

DECLARATION OF CONDOMINIUM
FOR
SEA GATE INN, A CONDOMINIUM
ST. SIMONS ISLAND, GLYNN COUNTY, GEORGIA

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ARTICLE I – NAME.....	3
1.1 Name.....	3
ARTICLE II – DEFINITIONS.....	3
2.1 “Act”.....	3
2.2 “Assessment”.....	3
2.3 “Association”.....	3
2.4 “Board of Directors”.....	3
2.5 “Bylaws”.....	4
2.6 “Common Elements”.....	4
2.7 “Common Expenses”.....	4
2.8 “Common Furnishings”.....	4
2.9 “Condominium Instruments”.....	4
2.10 “Declarant” or “Developer”.....	4
2.11 “Limited Common Elements”.....	4
2.12 “Managing Agent”.....	4
2.13 “Mortgagee”.....	4
2.14 “Occupant”.....	4
2.15 “Owner”.....	4
2.16 “Plans”.....	5
2.17 “Plat”.....	5
2.18 “Rules and Regulations of the Association” or “Rules and Regulations”.....	5
2.19 “Sea Gate Marks”.....	5
2.20 “Sea Gate Materials”.....	5
2.21 “Unit”.....	5
ARTICLE III – LOCATION; CONDOMINIUM PROPERTY.....	5
ARTICLE IV – UNITS.....	6
4.1 Units.....	6
4.2 Boundaries.....	6
ARTICLE V – COMMON ELEMENTS; CONVERSION.....	7
5.1 The Common Elements.....	7
5.2 Conversion.....	7
ARTICLE VI – FRACTIONAL PLAN.....	8
6.1 Fractional Ownership Interest Plan or Program.....	8
ARTICLE VII – LIMITED COMMON ELEMENTS.....	8
7.1 Establishment of Limited Common Elements.....	8
7.2 Assignment and Reassignment of Limited Common Elements.....	8
ARTICLE VIII – USE RESTRICTIONS.....	9
8.1 General Use Restrictions.....	9
8.2 Renting.....	15
ARTICLE IX – MAINTENANCE RESPONSIBILITY.....	17
9.1 By the Association.....	17
9.2 By Owners of Residence Units.....	17
9.3 Failure to Maintain.....	18

ARTICLE X – ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES	18
10.1 Association Membership	18
ARTICLE XI – ADDITIONAL RIGHTS AND RESTRICTIONS; ENFORCEMENT	18
11.1 Rules and Regulations	18
11.2 Association Right of Entry	18
11.3 Association Use of Sea Gate Marks and Materials	18
11.4 Association Acknowledgement	19
11.5 Terms and Conditions.....	19
11.6 Written Notice	20
ARTICLE XII – CONDOMINIUM ASSOCIATION COMMON EXPENSES	20
12.1 Limited Common Elements	20
12.2 Special Circumstances	20
12.3 The Common Expenses	21
12.4 Declarant Obligation for Common Expenses	21
12.5 Declarant Exemption	21
12.6 Start Up Funds	22
12.7 Personal Obligation; Grantor and Grantee Liability	22
12.8 Mortgages	22
12.9 Limitation on Assessments	23
12.10 Composition of Common Expense Assessments.....	23
12.11 Personal Changes.....	23
12.12 Lien for Condominium Association Assessments.....	23
ARTICLE XIII – AMENDMENTS.....	24
13.1 Amendment Procedure	25
ARTICLE XIV – PREPARER	25
14.1 Preparation.....	25
ARTICLE XV – MORTGAGEE RIGHTS	25
15.1 Mortgagee Rights.....	25
ARTICLE XVI – DECLARANT CONTROL; EXPANSION OF CONDOMINIUM	26
16.1 Declarant’s Right.....	26
ARTICLE XVII – EASEMENTS.....	28
17.1 Easements	28
ARTICLE XVIII – INSURANCE	30
18.1 Insurance.....	30
ARTICLE XIX – BYLAWS.....	33
19.1 Bylaws	33
ARTICLE XX – TERMINATION	33
20.1 Termination.....	33
ARTICLE XXI – MANAGING AGENT	34
21.1 Managing Agent	34
ARTICLE XXII – CONDEMNATION.....	34
22.1 Condemnation.....	34
ARTICLE XXIII – TRANSFER OF TITLE	34
23.1 Notice.....	34
23.2 Right of First Refusal	35
ARTICLE XXIV – SECURITY AND SAFETY.....	35
ARTICLE XXV – MISCELLANEOUS PROVISIONS	36
25.1 Miscellaneous Provisions	36

EXHIBIT "A" – CONDOMINIUM PROPERTY LEGAL DESCRIPTION
EXHIBIT "B" – ADDITIONAL PROPERTY LEGAL DESCRIPTION
EXHIBIT "C" – ALLOCATED PERCENTAGE OF INTEREST IN COMMON ELEMENTS
EXHIBIT "D" – PLAT AND PLANS
EXHIBIT "E" – ARTICLES OF INCORPORATION OF ASSOCIATION
EXHIBIT "F" – BYLAWS OF ASSOCIATION

the Condominium Property, the Residence Units and all appurtenances thereto are and shall be held, sold, conveyed, mortgaged, hypothecated, encumbered, leased, rented, occupied, improved and used subject to this Declaration, including all covenants, conditions, reservations, restrictions, easements and limitations contained herein or incorporated herein by reference, as the same may be from time to time lawfully amended and or supplemented, all of which are established, declared and agreed to be for the purpose of enhancing and protecting the value, desirability and enjoyment of the Condominium Property and the Residence Units. This Declaration, including all such covenants, conditions, reservations, restrictions, easements and limitations shall constitute equitable servitudes upon the Condominium Property, shall run perpetually with such land and be binding upon and inure to the benefit of the Declarant, all Owners, any other persons or entities having acquired any right, title or interest therein and thereto, Sea Gate Inn Unit Owners Association, Inc., each of their respective heirs, legal representatives, successors and assigns, and all persons who are present within or use the Condominium Property for any purpose whatsoever.

By the acceptance of a deed or any other instrument of transfer conveying a Residence Unit, whether from the Declarant, its successors or assigns or from any Owner, each Owner, as herein defined, for himself, his heirs, legal representatives, successors, assigns and any other person holding or occupying a Residence Unit by, through or under any such Owner and whether or not expressly stated in any deed or other instrument of transfer, covenants, consents and agrees to and with the Declarant and with all other Owners from time to time of a Residence Unit, to have ratified and to be bound by, observe comply with and perform the covenants, conditions, reservations, restrictions, easements and limitations contained in this Declaration and in the Articles of Incorporation, Bylaws and Rules and Regulations of Sea Gate Inn Unit Owners Association, Inc., as each of the aforesaid may be lawfully amended from time to time.

ARTICLE I

NAME

1.1 Name. The name of the Condominium is Sea Gate Inn, a Condominium (hereinafter sometimes called the "Sea Gate" or the "Condominium").

ARTICLE II

DEFINITIONS

Unless the context requires otherwise, the terms used herein shall be defined in the Act. As used in this Declaration, the Bylaws, and the Condominium Instruments, the following terms shall have the meanings ascribed to them herein below:

2.1 "Act" shall mean the Georgia Condominium Act, O.C.G.A. Sections 44-3-70, et. seq., as may be amended.

