

**INDEX**

<b><u>Amendment to the Declaration</u></b>	1,2
<b><u>Section 1</u></b>	3
<u>Purpose</u>	3
1. Name	3
2. Property	3
3. Condominium Documents	3
<b><u>Section 2</u></b>	3
<u>Definitions</u>	3
1. Assessment	3
2. Association	3
3. Common Areas & Facilities	3,4
4. Common Expenses	4
5. Residential Unit	4
6. Majority	4
7. Sea Palms Colony Condominium	4
8. Sea Palms Colony Condominium Association	4
9. Person	4
10. Condominium Property	4
11. Residence or Unit	4
12. Residence Number	4
13. Unit Owner	4
14. Singular, Plural, Gender	4
15. Board of Directors	4
16. Act	4
17. Limited Common Elements	5
<b><u>Section 3</u></b>	5
<u>The Condominium</u>	5
1. Residence Unit	5
A. Real Property	5
B. Use of Residence	
C. Boundaries	5
D. Appurtenances	5
E. Cross Easement of support	5
2. Maintenance	6
A. Owners Responsibility	6
B. Additional Responsibilities	6
C. Alterations	7
D. Failure to Maintain	7

REFERENCE COPY  
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3.	Common Elements	7
	A. Limited Common Elements	7,8
	B. General Common Elements	8
	C. Ownership of Limited and Common Elements	8,9
	D. Maintenance	9
4.	Administration and Management	9
	A. Membership	9
	B. By-Laws	9
	C. Allocation of Votes	9
	D. Method of Voting	9
5.	Fiscal Matters	10
	A. Individual Expenses	10
	B. Common Expenses	10,11,12,13
	C. Assessments	

**Section 4** 13

Insurance

1.	Insurance Policies	
	A. Association Policies	13
	B. Unit Owner Policies	13,14
2.	Coverage	14
	A. Casualty	14
	B. Public Liability	14
	C. Workmen's Compensation	14
3.	Premiums	14
4.	Assured	14
	A. Common Areas and Facilities	14
	B. Residence	15
	C. Mortgagees	15
5.	Distribution of Proceeds	15
6.	Board of Directors	15

**Section 5** 16

Repair, Reconstruction or Rebuilding After Casualty 16

1.	Determination by Association	16
	A. Common Areas & Facilities	16
	B. Residences	16
	C. Certificate	17
2.	Estimate of Costs	17
3.	Assessments	17
	A. Common Areas & Facilities	17
	B. Residences	17
4.	Construction Funds	17
	A. Association	17
	B. Insurance Trustee	18

**Section 6** 18

Structural Changes & Additions 18

1.	Required Vote	18,19
2.	Excessive Additional Costs	19

<b><u>Section 7</u></b>	19
Use Restriction	19
1. Single Family Residences	19
2. Peaceful Possession	19
3. Conduct Responsibility	19
4. Leasing	19
5. Rules and Regulations	19,20
<b><u>Section 8</u></b>	20
Amendment	20
1. Notice	20
2. Vote	20
3. Recording	20
4. Association By-Laws	20
<b><u>Section 9</u></b>	20
Termination	20
<b><u>Section 10</u></b>	20
Covenants Running with the Land	20
<b><u>Section 11</u></b>	21
Residence Transfers	21
<b><u>Section 12</u></b>	21
Severability	21
<b><u>Section 13</u></b>	21
Notices	21
<b><u>Section 14</u></b>	21
Limitation of Liability	21
<b><u>Section 15</u></b>	21
Author	21

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STATE OF GEORGIA  
COUNTY OF GLYNN

Cross Reference -Deed Book 15-  
N, Page 146 Cross Reference -  
Deed Book 1193, Page 211 Cross  
Reference -Deed Book 3501,  
Page 22

**AMENDMENT TO THE DECLARATION OF CONDOMINIUM FOR  
SEA PALMS COLONY CONDOMINIUM**

THIS AMENDMENT to the Declaration of Condominium for Sea Palms Colony Condominium ("Amendment"), is made this 16th day of February, 2016 (effective Date"), by Sea Palms Colony Condominium Association, Inc. ("Association").

