

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:
LEE & MACMILLAN
300 MAIN STREET
SUITE 201,
ST. SIMONS ISLAND, GEORGIA 31522

DECLARATION OF CONDOMINIUM
for
WINDWARD POINT CONDOMINIUM ASSOCIATION, INC.

| <u>Exhibit</u> | <u>Matter</u> |
|----------------|--|
| A | Legal Description of Submitted Property |
| B | Matters Affecting Title |
| C | Description of Boundaries of Villas |
| D | Description of Limited Common Elements |
| E | Schedule of Villas and the Voting Rights and Assessments Allocated to Each |
| F | Bylaws of the Association |

STATE OF GEORGIA
COUNTY OF GLYNN

DECLARATION OF CONDOMINIUM
for
WINDWARD POINT CONDOMINIUM ASSOCIATION, INC.

THIS DECLARATION is made by Windward Point, LLC, a Georgia limited liability company (hereinafter called the "Declarant").

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being on St. Simons Island, in Glynn County, Georgia, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter called the "Property" subject to the matters set forth on Exhibit "B" attached hereto; and

WHEREAS, certain improvements have been constructed on the Property as shown on the Plat and the Plans which are referenced in Section 5.01(a) and (b) hereof; and

WHEREAS, Declarant has duly incorporated Windward Point Condominium Association, Inc. as a nonprofit membership corporation under the laws of the State of Georgia; and

WHEREAS, the Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-70 through Section 44-3-116, as amended, hereinafter called the "Act"), the terms, conditions and provisions of which are incorporated herein by express reference, and the terms and conditions hereinafter set out.

NOW, THEREFORE, the Declarant does hereby make, declare and publish its intention and desire to submit, and does hereby submit, the Property to the condominium form of ownership pursuant to, subject to and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth.

ARTICLE I
NAME

1.01-The name of the condominium shall be WINDWARD POINT (the "Condominium").

ARTICLE II
DESCRIPTION OF SUBMITTED PROPERTY

2.01-The Property is located on St. Simons Island in Glynn County, Georgia, and is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

2.02-The Property is subject to the easements and other matters which are set forth on Exhibit "B" attached hereto and by reference made a part hereof.

2.03-The Condominium is not expandable and contains no convertible space.

ARTICLE III
DEFINITIONS

3.01-Generally, terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code. Unless the context otherwise requires, certain terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as follows:

(a) Act shall mean the Georgia Condominium Act, O.C.G.A. § 44-3-70, et seq. (Michie 1982), as such act may be amended from time to time.

(b) Architectural Control Committee or ACC shall mean the committee established to exercise the architectural review powers set forth in Article XII hereof.

(c) Area of Common Responsibility shall mean and refer to the Common Elements, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any other person or entity become the responsibility of the Association.

(d) Articles or Articles of Incorporation shall mean the Articles of Incorporation of Windward Point Condominium Association, Inc., which have been filed with the Secretary of State of the State of Georgia.

(e) Association shall mean Windward Point Condominium Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

(f) Balcony shall mean Limited Common Elements located appurtenant to second floor Villas.

(g) Board or Board of Directors shall mean the elected body responsible for management and operation of the Association.

(h) Bylaws shall mean the Bylaws of WINDWARD POINT CONDOMINIUM ASSOCIATION, INC., attached to this Declaration as Exhibit "F" and incorporated herein by this reference.

(i) Common Elements shall mean those portions of the Property subject to this Declaration which are not included within the boundaries of a villas, as more particularly described in this Declaration.

(j) Common Expenses shall mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Condominium, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements.

(k) Community-Wide Standard shall mean the standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board of Directors and the Architectural Control Committee.

(l) Condominium shall mean all that real property described in Exhibit "A" attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration.

(m) Condominium Instruments shall mean this Declaration and all exhibits to this Declaration, including the Bylaws of the Association, and the plats and plans, all as may be supplemented or amended from time to time.

(n) Declarant shall mean Windward Point, LLC, a Georgia limited liability company, its respective successors and assigns.

(o) Eligible Mortgage Holder shall mean those holders of first mortgages secured by Villa in the Condominium who have requested notice of certain items as set forth in this Declaration.

(p) Floor Plans shall mean the floor plans for Windward Point, A Condominium, filed in the condominium file cabinet of the Glynn County, Georgia records.

(q) Limited Common Elements shall mean a portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Villas, as more particularly set forth in this Declaration.

(r) Majority means those eligible votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

(s) Mortgage shall refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

(t) Mortgagee or Mortgage Holder shall mean the holder of any mortgage.

(u) Occupant shall mean any Person occupying all or any portion of a Villa for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

(v) Owner shall mean the record title holder of a Villa within the Condominium, but shall not include a Person who is only a Mortgage Holder.

(w) Person shall mean any individual, corporation, firm, association, partnership, trust, or other legal entity.

(x) Survey shall mean the plat of survey for Windward Point, A Condominium, filed in the condominium plat book of the Glynn County, Georgia records.

(y) Terrace shall mean Limited Common Elements located appurtenant to the first floor Villa.

(z) Villa shall mean a Condominium Unit intended for individual ownership and use as more particularly described in this Declaration and shall include the undivided ownership in the Common Elements assigned to the Villa by this Declaration.

ARTICLE IV
PLAT AND PLANS

4.01-Simultaneously with the recording of this Declaration with the Clerk of Superior Court of Glynn County, Georgia, the Plat and Plans will also be recorded and the Plat and Plans are incorporated herein by this reference as if the same were fully set forth entirely herein. So long as Declarant owns a Villa, Declarant reserves the right, but shall have no obligation, to make improvements and changes to all or part of the Common Elements and the Villas owned by Declarant (other than changes to the location of Villas' boundaries unless expressly permitted herein), including, without limitation, addition and realignment of parking spaces, renovation and installation of changes to the utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors, and extension of the drives and utility lines and pipes located on the Condominium.

ARTICLE V
VILLA INFORMATION AND BOUNDARIES

5.01-The buildings and structures situated upon the property are:

(a) located thereon as shown on that certain plat of Windward Point, A Condominium, prepared by Shupe Surveying Company, bearing the seal and certification of Robert N. Shupe, Georgia Registered Land Surveyor No. 2224, which plat has been prepared in accordance with Official Code of Georgia Annotated Section 44-3-83 to be filed in the Condominium Plat Book in Glynn County, Georgia Records (hereinafter said condominium plat as recorded is referred to as the "Plat" or the "Condominium Plat");

(b) divided into twenty (20) residential condominium villas intended for independent ownership and use and as substantially shown upon those certain Plans for Windward Point, A Condominium, dated _____, prepared by Jenkins, Hancock & Sides, Architects, to be filed in the Condominium Floor Plans Cabinet, Glynn County, Georgia Records (hereinafter said plans are referred to as the "Plans" or the "Condominium Plans").

5.02-*Villa Number*. Each Villa shall have the identifying number allocated to it in accordance with the Plat and the Plans.