2.2 "Assessment" shall mean any amounts, which from time to time, are levied by the Board of Directors upon one (1) or more Owners including but not limited to the following Common Expenses:

(a) "Common Expense Assessment" shall mean an Assessment levied by the Board upon all of the Owners of their proportionate share of the Common Expense of the Association;

(b) "Special Assessment" shall mean an Assessment levied by the Board upon all of the Owners in the event that the total of all the Common Expense Assessments is inadequate to meet the Common Expenses of the Association or to satisfy any judgments or other extraordinary or unbudgeted items deemed reasonably necessary by the Board; and

(c) "Personal Charge" shall mean an Assessment levied by the Board on a particular Owner, for one (1) or more of the reasons permitted under this Declaration.

2.3 "Association" shall mean Sea Gate Inn Unit Owners Association, Inc., which shall be the condominium association formed for the purpose of management of the project in accordance with the Act. The Association shall be comprised of all Owners and be governed by a Board of Directors as hereinafter and as the Bylaws of the Association provide. The Association is a Georgia nonprofit corporation.

2.4 "Board of Directors" shall mean the Board of Directors of the Association, the members of which shall be appointed or elected from time to time as provided in this Declaration and the Bylaws of the Association. The Board of Directors shall be the governing body of the Association. The Board of Directors may sometimes be referred to herein and elsewhere as the "Board."

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

2.6 "Common Elements" shall have the meaning set forth in Section 5.1 hereof.

2.7 "Common Expenses" shall mean and include all expenses incurred by the Association or its duly authorized agent(s) including the Managing Agent, for the maintenance, repair or replacement or restoration and improvement operation and administration of the Condominium Property and the operation and administration of the Association, including but not limited to the Common Expenses described in Article XII of this Declaration, Special Assessments and Personal Charges; provided, however, Personal Charges shall be assessed only as against the Owners incurring such Personal Charges.

2.8 "Common Furnishings" shall have the meaning set forth in Section 5.1 hereof.

2.9 "Condominium Instruments" shall mean this Declaration, the Plat and Plans recorded pursuant to the Act, the Articles of Incorporation of the Association, the Association Bylaws, and the exhibits which accompany this Declaration and are recorded simultaneously herewith.

2.10 "Declarant" or "Developer" shall mean Sea Gate Ventures, LLC, a Georgia limited liability company], and its successors and assigns in interest who come to stand in the same relation to the Condominium Property as its predecessor, subject, however, to the terms of the Act.

2.11 "Limited Common Elements" shall have the meaning set forth in Section 7.1 hereof.

2.12 "Managing Agent" shall mean the person, company, or other legal entity who undertakes the duties, responsibilities, and obligations of the management of the Condominium Property. The Managing Agent may be employed and terminated by vote of the Board of Directors of the Association, subject to the contract as might exist.

2.13 "Mortgagee" shall mean the holder or beneficiary of a deed of trust, mortgage, or deed to secure debt on a Residence Unit.

2.14 "Occupant" shall mean the Owner(s) or lessee(s) of any Unit and their respective guests, family, tenants, and invitees, or any other person who either lawfully or unlawfully occupies or comes upon such Unit.

2.15 "Owner" shall mean the record owner of a Unit, whether one or more persons or other legal entities, and shall include such person, persons, or entities.

2.16 "Plans" shall mean those certain plans of structures containing or constituting Units prepared and filed to comply with O.C.G.A. Section 44-3-83 of the Act. The Plans have been or will be recorded in the appropriate condominium plan book in the Glynn County, Georgia records as referenced or as will be referenced on EXHIBIT "C," as they may be amended or supplemented.

2.17 "Plat" shall mean that certain plat of survey depicting the Condominium Property prepared and filed or to be filed to comply with O.C.G.A. Section 44-3-83 of the Act. The Plat has been recorded or will be recorded in the appropriate condominium plat book in the Glynn County, Georgia records as referenced or as will be referenced on EXHIBIT "D", as may be amended or supplemented.

2.18 "Rules and Regulations of the Association" or "Rules and Regulations" shall mean the then current Rules and Regulations of the Condominium Association as may be adopted, amended, and repealed by the Board of Directors of the Condominium Association, which may from time to time be attached to the Bylaws of the Association.

2.19 "Sea Gate Marks" shall mean those certain trademarks or service marks owned by or registered or licensed to Declarant, its affiliates or subsidiaries, in the United States or any other country.

2.20 "Sea Gate Materials" shall mean those reservation service, promotional, or informational materials developed by Declarant, its affiliates or subsidiaries, for Sea Gate Inn, A Condominium, from time to time.

2.21 "Unit" shall mean a portion of the Condominium Property existing within the boundaries hereinafter described which is not owned in common with all other Owners of all other Units in Sea Gate Inn, A Condominium, and which is intended for independent use and ownership by the Owners thereof. Each Unit which is not designated as the "Office Unit" on the Plans may be further described herein as a "Residence Unit." The Unit which is designated as the "Office Unit" on the Plans may be further described herein as the "Office Unit."

ARTICLE III

LOCATION; CONDOMINIUM PROPERTY

The Condominium is located at 1015 Beachview Drive, St. Simons Island, in Glynn County, Georgia, being more particularly described in EXHIBIT "A" attached to this Declaration, which exhibit is specifically incorporated herein. The Condominium Property and Residence Units therein are as depicted on the Plats and Plans.

The Condominium is comprised of the Condominium Property, including the improvements located thereon. In addition to the formation of this Condominium on the Condominium Property/ the Developer hereby further reserves unto itself and its successors or assigns acting as Declarant, the right and option, but not the obligation, in its own discretion and

by its own act, to expand this Condominium to include all or any part of the Additional Property in accordance with Section 16.2 below.

ARTICLE IV

UNITS

4.1 Units. The Condominium Property is divided into twenty-five (25) separate Units (one of which is the "Office Unit", with the remaining twenty-four (24) being Residence Units), the Limited Common Elements and the Common Elements. Each Residence Unit consists of a dwelling and its appurtenant percentage of undivided interest in the Common Elements. The Office Unit consists of commercial space and its appurtenant percentage of undivided interest in the Common Elements. Any Unit which is not designated as an "office unit" or a "commercial unit" shall be considered a Residence Unit and shall be restricted to residential use (provided that Declarant shall not be subject to such residential use restriction in respect to any Residential Unit(s) owned by Declarant). The Units are further identified on the Plat and Plans filed or recorded pursuant to the Act. Each Unit's appurtenant percentage of undivided interest in the Common Elements is in the percentage as set forth in Section 5.1 below.

4.2 Boundaries. The Units are depicted on the Condominium Plat and Plans for Sea Gate Inn, A Condominium, recorded in the Office of the Clerk of the Superior Court of Glynn County, Georgia. The Plat and Plans show the property involved as Sea Gate Inn, A Condominium, the Residence Units, and the location of the buildings located thereon. The Plat and Plans are incorporated into this Declaration by this reference. Except as provided in Article V below, which describes the Common Elements, each Residence Unit includes that part of the structure which lies within the following boundaries:

(a) Horizontal Boundaries (Upper and Lower): The horizontal boundaries of each Unit are the unfinished interior surfaces of the lowermost floors and uppermost ceilings of each Unit.

(b) Vertical Boundaries (Perimetric): The vertical boundaries of the Unit shall be the vertical planes of the unfinished interior surface of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries. Exterior doors and windows, including, but not limited to, any sliding glass doors, within the exterior perimeter walls of the buildings comprising the Condominium shall be part of the Unit.