WITNESSETH

WHEREAS, the Declaration of Condominium for Sea Palms Colony Condominium is recorded in Deed Book 15-N, Page 146, in the Deed Records of Clerk of Superior Court of Glynn County, as amended by that certain amendment recorded in Deed Book 1193, Page 211, in the Deed Records of Clerk of Superior Court of Glynn County, and as most recently amended by that certain amendment recorded in Deed Book 3501, Page 22, in the Deed Records of Clerk of Superior Court of Glynn County; and

WHEREAS, the Sea Palms Colony Condominium is currently governed by the Apartment Ownership Act; and

WHEREAS, the Sea Palms Colony Condominium Association, Inc. desires to amend the Declaration and 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. § 44-3-70 through §44-3-117, 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; and

WHEREAS, O.C.G.A. § 44-3-113 provides that condominiums governed by the Apartment Ownership Act may amend their instruments, in accordance with their terms, in order to submit the property to the Act and conform their instruments to the terms of the Act; and

WHEREAS, Section 9 of the Declaration, as amended, provides for the amendment of the Declaration; and

WHEREAS, the Board of Directors has proposed and unanimously approved this Amendment; and

WHEREAS, notice of the proposed amendment was provided to all members of the Association on the 20th day of January, 2016; and

WHEREAS, at a meeting of the Association, not less than seventy-five percent (75%) of all members voted in person or if not in person, in writing, to approve said Amendment; and

NOW, THEREFORE, the Declaration of Condominium for Sea Palms Colony Condominium dated February 20, 1970 and all supplemental amendments and declarations heretofore adopted shall be amended as follows:

1. The Sea Palms Colony Condominium shall now be governed by the Georgia Condominium Act and the terms thereof as set forth in O.C.G.A. § 44-3-70 through § 44-3-117.

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2. Any and all references in the Declaration to the "Apartment Ownership Act" shall be deleted, if not deleted herein, and replaced with the "Georgia Condominium Act".

3. All capitalized terms which are used, but not defined in this Amendment shall have the meaning set forth in the Declaration.

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DECLARATION OF SEA PALMS COLONY CONDOMINIUM

SECTION 1.

Purpose. To continue the property, hereinafter described, and the improvements thereon to the condominium form of ownership under the provisions of the "Georgia Condominium Act" as amended from time to time

1. Name. The name of the Condominium shall be SEA PALMS COLONY CONDOMINIUM (the "Condominium").

2. Property. The Sea Palms Colony Condominium consists of land located on the east side of the 200 Block of Windward Drive in Sea Palms, St. Simons Island, Glynn County, Georgia, more particularly described in Exhibit "A" attached hereto and made a part hereof, along with improvements thereon consisting in part, of four (4) two story units each containing twelve (12) individually owned residences, a swimming pool and service building connected therewith, carports for twelve (12) cars attached to each unit, streets, sidewalks, utilities, drain pipes, shrubberies, trees, and other landscaping.

3. Condominium Documents. The documents under which Sea Palms Colony Condominium exists and by which it is governed include the following:

A. The Amended Declaration of Sea Palms Colony Condominium recorded in Deed Book 1193, Page 211, in the Deed Records of Clerk of Superior Court of Glynn County, as amended and supplemented from time to time.

B. The By-Laws of the Sea Palms Colony Condominium Association, as amended from time to time.

SECTION 2.

Definitions. Definitions which shall be used in this amended Declaration and other condominium documents, unless the context otherwise requires:

1. Assessment means the residence owner's share of the common expenses which from time to time are assessed against a residence owner by the Association in the manner herein provided

2. Association means "Sea Palms Colony Condominium Association", a nonprofit corporation incorporated under the laws of the State of Georgia for the purpose of exercising the powers and responsibilities set forth in the Condominium Declarations.

3. Common Areas and Facilities means all of the property not to be used for residences. The meaning of common areas and facilities

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also includes all machinery, equipment and other personal property which is owned by the residence owners as tenants in common and which is necessary or convenient to the existence, maintenance and safety of the condominium.

4. Common Expenses means 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.

5. Residential Unit means a part of the property intended for single family residential use; including one or more rooms, said unit being located on one floor in a building contained twelve such houses, and with a direct exit to a common area.

6. Majority or majority of residence owners means the vote of at least twenty-five of the residence owners.

7. Sea Palms Colony Condominium means the entire cooperative undertaking pursuant to the condominium documents, which shall commence with the filing of the declaration and continue until terminated under the pertinent provisions thereof.