5.03-*Boundaries*. The boundaries of the Villas are the floors, ceilings and walls delineated on the Plans and as described in Exhibit "C" attached hereto and by reference made a part hereof. If any chute, flue, duct, conduit, wire, bearing wall, bearing column or any other apparatus lies partially within and partially outside the designated boundaries of a Villa, any portions thereof serving only that villa shall be deemed a part of that Villa, and any portions thereof serving more than one Villa or any portion of the Common Elements shall be deemed a part of the Common Elements.

5.04-*Subdivision and Partition of Villa; Relocation of Boundaries*. Subject to the provisions of Official Code of Georgia Annotated Section 44-3-91 and the By-Laws of the Association, the boundaries between adjoining Villas may be relocated from time to time, but no Villa may be subdivided for the purpose of creating two or more Villas therefrom and no owner shall have the right of partition of a Villa.

ARTICLE VI **LIMITED COMMON ELEMENTS**

6.01-*Generally*. 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 any Villas or Villa to which such Common Elements are assigned. The Limited Common Elements, and the Villa to which they are assigned, are described on Exhibit "D" attached hereto and by reference made a part hereof.

6.02 *Other Limited Common Elements*. Any shutter, awning, window box, doorstep, and other apparatus described in Official Code of Georgia Annotated Section 44-3-75(a)(5) designed to serve a single villa shall be deemed to be a Limited Common Element appertaining to that villa exclusively.

ARTICLE VII **ALLOCATION OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS**

7.01 The undivided interest in the Common Elements allocated to each Villa is set forth on Exhibit "E" attached hereto and incorporated herein by reference.

ARTICLE VIII **ASSOCIATION MEMBERSHIP AND** **ALLOCATION OF VOTES IN THE ASSOCIATION**

8.01 All Villa Owners, by virtue of their ownership of a fee or undivided fee interest in

any Villa in the Condominium, excluding Persons holding such interest under a Mortgage, are members of WINDWARD POINT CONDOMINIUM ASSOCIATION, INC., and, except as otherwise provided herein or in the Bylaws, shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Declaration and in accordance with the Bylaws. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one (1) equally weighted vote.

ARTICLE IX
ALLOCATION OF LIABILITY FOR COMMON EXPENSES

9.01-*Assessments*. Except as provided below, or elsewhere in the Act or Condominium Instruments, the amount of all Common Expenses shall be assessed against all the Villas in accordance with the percentage of undivided interest in the Common Elements appurtenant to the Villa as shown on Exhibit "E."

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

(a) Any Common Expenses benefiting less than all of the Villas or significantly disproportionately benefiting all Villas may be specially assessed equitably among all of the Villas which are benefited according to the benefit received. However, expenses incurred for the maintenance, repair, or replacement of the Area of Common Responsibility, shall not be specially assessed.

(b) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Villas or by the Occupant(s), licensees or invitees of any such Villa or Villas may be specially assessed against such Villa or Villas.

ARTICLE X
ASSOCIATION RIGHTS AND RESTRICTIONS

10.01-*Rights of Association*. In addition to and not in limitation of all other rights it may have, the Association, acting through its Board of Directors, shall have the right and authority:

(a) to enter into Villas for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only

during reasonable hours and after reasonable notice to the Owner or Occupant of the Villa;

(b) to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Villas, Limited Common Elements, and Common Elements (including parking spaces);

(c) to enforce use restrictions, other Declaration and Bylaws provisions, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges as provided in Section 44-3-76 of the Act, as amended;

(d) to grant permits, licenses, utility easements, and other easements;

(e) to control, manage, operate, maintain, improve and replace all portions of the Area of Common Responsibility;

(f) to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Act and this Declaration;

(g) to acquire, hold, and dispose of tangible and intangible personal property and real property; and

(h) to close permanently or temporarily any portion of the Common Elements (excluding the Limited Common Elements) with thirty (30) days prior notice to all Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. Notwithstanding the above, the Owners may re-open closed Common Elements by a majority vote of the total Association vote, cast at a duly called special or annual meeting.

(i) to establish a construction deposit in a reasonable amount determined by the Board of Directors to be paid by all Owners making modifications, alterations or additions to their Villa in order to protect the Condominium against damage due to the transportation and use of construction materials in the Condominium. Costs for repair of such damage may be deductible from the construction deposit and any additional expenses may be specifically assessed against the Villa under Section 9.02(b) above.

ARTICLE XI **ASSESSMENTS**

11.01-*Purpose of Assessment.* The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Villas in the Condominium as may be more

specifically authorized from time to time by the Board.

11.02-*Creation of the Lien and Personal Obligation For Assessments.* Each Owner of any Villa, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (iii) specific assessments against any particular Villa which are established pursuant to the terms of this Declaration, including but not limited to reasonable fines imposed in accordance with the terms of this Declaration.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Villa and shall be a continuing lien upon the Villas against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Villa at the time when the assessment fell due. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt himself or herself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

11.03-*Delinquent Assessments.* All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If any monthly installment of annual assessments or any part thereof is not paid in full by the tenth (10th) day of the month or if any other charge is not paid within ten (10) days of the due date, a late charge equal to the greater of ten (\$10.00) dollars or ten (10%) percent of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the rate of ten (10%) percent per annum or such higher rate as may be permitted by the Act shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received may be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, and then to current assessments.

(c) If assessments, fines or other charges or any part thereof due from an Owner remain delinquent and unpaid for a period greater than fifteen (15) days from the date due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains

delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, the Act and Georgia law and suspend the Owner's and/or Occupant's right to vote and the right to use the Common Elements; provided, however, the Board may not limit ingress or egress. Enforcement under this subsection is not dependent upon or related to other restrictions and/or other actions.

(e) If any assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided in the Act and herein, the Association shall have the right upon ten (10) days written notice, and in compliance with any requirements set forth in the Act, to suspend any utility or service, the cost of which are an Association Common Expense, including, but not limited to, water, electricity, heat, air conditioning and cable television, to that Villa until such time as the delinquent assessments and all costs permitted under this Section, including reasonable attorney's fees, are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including reasonable attorney's fees, shall be an assessment against the Villa.

Notwithstanding the above, the Board only may suspend any utility or service, including cable television, paid for as a Common Expense after a final judgment or judgments in excess of a total of \$750.00, or such other amount as required by the Act, are obtained in favor of the Association from a court of competent jurisdiction, the Association provides the notice required to be provided by the institutional provider of such service prior to suspension of such service, and the Association complies with any other requirements of O.C.G.A. § 44-3-76. The utility services shall not be required to be restored until all judgments are paid in full, at which time the Association shall direct the utility provider to restore the service.

11.04-Computation of Operating Budget and Assessment. It shall be the duty of the Board at least twenty-one (21) days prior to the beginning of the Association's fiscal year to prepare a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Villa for the following year to be delivered to each member at least thirty (30) days prior to the Association's annual meeting. The budget and the assessment shall become effective unless disapproved at a duly called and constituted annual meeting of the Association by a vote of a majority of the total

Association vote; provided, however, if a quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting.