(c) All attachments to the exterior walls of a Unit which are a part thereof, which protrude beyond the boundaries of a Unit, as specified above, and which were constructed in accordance with the original design of the Unit and are used exclusively by such Unit shall be and are deemed to be included within the boundaries of the Unit so served. Notwithstanding anything to the contrary hereinabove, any and all porches, patios or balconies accessible from a single Unit as shown on the Plans are Limited Common Elements assigned exclusively to such Unit and are not deemed to be included with the boundaries of the Unit so served.

(d) Any and all conduits, pipes, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which serve only one (1) Unit are part of that Unit, when located within the boundaries thereof; if located outside the boundaries of a Unit, such facilities shall be part of the Common Elements, whether serving one or more Units.

(e) The boundaries hereof shall be governed by the terms of O.C.G.A. Section 44-3-75(a) of the Act.

ARTICLE V

COMMON ELEMENTS; CONVERSION

5.1 The Common Elements. The "Common Elements" include all parts of the Condominium Property not located within the boundaries of a Unit. Pursuant to O.C.G.A. Section 44-3-78 of the Act, each Unit is allocated an undivided percentage interest in the Common Elements based upon a formula, which formula is as follows: A Unit's appurtenant undivided interest in the Common Elements shall be a fraction with the numerator being one and the denominator being the total number of Units, all as set forth on EXHIBIT "C" attached hereto and incorporated herein by this reference. The term "Common Elements" as used herein shall be deemed to include both Common Elements and Limited Common Elements, unless otherwise herein expressed. "Common Furnishings", which furnish the Common Elements and Limited Common Elements, shall also be deemed Common Elements. The undivided percentage or fraction of interest in the Common Elements appurtenant to each Unit shall not be altered except as expressly provided in the Act and/or as otherwise set out in Sections 5.2 and/or 16.2 below as pertains to the possible conversion of Units to Common Elements or Common Elements to Units and/or the possible addition of the Additional Property and/or the conversion of Units to Common Elements and/or Common Elements to Units (in which case EXHIBIT "C" shall be amended).

5.2 Conversion. The Declarant hereby reserves the sole and exclusive right without the consent of any Owner(s), during the period in which the Declarant may add Additional Property pursuant to Section 16.2 hereof, to convert Units to Common Elements and to convert Common Elements to Units; provided that the conversion of any Unit shall require the written consent of the Owner and any Mortgagee as to such Unit. The option to convert shall be exercisable by adoption and recordation by the Declarant of an amendment to this Declaration; provided, however, in the event of conversion of any Unit which is owned by a party other than the Declarant, such amendment shall be executed by Declarant and by all other Owners and Mortgagees of such Unit of the Additional Property or portion thereof being submitted to the terms hereof. To the extent required pursuant to the Act, each Unit and the Common Elements shall be considered "Convertible Space."

ARTICLE VI

FRACTIONAL PLAN

6.1 Fractional Ownership Interest Plan or Program. For so long as the Declarant owns a Unit, the Declarant may amend this Declaration or record an instrument in the official records of Glynn County, Georgia, to commit all or a portion of the Units then owned by Declarant to a timeshare plan, fractional plan or exchange program, including a multisite timeshare plan or a timeshare trust structure as contemplated by the Georgia Time-Share Act, O.C.G.A. 44-3-160, et seq., and to maintain, manage, or operate such other plan or program or allow for the maintenance, management, or operation of such other plan or program for such committed Units. The Declarant also may offer or permit the offering, on an individual contract basis or otherwise, long-term or short-term membership in such other plan or program to Owners who have already purchased Units or Fractional Ownership Interests. Any amendment to this Declaration by the Declarant to effectuate this Section 6.1 shall not require the approval of the Association or a vote or approval of the Owners.

ARTICLE VII

LIMITED COMMON ELEMENTS

7.1 Establishment of Limited Common Elements. "Limited Common Elements" are those portions of the Common Elements reserved exclusively to one or more Residence Units, but less than all Residence Units. Limited Common Elements existing as of the date of recordation of this Declaration are as follows:

(a) Those portions of the Common Elements deemed Limited Common Elements by Section 44-3-75(a)(5) of the Act.

(b) In the event an air conditioning compressor serves one Residence Unit or more than one Residence Unit, but less than all Residence Units, such air conditioning compressor and all its appurtenances, including wires, ducts, conduits, and parts, is a Limited Common Element to the Residence Unit or Residence Units so served.

(c) Any and all porches, patios or balconies accessible from a single Residence Unit as shown on the Plans.

7.2 Assignment and Reassignment of Limited Common Elements. The Association's Board of Directors, without need for a membership vote, is hereby authorized to assign and to reassign Limited Common Elements and Common Elements not previously assigned, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 44-3-82(b) and (c) of the Act. A Common Element not previously assigned as a Limited Common Element may be so assigned and a Limited Common Element may be reassigned by the Board of Directors without the need for a vote of the Association upon written application to the Association by the Owner or Owners for whose exclusive use such Common Element is requested or whose use

of the Limited Common Element previously assigned is directly affected. Upon such application, the Association may, at the discretion of the Board of Directors, prepare and execute an amendment to the Declaration assigning the Common Element as a Limited Common Element or reassigning the Limited Common Element, which amendment shall be executed by the officers of the Association and the Owner or Owners making such application. Such amendment shall be delivered and become effective as provided in Section 44-3-82 of the Act. Assignment of Common Elements not previously assigned as Limited Common Elements may be accomplished upon the approval of a majority of the Board of Directors except for any such request made by the Declarant. For so long as Declarant owns a Residence Unit primarily for the purpose of sale, an amendment to assign a Common Element not previously assigned as a Limited Common Element shall be executed by the officers of the Association if the request is made by the Declarant.

ARTICLE VIII

USE RESTRICTIONS

8.1 General Use Restrictions. The Residence Units at Sea Gate Inn, a Condominium, shall be and are restricted exclusively to use in accordance with the terms hereof. The Board of Directors may, additionally, adopt Rules and Regulations as determined from time to time by the Board of Directors.

(a) Dwelling Purposes. Each Owner shall occupy his or her Residence Unit as a single family private dwelling for himself, members of his family, his guests, tenants, licensees and invitees, subject to the restrictions contained herein and the other Condominium Instruments; provided, however, that Declarant may make any use of a Residence Unit of which it is deemed the Owner, as may be legally permitted by local land use regulations. The foregoing restriction as to dwelling use purposes shall not be construed in such a manner as to prohibit an Owner (including Declarant) from renting their Residence Unit to another person or entity (or allowing others to occupy their Residence Unit) or for any Owner which is an entity from allowing occupancy by its members or participants.

(b) Care of Condominium Property. Each Owner and any person occupying the Residence Unit shall exercise reasonable care in the use of the Residence Unit, the Common Elements, and any property of the Association.

(c) Responsibility for Damage. Each Owner and Occupant of the Residence Unit shall be liable for the uninsured costs and expense of any maintenance, repair or replacement of the Residence Unit or the Common Elements necessitated by the negligent or intentional acts or omissions of such Owner and/or such Owner's family members, guests, tenants, occupants, licensees or invitees. The acts of the Owner's family members, guests, tenants, occupants, licensees or invitees shall be deemed to be the acts of the Owner and each such family member, guest, tenant, occupant, licensee, or invitee shall be held jointly and severally liable with such Owner.

Any loss, damage or destruction to any Residence Unit, Common Element or other property that is not covered by insurance or paid by the party responsible therefore may, at the discretion of the Board of Directors be remedied by the Association and the costs therefore shall constitute a Common Expense assessable against all Owners.