8. Sea Palms Colony Condominium Association means the corporation formed as a group in accordance with the Declaration and By-Laws, for the purpose of administering the condominium.

9. Person means individual, corporation, partnership, association, trustee or other legal entity.

10. Condominium Property shall include the lands described in Exhibit "A" attached hereto and the four (4) buildings and all other improvements thereon or connected therewith.

11. Residence or unit means one of the forty-eight (48) living units contained in any one of the four buildings on the property,

12. Residence Number means the number, letter or combination thereof designating a residence in the declaration.

13. Unit Owner means the person or persons owning a resident unit in fee simple absolute or an undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established in this declaration.

14. Singular, plural, gender means wherever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

15. Board of Directors means an administrative body of residence unit owners elected by the association as the governing body of the association.

16. SEE PAGE 4B.

17. Act means the Georgia Condominium Act, O.G.G.A. Section 44-3-70, et seq., as such act may be amended from time to time.

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

**SECTION 3**

The Condominium. The condominium shall be known as Sea Palms Colony and shall include forty-eight (48) individually owned residences and the common elements.

1. Resident Unit. Each Resident Unit is intended exclusively for single-family residential purposes and is restricted to such use and is further subject to the following rights and restrictions:

A. Each residence, together with its undivided interest in the common areas and facilities, shall for all purposes constitute real property, which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other real property, subject to the provision of the condominium documents.

B. Each residence owner shall be entitled exclusive ownership and possession of his residence, to the provisions of the Act" condominium documents.

C. Each residence shall include all of the space within the boundaries of the residence which shall be determined as follows:

(1) Upper Boundary. The upper boundary shall be the horizontal plane of the upper most surface of the plasterboard which constitutes the ceiling of the residence.

(2) Lower Boundary. The lower boundary shall be the horizontal plane of the top surface of the undecorated floor slab.

(3) Vertical Boundaries. The vertical boundaries of the residence shall be the vertical plane which includes the finished surface, of the plasterboard on all walls bounding the residence extended to intersection with each other and with the upper and lower boundaries.

D. Appurtenances. Windows, drain pipes, toilet flanges, screens, doors, air conditioners, and heating units, hot water heaters, ducts, electrical wiring, water supply lines, and drain lines, whether inside or outside the boundaries of the residence, which serve only one Unit shall be deemed to be the property of the Unit Owner.

E. Cross Easement of Support. Every portion of a residence contributing to the support of an abutting residence shall be burdened with an easement of support for the benefit of such abutting residence.



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2. Maintenance by the Unit Owner. Each Unit Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit except any portion of a Unit which is expressly made the maintenance obligation of the Association as set forth in Section 3, Paragraph 3, and Subsection D herein.

A. The maintenance responsibility of each Unit Owner shall include, but not be limited to, the following: all glass surfaces, windows, window frames, window screens, casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (including caulking of doors), 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 Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located inside or outside a Unit's boundaries (including all electricity, water, sewer, drain, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit).

B. In addition, each Unit Owner shall have the following responsibilities:

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

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

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

(4) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner, but which responsibility such Unit Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

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C. In their maintenance of their Unit, the Unit Owner shall not paint, decorate, or change the appearance of any portion of the exterior of the residence except that the Board of Directors of the Association may, in their sole discretion, authorize or approve minor changes or alterations. Additionally, the Unit Owner shall not make any changes which jeopardize the safety or soundness of any supporting portions of their residence.

D. Failure of Unit Owner to Maintain.

(1) If the Board of Directors determines that any Unit 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 Unit Owner written notice of the Unit Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Unit 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.

(2) Unless the Board of Directors determines that an emergency exists, the Unit Owner shall have ten (10) days within which to complete the 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 a Unit 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 Unit Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Unit Owner is subject, shall become and be a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

(3) If the Board determines that the need for maintenance or repair is in an area for which the Association is responsible for maintenance and is caused through the willful or negligent act of any Unit 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 Unit, which shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

3. Common Elements are of two classes as follows:

A. Limited Common Elements are those elements outside the residences over which individual residence owners have an

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exclusive right to use. They include:

- (1) Balconies, cement patios, and screen porch appurtenant to a residence as shown on the plans and specifications;
- (2) Parking spaces in the carports assigned to individual residences along with the storage spaces appurtenant thereto;
- (3) Storage spaces in each building assigned to individual residences.
- (4) Any shutters, awning, window box, doorstep, and any other apparatus described in O.C.G.A. § 44-3-75(a)(5) designed to serve a single Unit shall be deemed to be a Limited Common Element appertaining to that Unit exclusively.

