to each Unit is one and may not be divided. Said votes shall be cast under, and subject to, such rules and procedures as may be prescribed in this Declaration or the Bylaws of the Association, as either of said instruments may be amended from time to time, or by law and, specifically, any limitation imposed in such instruments pursuant to § 44-3-101 O.C.G.A.

ARTICLE IV

ASSESSMENT OF COMMON EXPENSES

Section 1. General. To provide funds necessary for proper operation and management of the Condominium, the Association is hereby granted the right to make, levy and collect assessments against the Unit Owners and said Units. Each Unit Owner shall pay to the Association assessments regarding common expenses, including those described in § 44-3-80(b) O.C.G.A., such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments shall constitute a lien on the Unit or Units against which each such assessment is made pursuant to § 44-3-109 O.C.G.A., which lien shall include late charges, interest, cost of collection, and fair rental value in accordance with and to the maximum extent permitted by § 44-3-109(b) O.C.G.A. The Association may, in its discretion, require payment of a fee not exceeding Ten Dollars (\$10.00) as a prerequisite to the issuance of each statement setting forth the amount of assessments past due and unpaid which the Association is obligated to provide pursuant to § 44-3-109(d) O.C.G.A. Additionally, the Association shall collect a working capital fund for its initial operating period by collecting at the closing of the sale of each Unit hereunder an amount equal to two months assessments against such unit.

Section 2. Specially Assessed Common Expenses. Each Unit Owner shall be liable for and shall pay a share, on the basis of the allocation made as provided in Section 4(a) of this Article IV, of the common Expenses incurred by the Association (a) which benefit less than all of the Units, (b) which are occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the licensees or invitees of any such Unit or Units, and (c) which significantly disproportionately benefit one or more of the Units.

Section 3. Other Common Expenses. Each Unit Owner shall be liable for and shall pay a share, on the basis of allocation made as provided in Section 4(b) of this Article IV, of the common expenses not specially assessed which shall include, but not be limited to, all charges for taxes (except ad valorem taxes and other such taxes assessed separately on each Condominium Unit or on the property or any other interest of the Unit Owners), insurance (including fire and other casualty and liability insurance), wages, accounting fees, legal fees, management fees, and other expenses of upkeep, maintenance and management actually incurred by the Association, the costs of operation of the Common Elements and the costs of and reserve for maintenance, repair and replacement of the Common Elements, which reserve shall be replaced on a periodic basis payable in regular installments rather than by special assessments.

Section 4. Allocation of Liability for Common Expenses. For the purpose of determining the assessments to be made as hereinabove provided, the Association shall determine for each year, as soon as practicable, the estimated aggregate amount of the common expenses for such year. For purposes of such determination, each year shall be the calendar year, except that the first year

shall begin on the date upon which the Condominium is legally constituted and end on the 31st day of December of said year. The Association may, from time to time during each year, make reasonable adjustments in said estimated amounts on the basis of actual costs incurred. Assessments for the estimated amount of Common Expenses for each year, as determined by the Association, shall be allocated and assessed by the Association as follows:

(a) The estimated common expenses to be specially assessed shall be allocated to and assessed equitably among the Units in proportion to the benefits of the related services provided to such Units as may be determined by the Association or such person or persons as may be selected by the Association for such purpose.

(b) The estimated common expenses not specially assessed shall be allocated to and assessed among the Units in accordance with their respective percentages of undivided interest in and to the Common Elements as set out in Exhibit "C" hereto.

Section 5. Payment of Assessments. The assessments provided for herein shall be established on a calendar year basis and, unless otherwise provided by the Association, shall be payable by the Unit Owners in equal monthly installments in advance on or before the first (1st) day of each month. Any omission or delay in determining and allocating said expense or in levying assessments thereof shall not relieve the Unit Owners therefrom. In such event, the Unit Owners, pending such determination, allocation, and levy, shall pay monthly installments of common expenses in accordance with the last determination and allocation of the estimated expense within ten days after notice thereof. At all times, the most recent determination in relation to the allocation of said expenses shall be effective and shall govern all allocation until another such determination shall be made. Amounts allocated and assessed to any Unit of which payment shall not have become due, shall be subject to reallocation and reassessment in accordance with the later determination in relation to such allocation and assessment.