(d) Offensive Use. No Owner or Occupant of a Residence Unit shall cause or permit any unlawful, improper or offensive use of any Residence Unit or Common Element, nor shall any Owner or Occupant of a Residence Unit permit any portion of the Condominium Property to be used in any manner contrary to or not in accordance with the provisions of the Condominium Instruments. Furthermore, no Owner or Occupant of a Residence Unit shall cause or permit anything to be done or kept in a Residence Unit or the Common Elements which might adversely effect the safety or soundness thereof or which is reasonably likely to increase the rate of any of the Association's insurance coverage or obstruct or interfere with the rights of other Owners or Residence Unit occupants or annoy them by unreasonable noises or otherwise, nor shall any Owner or Occupant of a Residence Unit commit or permit any nuisance, objectionable or disruptive behavior, or illegal acts in or about the Condominium Property.

(e) Hazards to Health and Safety. Any violation of the Condominium Instruments which is deemed by the Board of Directors or the Managing Agent to constitute or hazard to health and safety shall be corrected immediately. The responsible Owner or Occupant of the Residence Unit shall liable for any uninsured expense of correcting such violation. No Owner or Occupant of the Residence Unit shall bring onto the Condominium Property or otherwise maintain on the Condominium Property any fireworks, guns, weapons, or other explosive devices, nor shall any such fireworks, guns, weapons, or other explosive devices be ignited or used on the Condominium Property, including but not limited to any Common Elements or within the Residence Units. There shall be no smoking permitted in any of the Residence Units.

(f) Maximum Occupancy Restriction. No Owner shall cause or permit his or her Residence Unit to be occupied overnight by a number of persons in excess of such occupancy limits or as imposed by law and/or set forth in the then current Rules and Regulations.

(g) Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Condominium Property, except that a reasonable number (as may be determined by the Board of Directors in the Rules and Regulations) of dogs, cats, or other generally recognized household pets may be kept by the respective Owners in their respective Residence Unit, provided that they are not kept, bred, or maintained for any commercial purpose and do not endanger the health or unreasonably disturb the Owner of any Residence Unit; provided the Board of Directors may, by adoption of Rules and Regulations, prohibit from the Condominium Property and the Residence Unit animals which are determined by the Board, in its sole discretion, to be dangerous to the health, safety or welfare of the Owners. This right of prohibition expressly includes, but is not limited to, the prohibition of keeping an animal of certain sizes, weights, or types. No pet enclosures shall be erected, placed, or permitted to remain on any part of the Common Elements, including, without limitation, any Limited Common Elements assigned to a Residence Unit. The keeping of pets and their ingress, egress, and travel upon the Common Elements shall be

subject to such Rules and Regulations as may be issued by the Board of Directors. If any Owner or Occupant fails to abide by the Rules and Regulations and/or covenants applicable to pets, the Board of Directors may bar such pet from use or travel upon the Common Elements. The Board of Directors shall have the power and authority to determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular animal or bird is a generally recognized household pet, whether such animal or bird endangers the health or unreasonably disturbs the Owner of any Residence Unit, or whether the number of animals or birds in any Residence Unit is unreasonable. Pets shall be under leash when walked or exercised in any portion of the Common Elements other than the Limited Common Elements. Except in a pet walk area, if any, designated by the Board, no pet shall be permitted to leave its droppings on any portion of the Common Elements, and the Owner of such pet shall immediately remove the same. The Board of Directors shall have the right to fine the Owner or Occupant of a Residence Unit for any violations of the foregoing pet restrictions. Any Owner shall be liable to the Association for the cost of clean up or repair of any damage to the Common Elements or Residence Units caused by the pet of such Owner or Occupant of his Residence Unit, and the same shall be added to and become a part of the portion of any Assessment next coming due to which such Owner is subject. The Board of Directors may, in its sole discretion, establish an annual pet fee chargeable to those Owners who keep pets within their Residence Units to defray the cost of maintaining a pet walk area, if any, and to otherwise defray the costs of cleaning and/or repairing damages to the Common Elements or Residence Units caused by pets on the Condominium Property. Any such pet fee shall be collectible as an Assessment.

(h) Protection of Declarant. Notwithstanding any provisions of the Condominium Instruments to the contrary, for so long as Declarant holds for sale in the ordinary course of business one (1) or more Residence Units, none of the following actions may be taken by the Board of Directors, the Association or any Owner other than the Declarant, without the prior written consent of the Declarant: (a) levying any Assessment against Declarant for any capital improvements to the Condominium Property; or (b) taking any action that would be detrimental to sale or marketing by Declarant of the Residence Units; provided, however, that an increase in the Common Expenses without discriminating against Declarant shall not be deemed to be detrimental to the sale of the Residence Units.

(i) No Trash. No garbage, refuse, equipment, personal property, or any apparatus or item whatsoever shall be kept, placed, or maintained on the Common Elements. All rubbish, trash, and garbage shall be regularly removed from the Residence Units and shall not be allowed to accumulate thereon.

(j) Antennas. Without prior written approval and authorization of the Board of Directors, no exterior television, radio, or other antennas of any sort shall be placed, allowed, or maintained upon any portion of the Condominium Property or the improvements to be located upon the Condominium Property nor upon any structure situated upon the Condominium Property, other than an antenna approved by the Board of Directors for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

(k) Exterior Visible Items. No offensive or unsightly appearance shall be maintained or allowed to exist on those portions of any Residence Unit visible from the exterior of the Condominium.

(l) Vehicle Parking. Any vehicles permitted on the Condominium Property or any property ("Parking Easement Property") subject to a parking easement in favor of the condominium shall be parked only in authorized areas and no vehicle repairs, other than emergency repairs or repairs of a minor nature needed to be performed to move a vehicle off the Condominium Property or Parking Easement Property, shall be allowed on the Condominium Property or Parking Easement Property. No vehicles shall be parked or stored on blocks or other such devices on the Common Elements or other portion of the Condominium Property, or on any portion of the Parking Easement Property. Owners shall be permitted to park vehicles on the Condominium Property or Parking Easement Property only while they are in occupancy of the Residence Unit or are otherwise visiting guests of an Owner or Occupant otherwise in occupancy of the Residence Unit. The Rules and Regulations may include additional use restrictions regarding vehicles, including regarding the number and type of vehicles which are permitted on the Condominium Property and/or Parking Easement Property from time to time.

(m) Prohibition of Use as Time-share. Unless created by the Declarant pursuant to Article VI, no Residence Unit may be subject to any interest contemplated by The Georgia Time-Share Act, O.C.G.A. Section 44-3-160, et seq., as amended (or any format involving use by multiple owners or members in accordance with a reservation system or calendar of use) created by any Owner, person, or other entity, other than the Declarant, without the express written prior approval of the Declarant.

(n) Enforcement by Fines. This Declaration, including all use restrictions set forth herein, and the Rules and Regulations may be enforced by the imposition of reasonable monetary fines and suspension of privileges to use the Common Elements and suspension of voting privileges. These powers, however, shall not be construed as limiting any other legal means of enforcing the Declaration, use restrictions, or Rules and Regulations of the Condominium. Any fines so imposed shall be considered an Assessment against the Owner and may be collected in the manner provided for collection of other Assessments.