B. General Common Elements are all other areas and facilities outside the individual residences and include but are not limited to:

- (1) The land and all landscaping;
- (2) All foundations, load bearing supports, exterior walls, roofs, concrete floors, spaces between concrete floors and ceilings and attics;
- (3) All hallways, passageways, stairs, walkways, streets gutters, sidewalks, retaining walls and bridges;
- (4) The swimming pool, bath house, furniture around the swimming pool and all equipment used in the operation of said pool;
- (5) All carports;
- (6) All water pipes, drain pipes and sewer pipes which service more than one residence;
- (7) All outside electrical wiring, lights, and lighting fixtures;
- (8) All storm drain pipes, storm drains and culverts;
- (9) All other equipment on property now owned by the Association or which may hereafter be acquired.

C. Ownership of Limited and General Common Elements.

The owner or owners of each individual residence shall own an undivided one forty-eighth (1/48<sup>th</sup>) interest in all limited and general common elements.

- (1) Appurtenant to residences. The percentage of undivided interest of a residence owner in the common areas and facilities is appurtenant to the residence owned by him. No appurtenance may be separated from the

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residence to which it appertains, and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the residence whether or not expressly mentioned or described in a conveyance or other instrument describing the residence.

(2) Covenant against partition. The common areas and facilities shall remain undivided and no residence owner or any other person shall bring any act for partition or division of the whole or any part thereof of the common areas and facilities except as provided in the "Georgia Condominium Act".

(3) Non-exclusive possession. Each residence owner and the Association may use the common areas and facilities for the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of the other residence owners.

D. Maintenance, Repair, or Replacement of Common Elements. The Association shall maintain and keep in good repair as a Common Expense 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 Unit Owner to whom the Limited Common Element is assigned as set forth in Section 3, Paragraph 3, Subsection A.

4. Administration and Management. The administration and Management of Sea Palms Colony shall be by the Board of Directors acting under the by-laws adopted by the Association.

A. Membership in the Sea Palms Colony Condominium Association shall be automatic upon the acquisition of title to an individual residence in Sea Palms Colony and shall cease automatically when title to an individual residence in Sea Palms Colony is divested.

B. By-Laws. The By-Laws shall set forth the number of directors for the Association. Additionally, the limitations and restrictions on the powers of the Association and on the Board of Directors of the Association are set out in said By-Laws of the Association.

C. Allocation of Votes. All Unit Owners shall be entitled to vote upon matters 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 Documents, the Owner of each Unit shall be entitled to one (1) equally weighted vote.

D. Method of Voting. The method by which voting may be exercised, and the rights and obligations generally of members of the Association with regard to voting, shall be in accordance with O.C.G.A § 44-3-79 and the By-Laws of the Association.

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5. Fiscal Matters pertaining to the Association shall be as follows:

A. Individual Expenses. Each residence owner shall be liable for all expenses attributable to his ownership, use or occupancy of his residence including, but not limited to, taxes assessed against said residence and its appurtenances, telephone services and other utility services provided to said residence, repair, up-keep, and maintenance of said residence and the repair of damage done to Common Elements, either general or limited, or to other residences, caused by the owners negligence, neglect or willful act.

B. Common Expenses. Each Unit Owner shall be responsible for one forty-eighth (1/48<sup>th</sup>) of all assessments levied by the Board of Directors of the Association for the maintenance, repairs, replacements, and up-keep of the Common Elements (excluding the Limited Common Elements) and for the operating expenses and management in connection therewith.

C. Assessments. Assessments against the residence owners shall be made by the Board of Directors of the Association in the following manner:

(1) Prior to the end of each fiscal year the Board of Directors shall determine what monies will be required for the following fiscal year's expenses and reserves and shall prepare a line-item proposed budget which will show the amounts needed for:

a. Operating Expenses. Which shall include the annual recurring expense of operations;

b. Contingency Reserves to cover unanticipated costs of operations;

c. Capital Reserves to provide funds for Capital Reserves projected repairs and replacement of the common elements.