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

Enforcement under this Section is not dependent upon or related to other restrictions and/or other actions.

11.05-*Special Assessments*. In addition to the annual assessment provided for in Section 11.02 above, the Board may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners, notice of which shall be sent to all Owners. Any special assessment (except as provided in Section 9.02 regarding the power to assess specially pursuant to Section 44-3-80(b) of the Act and Section 14.07 herein, regarding repair or reconstruction of casualty damage to or destruction of all or part of the Condominium) which would cause the average total of special assessments levied in one fiscal year to exceed five hundred (\$500.00) dollars per Villa, shall be approved by a majority of the total Association vote prior to becoming effective.

11.06-*Capital Budget and Contribution*. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 11.04. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Notwithstanding any other provisions of this Declaration, during the time the Declarant appoints the directors and officers of the Association, Declarant (i) may collect a non-refundable contribution to the capital fund of the Association from the initial purchaser of each Villa in the amount of two (2) months of the general assessments, and (ii) shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect amounts for capital reserves. Any capital contribution collected by the Declarant shall not be collected against a Mortgagee which takes title to a Villa pursuant to foreclosure.

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

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

ARTICLE XII ARCHITECTURAL CONTROLS

12.01 *During Declarant Control.* During the time in which the Declarant has the right to appoint directors and officers of the Association as provided in this Declaration, there shall be no Architectural Control Committee and all encroachments onto the Common Elements or Limited Common Elements, exterior change, alteration or construction (including painting and landscaping), and any erection, placement or posting of any object, sign, clothesline, light, flag, or thing on the exterior or roof of the building, in any windows (except window treatments as provided herein), or on any Limited Common Elements or any Common Elements, must receive the prior written approval of the Declarant. Granting or withholding such approval shall be within the sole discretion of the Declarant.

12.02-*After Declarant Control.* After such time as the Declarant's rights to appoint officers and directors of the Association as provided in this Declaration has expired, an Architectural Control Committee shall be appointed by the Board of Directors and except for the Declarant, no Owner, Occupant, or any other person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, clothesline, playground equipment, light, fountains, flags, or thing on the exterior or roof of the buildings, in any windows (except window treatments as provided herein), on any Limited Common Elements, or on any other Common Elements, without first obtaining the written approval of the ACC (except for a mezzuzah on the door frame of the Villa and reasonable seasonal decorative lights displayed between Thanksgiving and January 15th). The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings, Villa and structures, and the location in relation to surrounding structures and topography.

Notwithstanding the above, Declarant shall not be required to obtain any approvals under this Section.

No Owner or Occupant may make any alteration within a Villa which involves connecting to Common Element pipes, lines, conduits and/or other apparatus for access to common utilities without prior written ACC approval (including, but not limited to installation of washers and dryers). No Owner or Occupant shall make any interior modifications to any structural or load bearing portions of a Villa. Interior modifications may only be made in accordance with any construction guidelines as may be adopted by the ACC. All building code requirements must be complied with and necessary permits and approvals secured for any modifications.

12.03-Applications. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ACC may reasonably require. The ACC shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board or ACC may publish written architectural standards for exterior and Common Element alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Villa and the location in relation to surrounding structures and topography of the vicinity.

The Board, subject to this subparagraph (a), may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

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

12.04-Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration. In the discretion of the Board or ACC, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

12.05-Limitation of Liability. Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only, and neither the Declarant, the Board of Directors or the ACC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building

codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ACC, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Villa.

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

12.07-*Enforcement.* Any construction, alteration, or other work done in violation of this Paragraph shall be deemed to be nonconforming. Upon written request from the Board or the ACC, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the benefitted Villa and collected as an assessment pursuant to this Declaration.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions. Furthermore, the Board shall have the authority to record in the Glynn County land records notices of violation of the provisions of this Section.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Elements or Limited Common Elements in violation of this Section, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Elements or Limited Common Elements without reimbursement to the Owner or Occupant for any expense he or she may have incurred in making the change, alteration or construction.

12.08 *Commencement of Construction.* All improvements approved by the ACC hereunder must be commenced within one (1) year from the date of approval. If not commenced within one (1) year from the date of such approval, then such approval shall be deemed revoked by the ACC, unless the ACC gives a written extension for commencing the work. All work approved by the ACC hereunder shall be completed within ninety (90) days of commencement, unless otherwise agreed in writing by the ACC.

ARTICLE XIII
USE RESTRICTIONS

13.01-*Use Restrictions*. Each Owner of a Villas shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants, as a result of such person's violation of the Condominium Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

In addition to the following use restrictions, the Board of Directors may adopt rules and regulations in accordance with the terms hereof and as specified in the Bylaws.

13.02-*Use of Villa*. Each Villa shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Villa or any part of the Condominium, except that the Owner or Occupant residing in a Villa may conduct ancillary business activities within the Villa so long as:

(a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Villa;

(b) the business activity does not involve visitation of the Villa by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential Villa without business activity;

(c) the business activity conforms to all zoning requirements for the Condominium;

(d) the business activity does not increase traffic in the Condominium in excess of what would normally be expected for residential Villas in the Condominium without business activity (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);

(e) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(f) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as determined in Board's discretion; and

(g) the business activity does not result in a materially greater use of common element facilities or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Villa by an on-site management agent operating on behalf of the Association shall not be considered a trade or business within the meaning of this Section 13.03.

13.03-*Number of Occupants.* The maximum number of occupants in a Villa shall be limited to two (2) people per bedroom in the Villa, (as such bedrooms are depicted on the original plats and plans filed in the Glynn County, Georgia records). "Occupancy," for purposes hereof, shall be defined as staying overnight in a Villa for a total of more than seven (7) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a Villa on the Effective Date hereof. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Villa is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Villa.

13.04 *Alteration of Villas.*- Subject to the other provisions of this Declaration, Villa Owners may make alterations to the interiors of their Villa, relocate the boundaries between adjoining Villa, and subdivide their Villas as follows:

(a) If any Owner acquires an adjoining Villa, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Villas involved) to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, ducts, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. The alterations permitted by this subparagraph shall not be deemed an alteration or relocation of boundaries between adjoining Villas.

(b) Boundaries between adjoining Villa shall not be relocated. Boundaries between adjoining Villa may be relocated only in accordance with the provisions of O.C.G.A. § 44-3-91 and, for so long as Declarant owns a Villa, only with the prior written consent of the Declarant. The Declarant

shall have the right to relocate boundaries between Villas owned by the Declarant or its affiliates without the approval of the Association, and the Association shall execute the required amendment to the Declaration.

(c) No Villa shall be subdivided into a smaller Villa or Villas.

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

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

13.07-*Use of Limited Common Elements*. Use of the Limited Common Elements is restricted exclusively to the Owners of the Villa to which such Limited Common Elements are assigned, and said Owner's family members, guests, tenants and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

13.08-*Prohibition of Damage, Nuisance and Noise*. Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Villa or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

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

No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Association's Board of Directors or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgagees.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Villa.