(o) Improvements. In all Residence Units, except as otherwise done under the direction of the Board of Directors or Managing Agent so appointed, or required to prevent damage or injury to persons or property in an emergency, no Owner shall make improvements, decorations, or repairs that may adversely effect the Common Elements or Limited Common Elements (including painting, tiling, waxing, wallpapering, or otherwise refinishing or redecorating) to the Residence Unit, the Common Elements, or Limited Common Elements or contract to do so or subject the Residence Unit or the Common Furnishings to any liens for the making of improvements, decorations, or repairs that may adversely effect the Common Elements or Limited Common Elements. No Owner shall create or permit to exist any nuisance in the Residence Unit or commit waste with respect to the Residence Unit or permit anything to be done or kept in the Residence Unit which would cause such risks as to increase the rate of insurance upon the Residence Unit, the Common Elements or the Limited Common Elements.

No Owner shall remove any of the Common Furnishings from the Condominium unless expressly approved by the Board of Directors and, during the period of the Declarant's right to appoint members of the Board of Directors, the Declarant. Owners agree not to make, cause, or allow to be made any repairs, modifications, alterations, or replacements to the Common Elements, Limited Common Elements or exterior portion of the buildings without the prior written consent of the Board of Directors (and if the Board of Directors has entered into a management agreement with the Managing Agent such authority to provide prior written consent may be delegated to the Managing Agent). The Board of Directors (or the Managing Agent if serving pursuant to a management agreement authorizing the Managing Agent) shall determine the need for repair, replacement, and maintenance of the Common Elements, Limited Common Elements and Common Furnishings, as well as the proper times for such redecorating and replacements, and that the Managing Agent or Board, as the case might be, is authorized to enter into any Residence Unit for the purposes herein described; and

(p) Administration. Each Owner shall keep the Residence Unit and all Common Elements and Limited Common Elements in good condition and repair, leave the Residence Unit in good and sanitary condition and repair, and otherwise comply with such reasonable procedures as may from time to time be contained in rules promulgated by the Board of Directors or Managing Agent. Each Owner hereby agrees that the Board of Directors is expressly authorized to adopt, amend, and repeal such reasonable Rules and Regulations as may be desired to enhance all Owners' use and enjoyment of the Residence Unit, including Rules and Regulations regarding hotel operations.

(q) Management. Management of the Residence Units, including but not limited to maintenance and repair of the Residence Units, acquisition, maintenance, repair, and replacement of Common Furnishings, and administration of the affairs of Owners with respect to the use of the Residence Unit and Condominium, occupancy of the Residence Unit and payment of Assessments, expenses and costs enumerated in this Declaration, shall be under the direction and control, if so existing, of the Managing Agent (or Board of Directors if not so existing) appointed in accordance with the terms of the management agreement existing by and between the Association and the Managing Agent which shall be binding on each Owner and their respective heirs, executors, administrators, assigns, and successors in interest, and each Owner of each Residence Unit does by acceptance of a deed therefore appoint as their true and lawful attorney-in-fact the Board of Directors and/or Managing Agent to act on their behalf as provided herein. The Board of Directors or Managing Agent so appointed shall have exclusive possession of the Residence Unit during any maintenance period as specified by the Rules and Regulations. The Board of Directors or, if existing, the Managing Agent, is expressly authorized to do any or all of the following:

(i) repair, maintain, repaint, remodel, furnish, or refurnish the Residence Units or any parts thereof; establish reserves for anticipated costs, including the acquisition and replacement of Common Furnishings; and acquire and pay for materials, supplies, furniture, furnishings, labor, or services which the Board or Managing Agent so appointed deems necessary or proper for the maintenance and operation of the Residence Units;

(ii) collect all taxes and assessments, including Assessments by the Association, and other costs or charges affecting or relating to the Residence Units; and discharge, contest, or protest liens or charges affecting the Residence Units;

(iii) obtain and pay the cost of additional recreational privileges as may be determined to be desirable by the Board of Directors from time to time, and electrical, telephone, gas, cable television, and other utility services for the Residence Units;

(iv) adopt from time to time and enforce reasonable Rules and Regulations relating to the possession, use, and enjoyment of the Residence Units by the Owners and permitted occupants;

(v) obtain and pay the cost of legal, accounting services, and other professional services necessary or proper in the maintenance and operation of the Residence Units, and the enforcement of this Declaration, and assist in the management of the Residence Units;

(vi) do all other acts and things necessary or appropriate to the ordinary and necessary operation and maintenance of the Residence Units;

(vii) delegate the authority and responsibilities of the Board or Managing Agent hereunder to one or more subagents or contractors for such period and upon such terms as either deems proper;

(viii) enter into and terminate agreements with organizations allowing Owners, in their discretion, to trade or exchange use of their Residence Unit with owners of units or time periods therein at other developments.

(r) Protection of Interests

(i) No Owner shall permit his or her Residence Unit to be subject to any lien (other than a purchase money lien or the lien for Assessments which lien must be immediately cleared), claim, or charge, the enforcement of which may result in a sale or threatened sale of the Residence Unit or any part thereof, or in any interference with the use or enjoyment of the Residence Unit by any other Owner; and in the event that the sale of the Residence Unit or any part thereof, or the use and enjoyment by any Owner is threatened by reason of any lien, claim, or charge against the Residence Unit of any other Owner, or proceedings are instituted to affect any such sale or interference, any Owner or Owners or the Board of Directors acting on behalf of any one or more Owner, unless promptly indemnified to his or their satisfaction, may, but shall not be required to, pay or compromise the lien, claim, or charge without inquiry into the proper amount or validity thereof and, in that event, the Owner whose Residence Unit was subjected to such lien, claim, or charge shall forthwith repay the amount so paid or expended to the Owner or Owners or Board, whomever shall have paid or compromised the lien, claim, or charge together with such reasonable attorney's fees and related costs as he or they may have incurred.

(ii) No Owner shall permit his or her interest in any funds from time to time in the possession of the Association, Board, or Managing Agent to be subjected to any attachment, lien, claim, or charge or other legal process and each shall promptly restore any funds held by the Association, the Board, or the Managing Agent to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge, or other legal process and reimburse the holders of such funds for all reasonable attorney's fees or other costs incurred in respect thereof.

(y) Separate Mortgages. Each Owner shall have the right to mortgage or otherwise encumber his or her Residence Unit. No such Owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the Common Elements, nor shall any Owner have the right or authority to do so. Any mortgage, deed to secure debt, or other encumbrance of any Residence Unit shall be subordinate to all of the provisions of this Declaration and, in the event of foreclosure, the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise. Notwithstanding any other provision of this Declaration, no breach of the provisions herein contained nor the enforcement of any lien created pursuant to the provisions hereof shall defeat or render invalid the lien of any mortgage or deed to secure debt on, upon or in respect to any Owner's Residence Unit if such mortgage or deed to secure debt is recorded in the Glynn County, Georgia records.

8.2 Renting. Renting of Units shall be governed by the following provisions:

(a) By the Declarant. Notwithstanding any provisions of this Declaration to the contrary, Declarant shall have the right to rent, or allow occupancy of, any Residence Unit of which it is deemed the Owner, pursuant to the provisions hereof, as a hotel accommodation on a transient basis to members of the general public or to make any other use thereof which is permitted by law. Any revenues generated or other monies received by Declarant by any such rentals or other uses shall inure solely to the benefit of the Declarant. All guests, licensees, invitees and tenants of the Declarant shall be entitled to the same use rights or privileges, and shall be subject to the same use restrictions as to guests, licensees, invitees and tenants of other Owners hereunder.

(b) By the Owner. Each Owner is free to rent, or allow occupancy by others of, his or her Residence Unit provided that such Owner and any Occupant comply with the requirements of this Declaration and then current Rules and Regulations. The Owner shall be solely responsible for payment of all applicable taxes by the Owner from any such rental or occupancy, and, as applicable, any taxes arising from the rental or occupancy of an Owner's Residence Unit shall constitute a Personal Charge to such Owner.