(2) A copy of the proposed budget shall be sent to each Residence Owner not later than December 1st of the current fiscal year so that each Residence Owner shall have an opportunity to question or raise objections to items in said proposed budget prior to the annual meeting of the Association. Residence Owner's questions or objections to items in the budget should be directed to the Chairman of the Budget Committee whose name, address and telephone number shall be included in the proposed budget transmittal letter.

(3) The proposed budget shall be submitted to the annual meeting of the association and shall be adopted by approval of 75% of the residence owners voting either in person or by proxy upon a roll-call vote of the owners of each individual residence. A failure of a residence owner to vote shall be considered an affirmative vote in favor of the adoption of the proposed budget.

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(4) Upon adoption of a budget by the association an assessment of 1/48th of the total budget will be assessed by the Board of Directors against each individual Residence Owner. Upon failure to adopt the budget as proposed the assessment shall continue at the level of the last prior assessment

(5) All assessments shall be due in four equal consecutive quarterly payments on the first day of each February, April, July and October.

(6) Assessments for emergencies. Assessments for expenses of emergencies for each expense account which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefore to the residence owners. After such notice, and upon approval in writing by owners of a majority of the total vote of the Association, the assessment shall become effective, and it shall be due after thirty days notice thereof in such manner as the Board of Directors may require.

(7) Assessments for liens. All liens of any nature, including taxes and special assessments levied by governmental authority, which are a lien upon more than one residence or any portion of the common areas and facilities shall be paid by the Association as a common expense and shall be assessed against the residence in the same percentages as other common expenses are assessed.

(8) Assessment roll. The assessments for expenses for each expense account shall be set forth upon a roll of the residences which shall be available in the office of the Association for inspection at all reasonable times by residence owners. Such roll shall indicate for each residence the name and address of the owner, the assessments for all purposes and the amounts paid and unpaid of all assessments.

(9) Liability for Assessments. A residence owner shall be liable for all assessments coming due while he is the owner of a residence and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee therefore. Such liability may not be avoided by waiver of the use or enjoyment of any common elements or by abandonment of the residence for which the assessments are made. A purchaser of a residence at a judicial sale shall be liable only for assessments coming due after such sale or for that portion of due assessments prorated to the period after the date of such sale.

(10) Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Unit Owner shall be in default.

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a. If any quarterly installment of annual assessments or any part thereof is not paid in full by the tenth (10<sup>th</sup>) day of the month it is due, 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 percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Unit 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 on each assessment and any late charge from the due date of the assessment or part thereof.

b. If partial 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 Unit 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 Unit 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 Unit Owner's unpaid installments of the annual assessment and of any special assessment. If a Unit 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 Unit Owner. Upon acceleration, that Unit Owner shall thereby lose the privilege of paying the annual assessment in quarterly installments for that fiscal year.

d. If assessments and other charges or any part thereof remain unpaid for 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 Unit 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

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upon or related to other restrictions and/or other actions.

(11) Lien Rights of Association. All sums lawfully assessed by the Association against any Unit shall constitute a lien in favor of the Association on the Unit prior and superior to all other liens whatsoever except: (1) liens for ad valorem taxes on the Unit; (2) the lien of any first priority Mortgage covering the Unit and the lien of any Mortgage recorded prior to the recording of the Declaration; and (3) the lien of any secondary purchase money Mortgage covering the Unit, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Unit. Pursuant to the provisions of O.C.G.A. § 44-3-109(b), the Board of Directors shall have the authority to establish general rules applicable to all Units providing that the lien for assessments shall include any one or more of the following: (i) a late or delinquency charge (not in excess of \$10.00 or ten percent of the amount of each assessment or installment thereof not paid when due, whichever is greater), (ii) interest on each assessment or installment thereof, and any delinquency or late charge appertaining thereto, from the date the same was first due and payable, at a rate not in excess of ten percent per annum, (iii) the costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Unit, and reasonable attorneys' fees actually incurred, and (iv) the fair rental value of the Condominium Unit from the time of the institution of suit until the sale of the Condominium Unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

**SECTION 4**

Insurance. Insurance, other than title insurance, which shall be carried upon the common areas and facilities and the residences shall be governed by the following provisions;

1. Insurance Policies.

A. Association Policies. All insurance policies upon the common areas and facilities and the residences shall be purchased by the Board of Directors for the benefit of the Unit Owners and their mortgagees as their interest may appear. Such insurance coverage shall be written on the property in the name of the Board of Directors as trustee for each of the Unit Owners, and such policies and endorsements shall be deposited with the Insurance Trustee designated in Paragraph 4 of Section 4 of the Declaration.