13.09-*Firearms and Fireworks*. The display or discharge of firearms or fireworks on the Common Elements or Limited Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited Common Elements to or from the Owner's Villa. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. § 25-10-1, as amended.

13.10-*Pets*. The Declarant or the Association shall have a right to adopt rules and regulations concerning the keeping of pets on the Condominium, which may include rules of regulations prohibiting pets on any portion of the Condominium.

Any Owner or Occupant who keeps or maintains any pet upon the Condominium, if allowed, shall be deemed to have indemnified and agreed to hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

13.11-*Parking*. Vehicles only may be parked in designated, lined parking spaces, or other areas authorized in writing by the Board.

Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium, except in areas designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Villa or the Common Elements, but no such vehicle shall remain on the Common Elements overnight or for any purpose except serving a Villa or the Common Elements, without written Board consent.

If any vehicle is parked on any portion of the Condominium in violation of this Section 13.06 or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity which will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Villa or parking space, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

13.12-*Heating of Villas in Colder Months.* In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Villa shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five (55) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two (32) degrees Fahrenheit or below. Owners and Occupants of Villas shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. The Board of Directors may fine any Owner or Occupant and/or may cause the water service to the violator's Villa to be discontinued for violation of this subsection, in addition to any other remedies of the Association.

13.13-*Signs.* Except as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Villas, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board or its designee. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

13.14-*Rubbish, Trash, and Garbage.* All rubbish, trash, and garbage shall be regularly removed from the Villa and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Villa, temporarily or otherwise, except in trash dumpsters. Rubbish, trash, and garbage shall be disposed of in sealed bags and either placed in the trash dumpsters, or proper receptacles designated by the Board for collection or removed from the Condominium.

13.15-*Unsightly or Unkempt Conditions.* The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Villa.

13.16-*Garage Sales.* Garage sales, yard sales, flea markets, or similar activities are prohibited unless approved in writing by the Board of Directors.

13.17-*Window Treatments.* The color and type of all window treatments visible from outside the Villa must be white or off-white.

13.18-*Antennas.* No transmission antenna, of any kind, may be erected anywhere on the Condominium unless first approved in writing by the Architectural Control Committee as required under Article XII.

13.19-*Abandoned Personal Property.* Personal property, other than vehicles as provided for in subparagraph (i) shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Villa, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

13.20-*Replacing Carpet with Tile or Hardwood Floors.* Other than the Declarant, no Owner, Occupant, or any other person may replace carpeting with a tile, marble, vinyl or hardwood floor, or other hard surfaced flooring material, on the interior of a Villa which is located above another Villa without first obtaining written approval of the Declarant or the Architectural Control Committee, as applicable, as set forth in Article 12. Among other factors, the Declarant or the

Architectural Control Committee, as applicable, may consider whether the change will cause noise to any Villa below which will exceed the average noise level in Villas below Villas with carpeted floors and that the weight of such proposed flooring is appropriate and will not cause problems to the structure or subflooring. The Owner applying for such approval shall provide the Declarant or the Architectural Control Committee, as applicable, with information regarding these factors, as well as other information requested by the Declarant or the Architectural Control Committee regarding the proposed flooring and its effect. In addition, any Owners installing hard surfaced floors in Villas located above another Villa shall use insulation consisting of six millimeters of Acusticork or its equivalent.

13.21-*Sale Period.* Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Villas it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Property as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the completion and sale of the Villas, including, but without limitation, business offices, signs, model Villa and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Condominium for such purposes and to use the Villa owned by Declarant as model Villa and as offices for the sale of the Villas and related activities.

ARTICLE XIV **INSURANCE AND CASUALTY LOSSES**

14.01-*Insurance Coverage.* The Association shall obtain and maintain in full force and effect, at all time, the following insurance coverages:

(a) Insurance covering all of the insurable improvements on the property (with the exception of improvements and betterments made by the respective villa owners or occupants) and all personal property as may be owned by the Association, against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Villa, including, but not limited to, vandalism and malicious mischief in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations), as determined annually by the Association;

(b) Comprehensive public liability insurance covering all of the common elements and insuring against all damage or liability caused by the acts of the Association, its officers, directors, agents and employees, all Villa Owners and other persons entitled to occupy any villa or any other portion of the condominium, with liability limits in amounts authorized from time to time by the Association, but in no event less than the amounts required in the Act;

(c) Insurance covering all the insurable improvements on the Property (with the exception of betterment and improvements made by respective villa owners or occupants and all

personal property owned by the Association, against loss or damage by a standard flood insurance policy in an amount equal to the maximum insurance replacement amount thereof annually as determined by the Association;

(d) Such other types and amounts of insurance as may from time to time be deemed necessary, desirable or proper, and be authorized by the Association by action of the Board of Directors or in its Bylaws.

14.02-*Payment of Insurance Premiums.* Premiums for all insurance carried by the Association shall be common expenses and shall be paid by the Association.

14.03-*Policy Standards.*

(a) All insurance coverage obtained by the Association shall be written in the name of the Association as trustee for, and for the use and benefit of, each of the Villa Owners and their Mortgagees as their interest may appear, and their respective percentages of undivided interest in and to the Common Elements. Each such insurance policy shall be issued by an insurer authorized under the laws of the State of Georgia to do business in Georgia and to issue the coverage provided by the policy, and shall provide for the issuance of a certificate of insurance to each Villa Owner and its Mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular Villa Owner's interest in the property.

(b) The Association shall use its best efforts to cause all of such insurance policies to contain: (i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the villa owners and their employees, agents, tenants and invitees, and a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured; (ii) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; (iii) a provision that the policy cannot be cancelled, invalidated or suspended on account of the conduct of any Villa Owner or any employee, agent, tenant or invitee of any Villa Owner, or any officer, director, agent or employee of the Association, without a prior demand in writing and delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which the defect may be cured by the Association, any Villa Owner or any Mortgagee; (iv) a provision that any "other insurance" clause in the policy shall exclude from its scope any policies of the individual villa owners; (v) a provision that the coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days written notice to any and all of the insured thereunder, including Mortgagees; and (vi) a provision that the coverage will not be prejudice by any act or neglect of the Owners of the Villa when said act or neglect is not within the control of the Association, or any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

14.04-*Adjustment of Losses.* Exclusive authority to adjust losses under insurance policies obtained by the Association shall be vested in the Association; provided, however, that no

Mortgagee shall be prohibited from participating in the settlement negotiations, if any, related thereto.

14.05-Individual Insurance by Villa Owners. It shall be the individual responsibility of each Villa Owner, at its sole cost and expense, to provide, as it sees fit any insurance coverage not required to be maintained by the Association. Any Villa Owner who obtains an individual insurance policy rejecting any risk as to which insurance is carried by the Association shall file a copy of such individual policy with the Association within thirty days after the purchase thereof.