Section 6. Non-Payment of Assessments. All sums lawfully assessed by the Association against any Unit Owner or Condominium Unit, whether for the share of the common expenses pertaining to that Condominium Unit or otherwise, shall, which from time to time become due and payable, shall constitute a lien in favor of the Association on the Condominium Unit, prior and superior to all other liens whatsoever except:

- (a) liens for ad valorem taxes on the Condominium Unit;
- (b) the lien for any first priority mortgage covering the Unit and lien of any mortgage recorded prior to the recording of this Declaration; and
- (c) the lien of any secondary purchase money mortgage covering the Unit.

The recording of the Declaration constitutes record notice of the existence of this lien, and no further recordation of any claim of lien for assessments shall be required.

The lien for assessments shall also include: (i) a late or delinquent charge not in excess of the greater of \$10.00 or 10% of the amount of each assessment or installment thereof not paid when due; (ii) interest on each assessment or installment thereof and any delinquency or late charge pertaining thereto from the date the same was first due at a rate not in excess of 8% per annum; (iii) the cost of collection, including court costs, the expenses of sale, any expense required for the protection and preservation of the Unit and reasonable attorney's fees actually incurred; and (iv) the fair rental value of the Condominium Unit from the time of the institution of an action until the sale of the Condominium Unit at foreclosure or until the judgement rendered in the action is otherwise satisfied.

If any mortgagee or other purchaser obtains title to a Condominium Unit at a foreclosure sale or sale conducted by exercise of a non-judicial power of sale under any recorded mortgage which is superior to the lien of the Association for

unpaid assessments, such purchaser, its heirs, successors and assigns, shall not be liable for the assessment on the Condominium Unit accruing after the date of the recording of such mortgage up to the date of acquisition of title to the Condominium Unit by such purchaser. Such unpaid assessments shall be deemed to a common expense to be assessed against all of the Unit Owners including such purchaser. The term "mortgagee" as used in this section shall have the meaning given to it in § 44-3-71 O.C.G.A.

Section 7. Disposition of Surplus Common Profits. The common profits shall be applied to the payment of common expenses, and any surplus remaining shall appertain to the Condominium Units in proportion to the liability for common expenses appertaining to each Unit or, in the alternative, such surplus or any portion thereof may be added to a reserve for maintenance, repair and replacement of Common Elements or other reserve of the Association as may from time to time be determined by the Association in the exercise of its sole discretion.

ARTICLE V

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance The Board of Directors or its duly authorized agent shall obtain property and casualty insurance for all of the improvements on the Condominium Property (with the exception of improvements and betterments (other than the replacements of like, kind and quality) made by the respective unit owners at his or her expense and further excluding title insurance, which shall be an expense of the Owner) against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief, in an amount sufficient to cover the full replacement value or cost of any repair or reconstruction in the event of damage or destruction for any such hazard. The Board shall also obtain officers and directors liability insurance in amounts as determined by the Board for the Officers of the Association, and, in addition, public liability insurance in an amount not less than \$500,000.00, Combined Single Limit, covering all Common Elements for property damage and personal injury caused by the negligence of the Association or its agents, and premiums for all such insurance shall be Common Expense. The Board shall also obtain flood insurance coverage to the limits which are available and/or deemed practicable by said Board. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for each Unit Owner in such amounts as the Board of Directors shall determine, which determination shall be based on the annual insurance review provided for in this Section. Such insurance shall be governed by the following provisions:

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

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

(c) Certificates. Provisions shall be made for the issuance of a Certificate of Insurance to each Owner and his Mortgagee, if any, which shall specify the amount of such insurance attributable to the building containing the particular Owner's Unit.