B. Unit Owner Policies. Each Unit Owner shall, at its sole cost and expenses, obtain insurance coverage for the following: (1) their personal property in their Unit; (2) the alterations and additions to their Unit; (3) the structure of their Unit (with a minimum of Ten Thousand Dollars



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(\$10,000.00) of coverage); and (4) all risks of public liability/personal injury occurring within the boundaries of their Unit. Upon the Board of Director's request, the Unit Owner shall furnish a copy of their insurance policy(s) to the Board.

2. Coverage.

A. Casualty. All buildings and improvements upon the property, and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors. Such coverage shall afford protection against;

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(2) Other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings in Sea Palms Colony, including but not limited to vandalism and malicious mischief.

B. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, and with cross liability endorsements to cover liabilities of the residence owners as a group to a resident owner.

C. Workmen's Compensation policy (if applicable) to meet the requirements of law.

3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged to the common expense account.

4. Assured. All insurance policies purchased by the Board of Directors shall be for the benefit of the Association and the residence owners and their mortgagees as their interests may appear, and shall provide the all proceeds covering casualty losses shall be paid to a trustee, which shall be a banking institution in Glynn County, Georgia, with trust powers, as may be selected by the Board of Directors which trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the residence owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee.

A. Common areas and facilities. Proceeds on account of damage to common areas and facilities shall be held in undivided shares equal to the respective percentages of the residence owners in the common areas and facilities.

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B. Residence. Proceeds on account of residences shall be held in the following undivided shares:

(1) Partial destruction when the damaged residences are to be restored for the owners of damaged residences in proportion to the cost of repairing the damage suffered by each residence owner.

(2) Total destruction of the residences or when residences are not to be restored for owners of all residences in the condominium, each owners share being in proportion to his percentage of interest in the common areas and facilities.

C. Mortgagees. In the event a mortgage endorsement has been issued as to a residence, the share of the residence owner shall be held in trust for the mortgagee and the residence owner as their interests may appear.

5. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the trust. All expenses of the Insurance trust shall be first paid or provision made therefore.

B. Repair, reconstruction or rebuilding. If the damage for which the proceeds are paid is to be repaired, reconstructed or rebuilt, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to residence owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a residence owner and may be enforced by him.

C. Failure to repair, reconstruct or rebuild. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be repaired, reconstructed, or rebuilt, the insurance proceeds shall be distributed to the beneficial owners, remittances to residence owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagees of a residence owner and may be enforced by him.

D. Certificate. In making distribution to residence owners and their mortgagees the Insurance Trustee may relay upon a certificate of the Board of Directors as to the names of the residence owners and their respective shares of the distribution.

6. Board of Directors. The Board of Directors is hereby irrevocably appointed agent for each residence owner to adjust all claims arising under insurance policies purchased by the Association.

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SECTION 5 -

Repair, Reconstruction or Rebuilding after Casualty.

1. Determination by Association. If all or part of the property in the condominium is damaged or destroyed by casualty, the Association shall determine whether or not to repair, reconstruct or rebuild. Such determination shall be made as follows:

A. Common areas and facilities. If the damage is confined to the common areas and facilities, the damage areas shall be repaired, reconstructed or rebuilt unless 80% of the total vote of the Association shall decide, within thirty days after the casualty, not to repair, reconstruct or rebuild.

B. Residences.

(1) Lesser damage.

a. No residence untenable. If any residence is damaged but no residence, is rendered untenable, the property damaged (including residences and common areas and facilities) shall be repaired, reconstructed or rebuilt.

b. Residence untenable. If the property is so damaged that any residence is rendered untenable, but the number of such untenable residences does not exceed thirty percent of the total number of residences in any unit of twelve (12) residences, the property damaged (including residences and common areas and facilities) shall be repaired, reconstructed or rebuilt.