14.06-Handling of Casualty Insurance Proceeds. All insurance policies purchased by and in the name of the Association shall provide that proceeds covered in casualty loss shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold the same in trust for the benefit of the Villa Owners and their Mortgagees as follows:

(a) Proceeds on account of damage to the Common Elements not involving a Villa shall be held to the extent of the undivided interest of each Villa Owner, for each Villa Owner, such interest to be equal to the undivided interest of each Villa Owner in and to the Common Elements.

(b) Proceeds on account of damage to Villas (or on account of damage to Common Elements involving a Villa) shall be held for the Owners of the damaged Villa in proportion to the cost of repairing the damage suffered by each Villa Owner, which cost shall be determined by the Board of Directors.

(c) In the event a mortgagee endorsement has been issued as to any Villa under the policy under which such proceeds are paid, the share of that Villa Owner shall be held in trust for the Villa Owner and the Mortgagee, as their interest may appear. Unless a determination is made not to repair or reconstruct pursuant to Section 14.07(b) hereof, and such proceeds, or such portion thereof as may be required for such purpose, shall be disbursed by the Association as payment of the cost and any expenses of repair or reconstruction, as hereinafter provided. Any proceeds remaining after payment of all cost and expenses of repair or reconstruction shall be common profits.

14.07-Damage and Destruction.

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

(b) Any damage or destruction shall be repaired or reconstructed unless: (i) the Condominium is terminated pursuant to, subject to and in accordance with the provisions of the Act and this Declaration; (ii) the damaged or destroyed portion of the Property is withdrawn from the Condominium pursuant to, subject to and in accordance with the provisions of the Act; or (iii) the Villa Owners of the damaged or destroyed Villa, if any, and their Mortgagees, together with the Villa Owners of other Villas to which two-thirds of the votes in the Association appertain and the Mortgagees, exclusive of the votes appertaining to any damaged or destroyed Villa, agree not to repair or reconstruct such damage or destruction, pursuant to, subject to and in accordance with the provisions of the Act. Any such determination shall be conclusively made, if at all, not more than ninety (90) days after the date of the casualty. Should a determination be made to terminate the Condominium, as herein provided, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be common profits, to be held and disbursed pursuant to, subject to and in accordance with the provisions of this Declaration and the Act. Should a determination be made to withdraw from the Condominium the damaged portion of the Property or not to repair or reconstruct the damage or destruction, as herein provided, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be disbursed by the Association in accordance with the manner in which such proceeds are held by the Association, pursuant to the provisions of this Declaration and the Act. Any remittances with respect to Villa as to which Mortgagee endorsements have been issued on the policies under which the proceeds were paid shall be payable to the Villa Owner and its mortgagee jointly, as their interest may appear.

(c) If the damage or destruction for which the insurance proceeds are paid is to be rebuilt and such proceeds are not sufficient to defray the cost thereof, the Association may levy an additional assessment against all villa owners in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Further, additional assessments may be made in a like manner and any time during or following the completion of any repair or reconstruction. The proceeds from insurance and assessments, if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for this Article.

14.08-Non-Liability and Indemnity Of Officers and Directors Of the Association and Declarant. The officers and directors of the Association and Declarant shall not be personally liable to any Villa Owner for any mistake of judgment or for any other act or omission of any nature whatsoever in administering the Association, except for acts or omission which constitute gross negligence or willful misconduct. The Association shall indemnify and hold harmless each of the officers and directors of the Association and Declarant and their respective legal representatives, successors and assigns, from any liability, cost or expense arising out of any act or omission in administering the Association which is not deemed to be gross negligence or willful misconduct.

14.09-Insurance Deductibles. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Villa or a Villa and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair.

Notwithstanding this, if the insurance policy provides that the deductible will apply to each Villa separately or to each occurrence, each Villa Owner shall be responsible for paying the deductible pertaining to his or her Villa, if any. If any Owner or Owners fail to pay the deductible when required under this subparagraph, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Section 9.02 of this Declaration; provided, however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than one thousand (\$1,000.00) dollars, or such higher amount as authorized by the Act, as the cost of the deductible for any one occurrence.

ARTICLE XV LEASING

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Paragraph.

15.01-*Definition.* "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Villa by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

15.02-*Leasing Provisions.* Leasing of Villa shall be governed by the following provisions:

(a) Villa may be leased only in their entirety pursuant to a single lease agreement. All leases shall be in writing. The Owner must provide the lessee with copies of the Declaration, Bylaws, and rules and regulations.

(b) The lessee shall comply with all provisions of the Declaration, Bylaws and Association rules and regulations and shall control the conduct of all other Occupants and guests of the leased Villa in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of his or her Villa to comply with the Declaration, Bylaws, and rules and regulations and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants are fully liable and may be sanctioned for any such violation. Unpaid fines shall constitute a lien against the Villa.

ARTICLE XVI SALE OF VILLA

16.01-A Villa Owner intending to make a transfer or sale of a Villa or any interest in a Villa shall give written notice to the Board of Directors of such intention within ten (10) days after execution of the transfer or sales documents. The Villa Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require. This Section shall not be construed to create a right of first refusal in the Association or in any third party.

Within ten (10) days after receiving title to a Villa, the purchaser of the Villa shall give written notice to the Board of Directors of his or her ownership of the Villa. Upon failure of a Owner to give the required notice within the ten-day time period provided herein, the Board may levy fines against the Villa and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

ARTICLE XVII EMINENT DOMAIN

17.01-If any portion of the Condominium Property is taken by eminent domain, the award shall be allocated as provided in Official Code of Georgia Annotated Section 44-3-97.

ARTICLE XVIII MAINTENANCE RESPONSIBILITY

18.01-*By the Owner.* Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Villa except any portion of a Villa which is expressly made the maintenance obligation of the Association as set forth in Section 18.02. This maintenance responsibility shall include, but not be limited to the following: all glass surfaces, windows, window frames, casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Villa, except for periodic painting or staining of the exterior surface of entry doors and door frames of the Condominium; all portions of the heating and air conditioning system, including the air conditioning compressor serving the Villa and the fan coil, and all pipes, lines, ducts, conduits, or other apparatus which serve only the Villa, whether located within or without a Villa's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Villa).

In addition, each Villa Owner shall have the responsibility:

(a) To keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Villa.

(b) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Villas.

(c) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.

(d) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Villa Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the

Association, is necessitated by reason of the willful or negligent act of the Villa Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Villa Owner's next chargeable assessment.

18.02-*By the Association.* The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes the following:

(a) all Common Elements, including any Limited Common Elements, but excluding all improvements made to such Limited Common Elements; provided, however, the cost of maintenance and repair of Limited Common Elements may be assessed against the Villa Owner to whom the Limited Common Element is assigned under Section 9.02.