(i) General. Units may be leased only in their entirety and may be leased to overnight guests, weekly guests, or for long-term rental. Owners shall make copies of the Condominium Instruments available to their lessees;

(ii) Compliance with Condominium Instruments, Use of Common Elements, and Liability for Assessments. Any rental of a Unit shall be deemed to contain the following provisions, whether or not expressly therein stated, by occupancy of a Unit, and each Owner and each Occupant, by occupancy of a Unit, covenants and agrees that any rental of a Unit shall contain the following provisions and that if such provisions are not expressly contained therein, then such provision shall be incorporated into the occupancy by existence of this covenant on the Unit;

(A) Compliance With Condominium Instruments. Each Occupant shall comply with all provisions of the Condominium Instruments and shall control the conduct of all Occupants and guests of the occupied Unit in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of its Unit to comply with the Condominium Instruments and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit may also be sanctioned for any violation of the Condominium Instruments. If an Occupant violates the Condominium Instruments and a fine is imposed, notice of the violation shall be given to the Owner of the occupied Unit and the Occupant, and such fine shall be assessed against the Occupant in accordance with the By-Laws. If the fine is not paid by the Occupant within the time period set by the Board of Directors, the Board of Directors may assess the fine against the Owner, and the Owner shall pay the fine upon notice from the Association of the Occupant's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Declaration, By-Laws and Rules and Regulations adopted pursuant thereto by the Occupant of a Unit that is deemed to be a default under the terms of the occupancy may authorize the Owner to terminate the occupancy without liability and to evict the Occupant in accordance with Georgia law. The Owner of a Unit hereby delegates and assigns to the Association, acting through the Board of Directors, the power and authority of enforcement against Occupants for breaches resulting from the violation of the Declaration, By-Laws and Rules and Regulations adopted pursuant thereto, including the power and authority to evict such Occupant(s) as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the Occupant, any costs, including attorneys' and other legal fees and court costs, associated with the eviction shall be a Personal Charge to the Owner and shall constitute a lien against the Unit.

(B) Use of Common Elements. A Unit rental automatically transfers and assigns to the Occupant for the term of the rental any and all rights and privileges that the Owner has to use the Common Elements including, but not limited to, the use of any and all recreational facilities.

(C) Rental Management Company. Each Owner may, but shall not be required to place its Unit into a rental management program through a rental management company authorized to conduct such activities pursuant to applicable law. Each Owner shall provide to the Association with a copy of any rental management agreement entered into by the Owner. All rental management agreements shall be subject to the terms of the Condominium Instruments. The Association shall recognize the rental management company as Owner's agent

with respect to leasing of the Unit, provided that the Owner shall be responsible, ultimately, for all consequences of occupancy of the Unit.

ARTICLE IX

MAINTENANCE RESPONSIBILITY

9.1 By the Association. The Association (who may delegate the authority to act hereunder to the Managing Agent pursuant to a management agreement) shall have the obligations of maintenance, repair and upkeep as follows:

(a) The Common Elements. The Association shall maintain and keep in good repair as a Common Expense all of the Common Elements.

(b) In the event the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner or his or her Occupants, then the Association shall give the Owner written notice of the repair, replacement, or maintenance work needed and an estimated cost to accomplish such repair, replacement, or maintenance work. Such Owner shall have fifteen (15) days within which to pay the Association such estimated cost as a Personal Charge, and in the event of a failure to pay, such Personal Charge shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Residence Unit.

(c) Mold and/or mildew can grow in any portion of the Condominium that is exposed to elevated levels of moisture. The Association shall regularly and diligently inspect the parts of the Condominium that it maintains, and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew, and/or water intrusion and/or damage. Upon discovery, the Association shall immediately (i) repair in a good and workmanlike condition the source of any water intrusion in the parts of the Condominium that it maintains; (ii) remediate or replace any building material located in the parts of the Condominium that it maintains that has absorbed water or moisture as a result of water intrusion; and (iii) promptly and regularly remediate all mold and/or mildew discovered in the parts of the Condominium that it maintains in accordance with the current industry-accepted methods. The Association shall notify the Owners, and each Owner shall notify the Association, of the discovery of mold, mildew, and/or water intrusion and/or damage in the Condominium of which they become aware or of which they have notice.

9.2 By Owners of Residence Units. Subject to and except as provided in Section 9.1 above, each Owner, if any, of a Residence Unit shall have the obligation to maintain and keep in good repair all portions of the Residence Unit (to exclude the Common Elements appurtenant thereto). Any maintenance required to be performed by an Owner shall be in conformance with the maintenance or architectural standards of the Association.

9.3 Failure to Maintain. If the Board of Directors]determines that any Owner has failed or refused to discharge properly his or her obligations with regard to the maintenance, repair, or replacement of items for which he or she is responsible hereunder, including a failure to maintain, repair, or replace a condition which may increase the possibility of fire or other loss or damage to the Condominium, the Association shall give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement and the costs for such (except in an emergency situation, in which case the Association may immediately proceed without notice). The Owner shall have fifteen (15) days within which to pay the Association the cost so specified. Said cost, if not paid by the Owner, shall, as a Personal Charge, be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Residence Unit.

ARTICLE X

ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES

10.1 Association Membership. All Owners, by virtue of their ownership of a Residence Unit are automatically mandatory members of Sea Gate Inn Unit Owners Association, Inc., and shall be entitled to vote on all matters upon which members of the Association are entitled to vote, pursuant to this Declaration and in accordance with the Bylaws. Subject to the provisions of the Bylaws of the Association, an Owner shall be entitled to one (1) vote for each Residence Unit the Owner has record title to. The Office Unit shall be entitled to one (1) vote. An equal vote is allocated to each Residence Unit now or hereafter existing on the Condominium Property.

ARTICLE XI

ADDITIONAL RIGHTS AND RESTRICTIONS: ENFORCEMENT

11.1 Rules and Regulations. In addition to the use restrictions above set out in Article VIII, the Association, or the Managing Agent if the authority to act is delegated pursuant to a management agreement, consistent with the rights of the Declarant and the provisions hereof, and in accordance with the Bylaws, shall have the right to make and to enforce reasonable Rules and Regulations governing the use of the Condominium Property, including the Residence Units and the Common Elements. This right shall include the right to impose and assess fines and monetary penalties and to suspend use privileges, for violation of the Association's rules and regulations or the provisions of the Condominium Instruments. An Owner must be given notice and the opportunity to refute or explain the charges against him in person or in writing to the Board of Directors or Managing Agent so appointed before a decision to impose discipline is rendered.

11.2 Association Right of Entry. The Association shall have the right to enter into Residence Units for emergency, security, maintenance, and safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, Managing Agent,

and all policemen, firemen, ambulance, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner in occupancy, if any. This right of entry shall include the right of the Association, at reasonable times, to enter a Residence Unit to cure any condition which may increase the possibility of a fire or other damage in the Condominium. The Association shall have no right to regulate any easements reserved to the benefit of the Declarant for use of the Common Elements.

11.3 Association Use of Sea Gate Marks and Materials. Association shall not use, amend, summarize, change or modify any Sea Gate Materials without the prior express written consent of Declarant.

11.4 Association Acknowledgement. The Association acknowledges, covenants and agrees that:

(a) Declarant has the right to exclude others from using the Sea Gate Marks and Sea Gate Materials and any variant or combination of the Sea Gate Marks or Sea Gate Materials determined by [The Company] to be confusingly similar to the Sea Gate Marks and Sea Gate Materials.