(2) Major damage. If the property is so damaged that more than thirty percent of the total number of residences in any unit of 12 residences are rendered untenable, the property damaged (including residences and common areas and facilities) shall be repaired, reconstructed or rebuilt unless the owners of the damaged units and 75% of the vote of all unit owners determine not to rebuild or repair said damaged units. Such vote not to rebuild or repair shall be made within thirty (30) days of the damage. If the damaged units are repaired, any funds required for such restoration in excess of the insurance proceeds attributable thereto shall be paid by the individual owners of the damaged units. If the damaged units are not to be repaired, then the insurance proceeds attributable to such units shall be paid to the unit owner and their mortgagees as their interests may appear, and the entire undivided interest in the common elements pertaining to that damaged unit shall then pertain to the remaining units, to be allocated to them in proportion to their individual interest in the common elements, and the remaining portion of that damaged unit shall thenceforth be a part of the common elements. Votes in the Association and liability for the future common expenses shall thereupon pertain to the remaining units, being allocated to them in proportion to their relative voting

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strength in the Association and liability for common expenses, respectively.

(3) Plans and specifications. Any such repair, reconstruction, or rebuilding must be substantially in accordance with the plans and specification for each original building, or as such building was last constructed, or according to plans approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld.

C. Certificate. The Insurance Trustee may rely upon a certificate of the Board of Directors to determine whether or not the property damaged or destroyed is to be repaired, reconstructed or rebuilt.

2. Estimates of costs. Immediately after determination by the Association that the damaged property shall be repaired, reconstructed or rebuilt, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty.

3. Assessments. If the proceeds of insurance covering the common areas and facilities or any residence are not sufficient to defray estimated costs of repair, reconstruction or rebuilding of the particular property insured, the Board of Directors shall assess the owner, or owners, as the case may be, of the particular property to cover such excess of costs, which assessment shall be collected and enforced in the manner provided for other assessments in paragraph 4 of SECTION 3 of this declaration. If at any time during repair, reconstruction or rebuilding, or upon completion thereof, the funds for payment of the costs thereof are insufficient, assessment shall be made, as authorized in this paragraph 3 of this SECTION 5, in sufficient amounts to provide funds to cover such excess of costs. Such assessments shall be made as follows:

A. Common areas and facilities. The Board of Directors shall assess such excess of costs applicable to common areas and facilities against the residence owners in percentages equal to their respective percentages of ownership in the common areas and facilities.

B. Residences. The Board of Directors shall assess such excess of costs applicable to any residence against the residence owner thereof.

4. Construction funds. The proceeds of insurance held by the Insurance Trustee and funds collected by the Board of Directors from assessments against residence owners shall constitute a construction fund for payment of costs of repair, reconstruction and rebuilding after a casualty.

A. Association. The sums paid upon assessments to defray estimated costs or repair, reconstruction and rebuilding shall be deposited by the Board of Directors with the Insurance Trustee.

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B. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Board of Directors from collections of assessments against residence owners on account of such casualty, shall constitute a construction fund which shall be held by the Insurance Trustee in separate accounts for repair, reconstruction and rebuilding of the damaged property, one such account for each damaged residence and one for any common areas and facilities sustaining damage.

(1) Disbursement. The construction fund shall be disbursed in payment of costs of repair, reconstruction and rebuilding upon the order of the Board of Directors provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of any insurance policy the proceeds of which are included in any component account of the construction fund, disbursements from such account shall be made upon order of the Board of Directors and upon approval of an architect qualified to practice in Georgia and employed by the Board of Directors to supervise the work.

(2) Surplus. It shall be presumed that the first moneys disbursed from the construction fund in payment of costs of repairs, reconstruction and rebuilding shall be from insurance funds; and if there is a balance in the construction fund after payment of all costs for which the fund is established, such balance shall be repaid to the residence owners as their interests may appear.

(3) Certificates. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Board of Directors stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as a payee, the insurance Trustee shall also name the mortgagee a payee; and further provided that when the Board of Directors, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so required the approval of an architect named by the Board of Directors shall be first obtained by the Association.

**SECTION 6**

Structural changes and additions. Whenever it is desired that structural changes or additions be made to the common areas and facilities, or any changes be made to the exteriors of the residences which would be of uniform character throughout the condominium, the following provisions will control:

1. Required vote. If the vote to make any such change or addition is at least eighty (80%) percent or more of the total vote of the Association, the proposed change or addition shall be

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made, and the cost thereof shall be borne by the residence owners in their respective percentages of undivided interest in the common areas and facilities.