(b) periodic cleaning of exterior window surfaces on a schedule to be determined by the Board of Directors;

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

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

The Association shall repair incidental damage to any Villa resulting from performance of work which is the responsibility of the Association. As finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent of readily

available matching or similar materials (trim and such will also be finished to "paint ready"). Due to the uncontrollability of quality of repair, items such as faux paint treatment, wallpaper, ceiling/wall applique, and any other finishes that the Board deems unreasonable, will not be the responsibility of the Association. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Villa Owner. Removal, storage, or other protective measures of personal items are also the responsibility of the Villa Owner. If the removal, storage or other protective measures are not taken by the Villa Owner and damage occurs due to the repair process, the Board will not be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning. As a level of cleaning is subjective, the Association will not be responsible for a detailed cleaning. The Board has sole discretion on defining what is reasonable for the level, quality and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

18.03-Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors.

Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (a) an emergency exists or (b) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Villa, and shall be collected as provided herein for the collection of assessments.

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

18.04-Measures Related to Insurance Coverage.

(a) The Board of Directors, upon resolution, shall have the authority to require all or any Villa Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Villa Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance

premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to install smoke detectors, requiring Owners to make improvements to the Owner's Villa, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed three hundred (\$300.00) dollars per Villa in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any Villa Owner does not comply with any requirement made by the Board of Directors pursuant to subsection 18.04 (a), the Association, upon fifteen (15) days' written notice (during which period the Villa Owner may perform the required act or work without further liability), may perform such required act or work at the Villa Owner's sole cost. Such cost shall be an assessment and a lien against the Villa as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subsection 18.04 (a) of this Section, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Villa, except that access may be had at any time without notice in an emergency situation.

ARTICLE XIX **PARTY WALLS**

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

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

19.03-*Damage and Destruction.* If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has benefited by the wall may restore it, and the other Owner or Owners thereafter who are benefited by the wall shall contribute to the cost of restoration thereof in equal proportions, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

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

19.05-*Arbitration*. In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties. Compliance with this subsection shall be a condition precedent to any right of legal action that either party may have against the other in a dispute arising under the provisions of this Paragraph.

ARTICLE XX
MORTGAGEE'S RIGHTS

20.01-*Rights*. Unless at least two-thirds (2/3) of the first Mortgagees or Villa Owners give their consent, the Association or the membership shall not:

(a) by act or omission seek to abandon or terminate the Condominium;

(b) change the pro rata interest or obligations of any individual Villa for the purpose of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Villa in the Common Elements;

(c) partition or subdivide any Villa in any manner inconsistent with the provisions of this Declaration;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or

(e) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Villa or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this subsection shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Villa Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

20.02-*Unpaid Expenses*. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Villa obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Villa which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Villa, including such acquirer, its successors and assigns. Additionally, such

acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

20.03-*Notice.* Upon written request to the Association, identifying the name and address of the holder and the Villa number or address, any Eligible Mortgage Holder will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Villa on which there is a first Mortgage held by such Eligible Mortgage Holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Villa subject to a first Mortgage held by such Eligible Mortgage Holder which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Villa Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, as specified herein.

20.04-*Financial Statement.* Any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

20.05 *Rights Not Impaired.* Notwithstanding anything to the contrary herein contained, the provisions of Article XV and XVI governing sales and leases shall not apply to impair the right of any first Mortgagee to:

(a) foreclose or take title to a Villa pursuant to remedies contained in its Mortgage;

or

(b) take a deed or assignment in lieu of foreclosure; or

(c) sell, lease, or otherwise dispose of a Villa acquired by the Mortgagee.

ARTICLE XXI AMENDMENT

Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any

combination of affirmative vote and written consent of the members of the Association holding two-thirds (2/3) of the total Association vote. As long as Declarant has the right to appoint the directors and officers of the Association, any amendment to this Declaration or the Bylaws shall require the written consent of Declarant. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Glynn County, Georgia land records.

In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgage Holders who represent at least fifty-one (51%) percent of the votes of Villa that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

Notwithstanding the foregoing, Declarant or the Board of Directors, without the necessity of a vote from the owners, may amend this Declaration to comply with any applicable state, city or federal law, and/or to bring the Condominium into compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

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

ARTICLE XXII

TERMINATION OF THE CONDOMINIUM

22.01 Subject to the provisions of Official Code of Georgia Annotated, Section 44-3-98 with regard to the manner in which the termination of the Condominium shall be effected and to the consequences thereof, Windward Point, A Condominium, shall be terminated only by the agreement of four-fifths (4/5) of the Owners of the Villas and of all Mortgagees of such Villa unless, in the case of the destruction of the entire development by fire or other casualty, following which the Owners of the Villa decide not to rebuild, in which case the provisions of the By-Laws and the Declaration shall apply.

ARTICLE XXIII

CONTROL BY DECLARANT

23.01. Pursuant to and in accordance with the provisions of Official Code of Georgia Annotated, Section 44-3-101, the Declarant is hereby authorized in accordance with the By-Laws

of the Association, incorporated herein by reference, to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association with or without cause until the first of the following two occur:

(a) The fifth anniversary of the date of recording of this Declaration, or

(b) The date as of which villa to which eighty percent (80%) of the undivided interests in the Common Elements have been conveyed by Declarant to Villa Owners other than a Person or Persons constituting Declarant, or

(c) The date as of which the Declarant surrenders the authority to appoint and remove all members of the Board of Directors by express amendment to the Declaration executed and recorded by the Declarant.

ARTICLE XXIV PERPETUITIES

24.01-Should any of the provisions of this Declaration be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the date that is ninety (90) years from and after the date of this Declaration.

ARTICLE XXV

GENERAL PROVISIONS

25.01-*Notices.* Notices provided for in the Act, this Declaration or the Articles or By-Laws shall be in writing, and shall be addressed to any Villa Owner at his/her or their Villa at the Condominium or at such other address as hereinafter provided. Notices to the Association shall be in writing and addressed to the President of the Association at his or her Villa at the Condominium, or to such other address as may hereafter be provided for and a written notice of such change of address furnished to all Villa Owners. Any Villa Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered three business days after mailing by Villaed States Registered or Certified Mail, or when delivered in person. Upon written request to the Association, the holder of any interest in any villa shall be given a copy of all notices to be given to the Owner whose Villa is subject to such interest.

25.02-*Right to Notice, Attend Meetings and Inspection Of Records.* The Owner of any interest in any villa, including any Mortgagee, and any insurer or grantor of such mortgage, in addition to the rights set forth in the Act, shall have the right to inspect the books and records of the Association, including financial records, upon reasonable notice, and the right to attend and speak at any meeting of the Association, provided, however, no Person other than a member as such shall have any voting rights. If the Owner of any such interest files with the Association a written request, the Association shall have the right to notify such party of any violation by the Owner of such Villa,

provided, however, that in no event shall the Association agree with any such party to furnish such notice unless such party agrees in writing that in no event shall the Association be liable for any claim or damages as a result of any failure to give such notice. Upon written request, any Mortgagee shall have the right to receive a financial statement for the immediately preceding fiscal year.

25.03-Headings. The headings, sections and subsections in this Declaration and the Articles and By-Laws are for convenience or reference only and shall not in any way be deemed to limit or construe the intent of the parties or interpret the meaning of any document.