(b) Declarant has the right to control the use of the Sea Gate Marks and Sea Gate Materials in connection with Sea Gate Inn, A Condominium.

(c) All uses of the Sea Gate Marks and Sea Gate Materials inure exclusively to the benefit of Declarant.

11.5 Terms and Conditions. On the terms and conditions of this Section, and the policies and procedures established by Declarant from time to time governing the use of the Sea Gate Marks and Sea Gate Materials, Declarant grants to the Association permission to use the Sea Gate Marks and Sea Gate Materials only in connection with its services in coordinating activities and performing services associated with the sale of Residence Units and the operation of the Condominium. The Association shall not use the Sea Gate Marks or Sea Gate Materials in whole or in part in connection with any other business, and shall not permit or authorize any other person or entity of any kind to use the Sea Gate Marks or Sea Gate Materials in any manner. The Association shall not register or attempt to register the Sea Gate Marks in its own name or that of any other person or entity and shall not contest the validity of the Sea Gate Marks or any registration of the Sea Gate Marks by Declarant, its affiliates or subsidiaries. Association may use the Sea Gate Marks and Sea Gate Materials only with prior written approval from Declarant and in connection with any Sea Gate Materials furnished from time to time by Declarant. In any permitted use of the Sea Gate Marks and Sea Gate Materials, the parties shall comply with all requests of Declarant with respect to the appearance and use of the Sea Gate Marks and Sea Gate Materials. The Association agrees to promptly submit one copy of all printed material which will use any of the Sea Gate Marks or all or a portion of any Sea Gate Materials to Declarant for inspection and approval in advance of use.

11.6 Written Notice. Upon receipt of written notice from the Declarant, Association shall immediately cease using and thereafter abstain from using all the Sea Gate Marks and any name or mark similar thereto and all Sea Gate Materials including but not limited to, all Declarant personal and intellectual property used in connection with the operation and management of the Condominium, except as specifically authorized by this Declaration. No property right in or privilege to use the Sea Gate Marks or Sea Gate Materials is created by this Declaration that will extend beyond the termination of the Association's right to use Sea Gate Marks and Sea Gate Materials except as specifically permitted by this Declaration. Failure to abstain from using the Sea Gate Marks or Sea Gate Materials following termination of the Association's right to use Sea Gate Marks and Sea Gate Materials shall entitle Declarant to receive liquidated damages from the Association in the amount of one thousand dollars per day which amount shall be increased, from year to year (as of January 1 of each year, using January 1, 2016 as the base year), by a percentage equivalent to the increase in the percentage of the cost of living based upon the Consumer Price Index, for Atlanta, Georgia, increases from one (1) year to the previous year.

ARTICLE XII

CONDOMINIUM ASSOCIATION COMMON EXPENSES

12.1 Limited Common Elements. Any Common Expenses associated with the maintenance, repair, renovation, restoration, or replacement of any Limited Common Element shall be specially assessed as a Personal Charge against the Residence Unit to which that Limited Common Element was assigned at the time the expenses were made or incurred; however, if any Limited Common Element was assigned at that time to more than one Residence Unit, the Common Expenses shall be specifically assessed against each such Residence Unit so served by such assigned Limited Common Element, equally.

12.2 Special Circumstances.

(a) Any Common Expenses benefiting less than all of the Residence Units shall be specially assessed equitably among all of the Residence Units so benefited;

(b) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Residence Units or by the licensees or invitees of any such Residence Unit or Residence Units shall be equitably assessed against the Residence Unit or Residence Units, the conduct of any Occupant of which occasioned any such Common Expenses;

(c) Any Common Expenses significantly disproportionately benefiting all of the Residence Units shall be assessed equitably among all of the Residence Units; and

(d) Other than for Limited Common Elements expressly designated as such in this Declaration and assigned to fewer than all Residence Units, and other than Personal Charges assessed pursuant to the terms of this Declaration, nothing contained in this Section 12.2 shall

permit the Association to specially or disproportionately allocate Common Expenses for periodic maintenance, repair, and replacement of any portion of the Common Elements or the Residence Units which the Association has the obligation to maintain, repair, or replace.

12.3 The Common Expenses. The Association shall have the power to impose Assessments, including the Common Expense Assessments. The amount of all Common Expenses not specially assessed pursuant to Section 12.1 or 12.2 above, less the amount of all undistributed and unreserved common profits, shall be assessed against the Residence Units on the following basis to indicate the relative liability for Common Expenses:

(a) The entire liability for Common Expenses shall be allocated among the Units depicted on Plat or Plans of the Condominium Property. The Assessments shall be made by the Association annually or more often as determined from time to time by the Board of Directors and shall be payable in the manner determined by the Association. The Assessments provided for herein shall be levied and used for expenditures lawfully made or incurred by or on behalf of the Association. Notwithstanding any allocation of liabilities for Common Expenses pursuant to this Section, this provision shall not preclude the Association from levying Personal Charges to Owners or Units for services or items provided to Owners upon request or in accordance with the Rules and Regulations, including, but not limited to, upkeep services not otherwise included in the Common Expenses.

12.4 Declarant Obligation for Common Expense. The Declarant shall pay for all Common Expenses until the first Common Expense Assessment is due from any Owner. Thereafter, no Owner other than the Association (and as set out in Section 12.5 below, the Declarant) shall be exempted from any liability for any Assessment for any reason whatsoever, including, without limitation, abandonment, nonuse, or waiver of the use or enjoyment of his or her Residence Unit or any part of the Common Elements.

12.5 Declarant Exemption. Declarant shall be excused from payment of Assessments assessed pursuant to the Act or this Declaration, including Section 12.3 above, against those unsold and unoccupied Residence Units for a period of time of twenty-four (24) months after the date this Declaration is recorded; provided, however, that as to Assessments assessed pursuant to Section 12.3 of the Declaration, the Declarant must pay Common Expenses incurred during such period which exceed the amounts assessed against other Owners. During such exemption period:

(a) No capital contributions, start-up funds, initiation fees, or contributions to capital reserve accounts which are receivable from purchasers or Owners and payable to the Association at closing may be used for payment of Common Expenses;

(b) No portion of the payment of Assessments collected from Owners intended to be utilized for reserves for deferred maintenance, reserves for depreciation, or other reserves, as shown on the operating budget for the Association, may be used for payment of Common Expenses; and

(c) No prepayments of Assessments made by Owners shall be used for the payment of Common Expenses prior to the time the Assessments would otherwise be due.

If during the period that the Declarant is excused from payment of Assessments as provided in this Section Common Expenses are incurred resulting from a casualty which is not covered by proceeds from insurance maintained by the Association, such Common Expenses shall be assessed against all Owners owning Residence Units on the date of such casualty, and their respective successors and assigns, including the Declarant with respect to Residence Units owned by the Declarant. In the event of such an Assessment, all Residence Units shall be assessed in accordance with the allocation of the liability for Common Expenses set forth in this Declaration.

12.6 Start Up Funds. During any such time as the Declarant has the right to control the Association pursuant to Article XVI of this Declaration, any capital contributions, start-up funds, initiation fees, or contributions to capital reserve accounts which are receivable from purchasers or Owners and payable to the Association at closing and any portion of the payment of Assessments collected from Owners intended to be utilized for reserves for deferred maintenance, reserves for depreciation, or other reserves, as shown on the operating budget for the Association, shall be deposited into one or more separate reserve accounts and shall not be used to pay for any Common Expenses, without the agreement of the Owners to which two-thirds of the votes in the Association pertain, exclusive of any vote or votes appurtenant to any Residence Unit or Residence Units then owned by the Declarant. No waiver of the right of any Owner to grant or withhold consent to such agreement shall be valid.