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

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

(f) Contributions. In no event shall any recovery of payment under the insurance coverage obtained and maintained by the Board of Directors hereunder be affected or diminished by insurance purchased by the individual Owners or their Mortgagees.

Section 2. Additional Insurance. It shall be the individual responsibility of each Owner, at his own expense to provide, as he sees fit, title insurance on his individual Unit, premises liability insurance, comprehensive public and private liability insurance, theft or other insurance coverage covering improvements and betterments (other than replacements or

original items of like kind and quality) made by him, and personal property damage and loss. Each Unit Owner may obtain additional insurance at his or her own expense; provided, however, that no owner shall be entitled to exercise his right to maintain additional insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all of the Unit Owners and their Mortgagees, may realize under any insurance policy which the Board of Directors may have in force on the Condominium Property at any particular time.

Section 3. Individual Insurance Coverage. Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property, other than improvements and betterments made by such Owner at his own expense and other than personal property belonging to such Owner, shall file a copy of each such individual policy with the Board of Directors within ten (10) days after obtaining such insurance.

Section 4. Insurance Review. The Board of Directors shall cause to be conducted an annual insurance review which shall include a replacement cost evaluation, without respect to depreciation, of all improvements on the Condominium Property (with the exception of improvements and betterments made by the respective Owners at their expense excluding, however, replacement of items of like, kind and quality) by one or more qualified building cost estimators.

Section 5. Policy Provisions. The Board of Directors or its duly authorized agent shall be required to make every effort to secure insurance policies that will provide for the following: (i) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its duly authorized agent, the Owners and their respective servants, agents, employees and guests; (ii) that the policies on the Condominium Property cannot be cancelled, invalidated or suspended without sixty (60) days prior written notice by the insurance company to the Association Board of Directors; and (iii) that any "other insurance" clause in the master policy excludes individual Owner's policies from consideration.

Section 6. No Partition. There shall be no judicial partition of the Condominium Property or any part thereof, nor shall the owners or any person acquiring any interest in the Condominium Property or any part thereof, seek any such judicial partition until the happening of the conditions set forth in this Declaration in the case of damage or destruction or unless the Condominium Property has been removed from the provisions of the Act.

Section 7. Handling of Casualty Insurance Proceeds. All insurance policies purchased by and in the name of the Association shall provide that proceeds covering property losses shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold same in trust for the benefit of the Unit Owners and their mortgagees in accordance with the respective undivided interests of the Unit Owners in and to the Common Elements. Such proceeds, or such portion thereof as may be required for such purpose, shall be disbursed by the Association in payment of repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying all costs of repairs or reconstruction shall be disbursed to the beneficial Unit Owners, remittance to Unit Owners and their mortgagees being payable jointly to them and being delivered to the mortgagee. Notwithstanding the foregoing, in the event of a determination that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as hereinafter provided.

Section 8. Damage and Destruction.

(a) Immediately after any damage or destruction by fire or other casualty to the property covered by insurance written in the name of the Association, the Association shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

(b) Immediately after substantial damage or destruction by fire or other casualty to any part of the property, the Association shall provide written notice of same to each mortgagee having an interest therein whose name and address has heretofore been furnished to the Association together with a written request for such notice.

(c) Any damage or destruction shall be repaired or reconstructed unless (1) the Condominium is terminated pursuant to the provisions of § 44-3-98 O.C.G.A., (2) the damaged or destroyed portion of the property is withdrawn from the Condominium pursuant to the provisions of § 44-3-99 O.C.G.A., or (3) the Unit Owners of the damaged or destroyed Units, if any, together with the Unit Owners of other Units to which two-thirds of the votes in the Association appertain, exclusive of the votes appertaining to any damaged or destroyed Units, agree not to repair or reconstruct such damage or destruction, pursuant to the provisions of § 44-3-94 O.C.G.A. Any such determination shall be conclusively made within a period of time which shall in no event exceed 90 days after the casualty. No mortgagee shall have the right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed. Should a determination be made to terminate the Condominium, withdraw from the Condominium the damaged portion of the property, or not to repair or reconstruct the damage or destruction as provided above, then the insurance proceeds shall be disbursed by the Association to the beneficial Unit Owners, remittance to the Unit Owners and their mortgagees being payable jointly to them and being delivered to the mortgagee.