25.04-Number and Gender. As used in this Declaration, the singular shall include the plural, the masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

25.05-Severability. If any provision of this Declaration or the Articles or By-Laws is held invalid, the validity of the remainder of this Declaration and the Articles and By-Laws shall not be affected thereby, and the remainder thereof shall be construed as if such invalid part was never included herein or therein.

25.06-Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Condominium. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Villa Owner. Neither Declarant nor the Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

25.07-Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, a Villa Owner or Occupant must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the property manager, if any, of the Association. The Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the request.

25.08-Parking Spaces, Vehicles and Storage Spaces. Neither the Declarant nor the Association shall be held liable for loss or damage to any property, including but not limited to any vehicle and any items in any vehicles, placed or kept in any parking space in the Condominium. Nor

shall the Declarant or the Association be held liable for loss or damage to any property, including water damage, to any vehicle and any items in any vehicle, placed or kept in any parking space in the Condominium any items placed or kept in any storage space in the Condominium. Each Owner or Occupant with use of a parking space or storage space who places or keeps a vehicle and/or any personal property in the vehicle, parking space, or storage space does so at his or her own risk.

25.09 *Villa Keys*. Each Owner, by acceptance of a deed to a Villa, agrees to provide the Association with a key to the Villa to be used by the Association for maintenance, emergency, security or safety purposes as provided in this Declaration and for pest control, if necessary, as provided in Section 26.05 of this Declaration. Neither the Declarant nor the Association shall be liable for any loss or damage due to its holding such key, or use of such key for the purposes described above and each Villa Owner shall indemnify and hold harmless the Declarant, the Association and its officers and directors against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon the Declarant, the Association or its officers or directors in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding) brought by the Villa Owner or the Villa Owner's family, tenants, guests, employees, invitees, or licensees against the Declarant, the Association, its officers or directors arising out of or relating to its holding or use of such key for the purposes described above.

25.10-*Right of Action*. All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on any alleged defect in any Villa or the Common Elements, or any damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Villa or served by such Common Elements or allegedly sustaining such damage.

ARTICLE XXVI EASEMENTS

26.01-*Use and Enjoyment*. Each Villa Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Villa over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Villa, subject to (i) the rights of the Villa Owners to the exclusive use of the Limited Common Elements assigned to their respective Villas; (ii) to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein; and (iii) the right of the Association to have access to the Villa and Limited Common Elements assigned to a Villa to discharge its rights and obligations, under the Condominium Instruments, including without limitation, the maintenance responsibility of the Association.

26.02-*Support*. Every portion of a Villa and all Limited Common Elements contributing to the support of an abutting Villa shall be burdened with an easement of support for the benefit of such abutting Villa.

26.03-*Encroachments*. The Villa and Common Elements shall be subject to easements of encroachment as set forth in the Act.

26.04-*Utilities*. To the extent that any utility line, pipe, wire, or conduit serving any Villa, Villas or the Common Elements shall lie wholly or partially within the boundaries of another Villa or the Common Elements, such other Villa, Villas, or the Common Elements 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 Villa, Villas, or Common Elements served by the same and the Association. It shall be the obligation of the benefitted Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line conduit, duct or wire is located in the Villa of another Owner. In such circumstance, the benefitted Owner shall repair all incidental damage to any Villa resulting from performance of any such work. All Villa Owners hereby covenant and agree that as finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent of readily available materials or similar materials (trim and such will also be finished to "paint-ready"). Due to the uncontrollability of quality of repair, items such as faux paint treatment, wallpaper, ceiling/wall applique, and any other similar types of finishes, will not be the responsibility of the benefitted Owner.

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

26.06-*Declarant Easements*. For so long as Declarant owns any Villa primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (a) an easement for the maintenance of signs, a sales office, a business office, promotional facilities and model Villa on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Villa; and (b) a transferable easement on, over, through, under and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium, and for the purpose of

doing all things reasonably necessary and proper in connection therewith.

ARTICLE XXVII
AUTHOR

27.01-This Declaration was prepared by Jennifer L. MacMillan of Lee & MacMillan, with an office address of 300 Main Street, Suite 201, Plantation Village, St. Simons Island, Georgia 31522.

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal on the 15th day of April, 2003.

DECLARANT:

WINDWARD POINT, LLC
BY: Hancock Development Company
Inc., a South Carolina Corporation,
Its Managing Member

By: [Signature]
Name: Robert M. Hancock
Title: President

Signed, sealed and delivered in
the presence of:
[Signature]
Unofficial Witness
[Signature]
Notary Public



[CORPORATE SEAL]

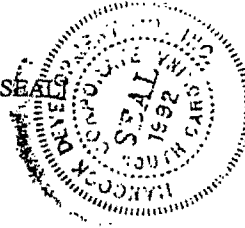


EXHIBIT "A"
TO DECLARATION OF CONDOMINIUM
OF WINDWARD POINT, A CONDOMINIUM

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND situate, lying and being in the 25th G.M.D., St. Simons Island, Glynn County, Georgia, described according to that certain plat of survey entitled "Inn Site, Sea Palms East" prepared by Shupe Surveying company, P.C., certified by Robert N. Shupe, GRLS No. 2224, dated June 21, 20001, revised on September 21, 2001, as follows: to-wit:

TO LOCATE THE POINT OF BEGINNING, commence at the point of intersection of the eastern margin of the right-of-way line of Windward Drive (a 50 foot right-of-way) with the northern margin of the right-of-way line of Mossy Oak Lane (a private easement); thence from said point of intersection turning and running in a northerly direction along the eastern margin of the right-of-way line of Windward Drive for a distance of 565.90 feet to a point marked by a nail located on the eastern margin of the right-of-way line of Windward Drive, said point being the **POINT OF BEGINNING**; thence from said **POINT OF BEGINNING** continuing to run in a northerly direction along the eastern margin of the right-of-way line of Windward Drive along the arc of a curve having a chord bearing of North 28 degrees 05 minutes 42 seconds West for an arc distance of 233.30 feet to a point; thence turning and running North 48 degrees 45 minutes 00 seconds West for a distance of 27.25 feet to a point marked by a concrete monument; thence turning and running North 51 degrees 24 minutes 40 seconds East for a distance of 209.97 feet to a point marked by a concrete monument; thence turning and running South 38 degrees 35 minutes 20 seconds East for a distance of 55.17 feet to a point; thence turning and running North 51 degrees 24 minutes 40 seconds East for a distance of 7.51 feet to a point; thence turning and running South 02 degrees 10 minutes 36 seconds East for a distance of 4.67 feet to a point; thence turning and running South 42 degrees 37 minutes 01 seconds East for a distance 33.65 feet to a point marked by an iron pin; thence turning and running South 55 degrees 25 minutes 11 seconds East for a distance of 22.04 feet to a point marked by an iron pin; thence turning and running South 46 degrees 18 minutes 06 seconds East for a distance of 73.84 feet to a point marked by an iron pin; thence turning and running North 86 degrees 08 minutes 21 seconds East for a distance of 21.50 feet to a point marked by an iron pin; thence turning and running North 15 degrees 08 minutes 03 seconds West for a distance of 14.55 feet to a point marked by an iron pin; thence turning and running North 51 degrees 30 minutes 03 seconds East for a distance of 31.31 feet to a point marked by an iron pin; thence turning and running North 16 degrees 22 minutes 49 seconds East for a distance of 22.34 feet to a point marked by an iron pin; thence turning and running North 85 degrees 46 minutes 44 seconds East for a distance of 39.75 feet to a point marked by an iron pin; thence turning and running South 87 degrees 59 minutes 24 seconds East for a distance of 41.25 feet to a point marked by an iron pin; thence turning and running South 55 degrees 47 minutes 02 seconds East for a distance of 35.79 feet to a point marked by an iron pin; thence turning and running South 56 degrees 18 minutes 11 seconds East for a distance of 55.90 feet to a point marked by an iron pin; thence turning and running South 51 degrees 23 minutes 28 seconds West for a distance of 242.22 feet to a point marked by an iron pin; thence turning and running South 38 degrees 36 minutes 32 seconds East for a distance of 118.00 feet to a point marked by an iron pin; thence turning and running North 86 degrees 07 minutes 23 seconds West for a distance of 261.28 feet to the **POINT OF BEGINNING**.