2. Excessive additional costs. If the costs of such change or addition is greater than three percent of the total value of the property in the condominium, any residence owner who voted against the change or addition but was required to bear a proportionate amount of the cost may require the Association to buy his residence at the fair market value price as fixed by an appraisal to be made by a member of the American Institute of Appraisers as selected by the Board of Directors.

SECTION 7

Use Restriction. The use of the property of the condominium shall be in accordance with the following provisions, in addition to those restrictions imposed on the property by Sea Palms, Inc.:

1. Single family residences. The condominium property shall be used only for single family residences and for the furnishing of services and facilities herein provided for the enjoyment of such residences. Each of the residences for which provision is made by the condominium documents shall be occupied only by a single family as its residence and for no other purpose.

2. Peaceful possession by residents. No business shall be allowed upon the condominium property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of property by its residents. All parts of the property shall be kept clean and in a sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

3. Conduct responsibility. No immoral, improper or offensive or unlawful use shall be made of the condominium property, or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirement of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned

4. Leasing. A Unit may be rented or Leased by the Unit Owner, provided however that: (1) the occupancy by lessee is for Single Family use only; (2) the occupancy by any lessee is for the entire Unit; and (3) the lease term is at least thirty (30) days. Furthermore, no Unit, or any portion thereof, may be sublet. Any Unit Owner who leases their Unit shall be responsible for ensuring that the lessee(s) are aware of the use restrictions and applicable rules and regulations promulgated by the Board of Directors.

5. Rules and Regulations. Rules and regulations that are deemed necessary for the administration and enjoyment of the condominium may be adopted, from time to time, by the Board of Directors provided they are not in conflict with the Act, this Declaration

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or the by-laws. All rules or regulations so adopted shall be sent to each residence owner and shall become effective 30 days after mailing unless 25% of the residence owners advised the Board of Directors, in writing, within said 30 day period of their objections to said rules and regulations. Enforcement of compliance with such rules and regulations shall be by such lawful means as the Board of Directors shall determine.

**SECTION 8**

Amendment. This Declaration may be amended as follows;

1. Notice. 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.
2. Vote. 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 three-fourths (3/4ths) of the total Association vote.
3. Recording. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Clerk of Superior Court of Glynn County, Georgia.
4. Association By-Laws. The by-laws shall be amended as provided therein.

**SECTION 9**

Termination. 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, Sea Palms Colony Condominium, shall be terminated only by the agreement of four-fifths (4/5ths) of the Owners of the Units and of all Mortgagees of such Units except in the case of the destruction of the entire development by fire or other casualty, following which the Owners of four-fifths (4/5ths) of the Units decide not to rebuild, in which case the provisions of the By-Laws and the Declaration shall apply.

**SECTION 10.**

Covenants Running With the Land. All provisions of the condominium documents shall be construed to be covenants running with the land, and with every part thereof and interest therein, including but not limited to every residence and the appurtenances thereto; and every residence owner and claimant of the land or of any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the condominium documents.

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**SECTION 11.**

Residence Transfers. Any transfer of a residence shall include all appurtenances thereto whether or not specifically described including but not limited to the residence owner's share in the common areas and facilities, Association membership and interest in funds and assets held by the Association or by the Insurance Trustee.

**SECTION 12.**

Severability. The invalidity of any covenant, restriction or other provision of the condominium documents shall not affect the validity of the remaining portions thereof.

**SECTION 13.**

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 Unit Owner at his/her or their Unit 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 Unit 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 Unit Owners. Any Unit 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 United States Registered or Certified Mail, or when delivered in person. Upon written request to the Association, the holder of any interest in any Unit shall be given a copy of all notices to be given to the Owner whose Unit is subject to such interest.

**SECTION 14.**

Limitation of Liability. Notwithstanding the duty of the Association to maintain, repair and replace parts of the common areas and facilities, the Board of Directors shall not be liable for injury or damage caused by any latent condition of the common areas and facilities nor for injury or damage caused by the elements, or residence owners or other persons.

**SECTION 15.**

Author. The sections of the Declaration hereby amended were prepared by Britton A. Smith, 504 Beachview Drive, Suite 3-D, St. Simons Island, Georgia 31522. The author of the original Declaration is unknown at this time.