Section 9. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Association may levy a special assessment against the Unit Owner of the damaged or destroyed Units, and against all Unit Owners in the case of Damage to the Common Elements, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. Such assessments, if any, against Unit Owners for damage to the Common Elements shall be levied in proportion to the Unit Owners' shares of liability for common expenses not specially assessed. The proceeds from insurance and assessment, if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for in Section 7 of this Article V.

ARTICLE VI

EMINENT DOMAIN

Section 1. General. Whenever all or any part of the Condominium Property shall be taken by any authority having the power of condemnation or eminent domain, such shall be governed by the provisions of § 44-3-97 O.C.G.A.

Section 2. Notice to Mortgagees. The Association immediately upon having knowledge of the institution or threat of institution of any proceedings or other action with respect to the taking of Units, the Common Elements, or any portion of any Unit or Common Element in condemnation, eminent domain, or other proceedings or actions involving any unit of government or any other person having the power of eminent domain, shall so notify all Unit Owners and all mortgagees having an interest therein whose name and address have heretofore been furnished to the Association together with a written request for such notice. Any such mortgagee may, if permitted by law, participate in any such proceedings or actions or in any event, may participate in negotiations in connection therewith, but shall have no obligation to do so.

ARTICLE VII

USE RESTRICTIONS

Section 1. Residential Purposes. All Units shall be, and the same hereby are, restricted exclusively to residential use. Nothing herein shall be deemed to prevent the owner of a unit from renting or leasing same; provided that the term of any rental or lease shall not be for less than one month, subject to all of the provisions of the Declaration, Articles of Incorporation,

Bylaws and Rules and Regulations, as the same may be amended from time to time. The provisions of this Section shall not apply to the Declarant, his agents or assigns in the marketing and other business activities pertaining to the Village Green Condominium Association.

Section 2. Nuisances. No nuisance shall be permitted to exist or operate on any Unit, or any part of the Common Elements or Limited Common Elements so as to be detrimental to any other unit in the vicinity thereof, or to its occupants or to the Common Elements or Limited Common Elements.

Section 3. Animals and Pets. No pets, animals, livestock or poultry shall be kept, raised, or bred, on any part of the Condominium Property.

Section 4. Clotheslines, Garbage Cans, Etc. No clothesline, or other clothes-drying facilities, other than those operated by the Association, shall be permitted in any of the Common Elements or Limited Common Elements, or any area of the Condominium wherein the same may be visible from the Common Elements, Limited Common Elements, or any other Unit. All garbage and trash containers must be placed and maintained in accordance with rules and regulations of the Association.

Section 5. Exterior Antennas. Without prior written approval of the Association, which may be arbitrarily withheld, no exterior television or radio antenna's shall be placed, allowed or maintained upon any portion of the Condominium Property or improvements situated thereon.

Section 6. Vehicles and Boats. The parking of any automobile upon any portion of the property of the Condominium is prohibited except in areas of the Common Elements, or Limited Common Elements, expressly provided for the same or as may be approved in writing by the Board of Directors of the Association. Only automobiles bearing current license and registration tags and inspection certificates, as applicable, shall be permitted to be parked on any of the property of the Condominium. All parking within the property of the Condominium shall be in accordance with the rules and regulations adopted by the Association. No vehicles including, without limitation, boats or recreational vehicles, shall be parked upon the Common Elements or Limited Common Elements without the prior written consent of the Association.