Said property contains 2.190 acres.

REFERENCE is hereby made to the aforesaid plat of survey for all further purposes of description.

EXHIBIT "B"
TO DECLARATION OF CONDOMINIUM
OF WINDWARD POINT, A CONDOMINIUM

Matters Affecting Title

1. The Declaration of Condominium of Windward Point, A Condominium dated September 15, 2003, to be filed for record in the Office of the Clerk of the Superior Court of Glynn County, Georgia.
2. State and County taxes for the year 2003 and subsequent years.
3. No insurance is afforded as to the exact acreage contained in the land notwithstanding any reference thereto in the legal description.
4. Riparian rights incident to the property.
5. Any adverse claim based upon the assertion that said land or any part thereof is now or at any time has been below the mean high water mark or ordinary high water mark of any body of water adjoining the property.
6. Exception is made as to any portion of the subject property which lies within the jurisdiction of the U.S. Army Corps of Engineers, the Environmental Protection Agency of the State of Georgia Department of Natural Resources and becomes subject to use regulation under the regulatory program and statutory program promulgated by U.S. laws, regulations and statutes and State of Georgia laws and regulations.
7. Use restrictions imposed by the Coastal Marshland Protection Act of 1970 as amended as to the use of marshlands as defined therein.
8. Any adverse claim based upon the assertion that some portion of the land is tide or submerged land, or has been created by artificial means or has accreted top such portions so created.
9. Declaration of Joint and Reciprocal Easements by and between The Sea Palms Corporation and Windward Point, LLC, dated November 22, 2002 and recorded in Deed Book 1025, Page 103, in the aforesaid Clerk's office.
10. Matters disclosed upon that certain plat of survey prepared by Shupe Surveying Company, P.C. , certified by Robert N. Shupe, dated August 29, 2003.
11. Reservation of easements for drainage and utility purposes as shown on various plans of Sea Palms Golf and County Club.

EXHIBIT "C"
TO DECLARATION OF CONDOMINIUM
OF WINDWARD POINT, A CONDOMINIUM

Description of Boundaries of Villas

The vertical (lateral) boundaries of each Villa located on the Property are the planes formed by the outer, exterior surfaces (facing away from such Villa) of the wallboard comprising a part of the exterior walls enclosing such Villa. Such vertical boundaries shall be deemed to include all doors, windows and screens serving such Villa, and all lath, wallboard, molding, tiles, wallpaper, paint, and any other materials constituting any part of the interior, finished surfaces of the walls enclosing any Villa, irrespective of whether any of the same are in fact located within the vertical boundaries herein described.

The upper horizontal boundaries of all Villas are the planes formed by the upper, exterior surfaces (facing away from such Villa) of the wallboard or wood decking comprising a part of the ceilings enclosing such Villa. The lower horizontal boundary of all Villas is the lower, exterior surface of the floor enclosing such Villa. The lower horizontal boundaries of each first floor Villa located on the Property are the planes formed by the lower, exterior surfaces (facing toward such Villa) of the floor of such Villa. Such horizontal boundaries shall be deemed to include all wallboard, paint, tiles, finished flooring, and any other materials constituting any part of the finished surfaces of the floors and ceilings enclosing such Villa, irrespective of whether any of the same are in fact locate within the horizontal boundaries herein described.

All of the vertical and horizontal 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 Jenkins, Hancock & Sides, which Plans are more specifically identified in Section 5.01 of this Declaration.

Notwithstanding the description of the boundaries of the Villas set forth in this Exhibit "C", or the depiction of said Villas on the said Plans, there shall be deemed to be included within the boundaries on each Villa all portions of the heating and air-conditioning systems (including furnaces, compressors, conduits, pipes, wires, ducts and the like) and sprinkler system serving only that Villa; and such portions of the heating and air-conditioning system and sprinkler system shall be deemed to be contained within the boundaries of the Villa, and shall form a part of the Villa, exclusively served by the same, regardless of whether the same are located within or without the boundaries of such Villa described in this Exhibit "C" and depicted on the said Plans.

EXHIBIT "D" TO DECLARATION OF CONDOMINIUM
FOR
WINDWARD POINT CONDOMINIUM ASSOCIATION, INC.

Description of Limited Common Elements

The Limited Common Elements which are located on the Property are as follows:

1. All Balconies which are appurtenant to each Villa having a Balcony shall be a Limited Common Element assigned to the Villa having direct access thereto. All of the Balconies located on the Property are shown and depicted on the Plans prepared by Jenkins, Hancock & Sides, Architects, which Plans are more specifically identified in Section 5.01 of this Declaration.
2. All Entryways which are appurtenant to two Villas shall be a Limited Common Element and assigned to the two Villas having direct access thereto.
3. All Storage Areas which have been assigned to each Villa and are appurtenant to each Villa. All Storage Areas on the Property are shown and depicted on the Plans prepared by Jenkins, Hancock & Sides, Architects, which Plans are more specifically identified in Section 5.01 of this Declaration.
4. All portions of the Common Elements on which there is located any portion of the heating and air-conditioning system exclusively serving a particular Villa or Villas shall be a Limited Common Element assigned to the Villa or Villas which is or are exclusively served by such heating and air-conditioning system.

EXHIBIT "E"
TO DECLARATION OF CONDOMINIUM
OF WINDWARD POINT, A CONDOMINIUM

Schedule of Villas and the Voting Rights and
Assessments Allocated to Each

1. The undivided interest in the Common Elements which is allocated to each Unit is five (5%) percent per Unit.
2. The share of liability for Common Expenses allocated to each Unit is equal to the undivided interest in the Common Elements.
3. The voting rights allocated to each Unit is equal to the undivided interest in the Common Elements.