Section 7. Compliance. It shall be the responsibility of each Unit Owner, family members of the Unit Owners, and their authorized guests and tenants to conform and abide by the rules and regulations in regard to the use of the Units, Common elements, and Limited Common Elements which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using the owner's Unit by, through and under him do likewise.

Section 8. Motorcycles. No motorcycle shall be allowed on the Common Elements or Limited Common Elements or anywhere within the property of the Condominium, without the written consent of the Board of Directors of the Association, which consent may be arbitrarily withheld. This prohibition shall not apply to mopeds.

Sections 9. Common Elements. All occupants of Units and their guests shall have a nonexclusive right to use the Common Elements, other than Limited Common Elements, for the purpose for which they are intended, subject however to the following provisions: (a) no such use shall enter or encroach upon the lawful rights of other persons; (b) the right of the Association to limit the number of guests that may use the Common Elements; (c) the right of the Association to limit the time within which the owners or guests may use the Common Elements; (d) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities comprising a portion of the Common Elements; (e) the right of the Association to provide for the exclusive use of such recreational facilities by one or more persons during such times and on such terms and conditions as the Association may determine; (f) the right to the Association to suspend the right to use such recreational facilities by Unit Owner, occupants of his unit and their guests for any period during which any assessment against his Unit remains unpaid and to suspend the right to use the recreational facilities for a period not to exceed 30 days for any infraction of the published rules and regulations of the Association; and

(g) the right of the Association to issue regulations governing the use and the operation of the Common Elements.

Section 10. Declarant Use of Unsold Units. Notwithstanding anything herein to the contrary, until the Declarant has completed and conveyed title to all of the Units, neither Unit Owners nor the Association shall interfere with the completion and sale of unsold Units. The Declarant, its successors and assigns, may make such use of the unsold Units and Common Elements as may facilitate completion and sale of such Units, including but not limited to maintenance of a sales office in a Unit, the showing of Units, and the display of signs.

Section 11. Children. No children under the age of twelve (12) shall be allowed to live in any Condominium Unit. However, this restriction does not apply to said children visiting unit owners or renters. N/A

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Amendments. This Declaration may be amended pursuant to the provisions of §§ 44-3-89, 44-3-93, and 44-3-106(c) O.C.G.A. Each Unit Owner agrees that, if requested to do so by the Association's Board of Directors, such Unit Owner will consent to amendments to this Declaration for the sole purpose of complying with the requirements of any governmental entity.

Section 2. Termination of the Condominium. The Condominium may be terminated pursuant to the provisions of § 44-3-98 O.C.G.A.

Section 3. Withdrawal of Condominium Property. Portions of the Condominium may be withdrawn pursuant to the provisions of § 44-3-99 O.C.G.A.

Section 4. Rights of First Mortgagees. In addition to the rights of mortgagees elsewhere provided, each first mortgagee of a Unit shall (a) be entitled to a written notice from the Association of any default by a Unit Owner in the performance of his obligations under the Condominium instruments which is not cured within 60 days' (b) be entitled to attend and observe all meetings as Unit Owners, but not meetings of the Association's Board of Directors; (c) be furnished copies of annual financial reports made to the Unit Owners; and (d) be furnished notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (e) be entitled to inspect the financial books and records of the Association upon reasonable notice during reasonable business hours; provided, however, that such mortgagee shall first file with the Association a written request that notices of default, notices of meeting and copies of financial reports be sent to a named agent or representative of the mortgagee at an address stated in such a notice.

Section 5. Consent of First Mortgagees. Unless at least two-thirds (2/3) of the mortgagees holding mortgages constituting first liens on Units subject to such mortgages (based upon one voter for each mortgage owned) have given their prior written approval, the Association shall not be entitled to: (a) by act or omission seek to abandon or terminate the Condominium; (b) change the pro rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating disbursements of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the Common Elements; (c) partition or subdivide any Unit, which shall require in addition the prior written approval of the holder of any first mortgage on such unit; (d) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements; provided that the granting of easements for public utilities or for public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this clause; or (e) use hazard insurance proceeds for losses to any of the property (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such improvements or distribution to the Unit Owners and their respective mortgagees.

Section 6. Professional Management. Any agreement for professional management of the Condominium must provide for termination of same by the Association for cause upon 30 days written notice thereof. The term of any such

agreement may not exceed one year, renewable by agreement of the parties for successive periods of one year each. Any such agreement shall, after transfer of control by the Declarant to the Association, as herein set out, be terminable by the Association, without cause, without penalty, upon 90 days written notice to the other party thereto.

Section 7. Duration. So long as the laws of the State of Georgia limit the period during which covenants restricting lands to certain uses may run, it shall be the duty of the Association to cause such covenants contained herein, as amended from time to time, to be extended when necessary by recording a document bearing the signatures of Unit Owners of Units to which a majority of the votes in the Association appertain reaffirming and newly adopting such covenants then existing in order that the same may continue to be covenants running with the land. Adoption by such majority shall be binding on all persons whomsoever, and each Unit Owner, by acceptance of a deed therefor or other evidence of title thereto, is deemed to agree that such covenants may be extended as provided herein.

Section 8. Enforcement. In order to enforce compliance with all lawful provisions of the Condominium instruments and the association's Articles of Incorporation, Bylaws, and rules and regulations by the Unit Owners and those persons entitled to occupy Units and in addition to other rights of and remedies available to the Association, the Association shall be empowered to impose and assess fines and suspend temporarily the right of use of certain of the Common Elements in such a manner and to such extent as the Association may from time to time determine; provided, however, that no such suspensions shall deny any Unit Owner or occupant access to the Unit owned or occupied nor cause any hazardous or unsanitary condition to exist. The Association shall not impose fines or suspend any rights of a Unit Owner or occupant unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation, and (ii) the action required to abate the violation, and (iii) a time period, not less than 10 days, during which the violation may be abated without further sanction if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) Notice. Within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Association shall serve the alleged violator with written notice of a hearing to be held by the Board of Directors in executive session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall not be less than ten days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to the notice affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be adequate if a copy of the notice together with a statement of the date and manner of the delivery is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 9. Change to Boundaries. The Declarant for the benefit of itself and its successors and assigns, reserves the right to change the interior design and arrangement, to alter the boundaries between, and to further subdivide all Units owned by the Declarant.

Section 10. Encroachment Easement. An exclusive easement is granted to all Unit Owners for any unintentional and non-negligent encroachment by any Unit upon any other Unit or Common Elements or Limited Common Elements or vice

versa for any reason not caused by or resulting from the willful act of Declarant or any Unit Owner.

Section 11. Registry of Owners. The Association shall at all times maintain a register setting forth the names of the owners of all of the Units, and in the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Unit. Further the owner or owners of each Unit shall at all times notify the Association of the names and addresses of the parties holding any mortgage or mortgages on any Unit, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages.

Section 12. Owners Association's Rights and Restrictions. The Association shall have reasonable right of entry upon any unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the project.

The Owners Association shall have the right to grant permits, licenses, and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

Section 13. Reserve and Working Capital Funds The By-Laws of the Association make provisions for the establishment and maintenance of an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements, which fund shall be maintained out of regular assessments for common expenses, and two (2) months Dues and Assessments shall be collected from each unit purchaser upon the purchase of a unit.

VILLAGE GREEN CONDOMINIUMS

Joseph N. McDonough
owner

Notary Public: Georgia at Large

Exhibit A

All of that certain tract or parcel of land situate lying and being on the island of St Simons in the 25th District G.M., Glynn County, Georgia being a parcel of land of approximately 7.4 acres known as the Village Green Tract according to a plat of survey dated August 11, 1983 by James L. Conine R.G.S. No. 1545 which said plat is of record in the office of the Clerk of the Superior Court of Glynn County, Georgia in Plat Drawer _____, as map No. _____, to which said plat reference is hereby made for all purposes of location and discription.