12.7 Personal Obligation; Grantor and Grantee Liability. Assessments are the personal obligation of the Owner against whom they are assessed and are a lien against such non-paying Owner's Residence Unit. The grantee in a conveyance of a Residence Unit shall be jointly and severally liable with the grantor thereof for all unpaid Assessments against the latter up to the time of the conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore; provided, however, that, if the grantor or grantee shall request a statement from the Association as provided in O.C.G.A. Section 44-3-109, such grantee and his or her successors, successors-in-title, and assigns shall not be liable for nor shall the Residence Unit conveyed be subject to a lien for any unpaid Assessments against such grantor in excess of any amount set forth in the statement.

12.8 Mortgagees. In the event that the holder of a first priority mortgage or a secondary purchase money mortgage of record, (provided that neither the grantee nor any successor grantee on the secondary purchase money mortgage is the seller of the Residence Unit), or any other person acquires title to any Residence Unit as a result of foreclosure of any such mortgage, such holder or other person and successors, successors-in-title, and assigns shall not be liable for nor shall the Residence Unit be subject to a lien for any Assessment under this Declaration or the Act chargeable to the Residence Unit on account of any period prior to the acquisition of title; provided, however, that the unpaid share of an Assessment or Assessments shall be deemed to be Common Expenses collectable from all of the Owners, including such holder or other person and successors, successors-in-title, and assigns.

12.9 Limitation on Assessments. Except as provided in Sections 12.1 and 12.2 above of this Declaration and subsections (a) and (b) of O.C.G.A. Section 44-3-109, a Special Assessment fee per Residence Unit in excess of an average of \$2,000.00 per fiscal year without the approval of a majority of the Residence Unit owners or a monthly Common Expense Assessment in excess of the percentage equal to the annual rate of inflation as measured by the Consumer Price Index for All Urban Consumers for the immediately preceding 12 month period may be disapproved by Owners holding a majority of the Association vote;

12.10 Composition of Common Expense Assessments.

(a) In General. Common Expense Assessments shall include, among other items, the following: (i) costs associated with the care, repair, upkeep, and replacement of the Common Elements, including their appurtenances, interior, fixtures, furniture, standard equipment, furnishings, carpeting, appliances, utensils, and other Common Furnishings and common personal property from time to time held by the Association for use or owned by the Owners of the Residence Units; (ii) real property taxes and other applicable taxes, unless the same are assessed against the individual Residence Units and each Owner thereof provided a tax bill therefor; (iii) insurance premiums for casualty and liability coverage for the Residence Unit and its appurtenances; (iv) other expenses incurred in the normal operation and maintenance of the Residence Unit which cannot be attributed to the Owner or Occupant(s) of a particular Residence Unit; (v) proper reserves for the foregoing; (vi) the expenses for administration of the Association and the Condominium Property; (vii) utilities for the Residence Units, unless the same are assessed against the individual Residence Units and each Owner thereof provided a bill therefor; and (viii) expenses associated with housekeeping, transient guest supplies, linen supplies, and professional fees, such as legal and accounting fees, as applicable.

(b) Reserves. The Common Expense Assessments may include proper reserves for items as determined by the Board of Directors (or by the Managing Agent as serving pursuant to a management agreement pursuant to which terms the Board of Directors has authorized the Managing Agent to establish a budget) as necessary for the Condominium Property.

12.11 Personal Charges. Every Owner of a Residence Unit agrees to pay to the Association any and all costs associated or related to services as actually provided to such Owner as a Personal Charge, including, but not limited to, individual upkeep or housekeeping service as might be available, if such services are not provided within the Common Expenses as determined by the Board of Directors. The Board of Directors may enter into a management agreement pursuant to which the Managing Agent there under may act on behalf of the Board of Directors in accordance with the terms of this Section.

12.12 Lien for Condominium Association Assessments. In the event an Owner or Owners fail to pay any Assessment, including the Common Expense Assessment, Special Assessment or Personal Charge when due, the Association shall have a lien against the Residence Unit. All such Assessments, together with the charges, interest, costs, and reasonable attorney's

fees, in the maximum amount permitted by O.C.G.A. Section 44-3-109, shall be a charge on the Residence Unit and shall be a continuing lien upon the Residence Unit against which each Assessment or expense is made. Such amount shall also be the personal obligation of the person who is the Owner of such a Residence Unit at the time when the Assessment fell due. Each Owner shall be liable for his or her portion of each such Assessment coming due while he or she is the Owner of a Residence Unit. The lien provided for herein shall have the priorities as established by O.C.G.A Section 44-3-109. The lien shall specifically include the maximum costs, charges, fees, and rents set out in this Declaration and in O.C.G.A Section 44-3-109.

ARTICLE XIII

AMENDMENTS

13.1 Amendment Procedure. Except as provided for in Article XVI hereof, and as otherwise provided in this Article XIII, this Declaration may be amended by the affirmative vote, written consent, or any combination of the affirmative vote and written consent of the members of the Association holding sixty-seven percent (67%) of the total votes thereof; provided, however, during such time as the Declarant unexpired option to add any Additional Property to the Condominium and/or has a right to control the Association pursuant to Article XVI hereof, such agreement shall be by the Declarant and the Owners of Residence Units to which sixty-seven percent (67%) of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any Residence Unit or Residence Units then owned by 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 a certified copy is filed in the Glynn County, Georgia, records.

(a) No amendment whatsoever, whether to this Declaration, the Association's Bylaws, or to any other Condominium Instruments shall alter, change, or modify any of the rights of the Declarant without the written approval of the Declarant.

(b) The Association, by vote of the Board of Directors, pursuant to the terms of the Act, is hereby empowered to amend the Condominium Instruments, the Articles of Incorporation, and the Bylaws of the Association, or any of them, in such respects as may be required to conform to the Act, any other applicable statute, or this Declaration.

(c) Notwithstanding anything herein to the contrary, this Declaration may be amended by the Declarant alone to correct a scrivener's error or for the purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund, purchase or guarantee security deeds on individual Units, as such requirements may exist from time to time, to comply with the requirements of any applicable governmental (including federal, state, municipality or other governmental authority) law, statute, rule, regulation or ordinance including, without limitation, the Act or to comply with the requirements of any title insurance company.

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

ARTICLE XIV

PREPARER

14.1 Preparation. This Declaration was prepared by Lucas A. Smith of the law firm of Taylor English Duma LLP, 1600 Parkwood Circle, Suite 400, Atlanta, Georgia 30339.

ARTICLE XV

MORTGAGEE RIGHTS

15.1 Mortgagee Rights.

(a) First Mortgagees. The prior written approval of all holders of a first priority deed to secure debt must be obtained for the following:

(i) any decision not to rebuild the Condominium or any improvements containing Residence Units within the Condominium in the event of loss or damage covered by property insurance, so long as any first security deed encumbers an interest in the Condominium, and any decision to abandon or terminate the condominium status of the project;

(ii) the partition or subdivision of any Residence Unit or of the Common Elements; or

(iii) a change in the percentage interests of the Owners.

(b) Any lien of the Association resulting from nonpayment of any Assessments, including any Common Expense Assessment, any Special Assessment or any Personal Charge, is subordinate to the first priority deed to secure debt.

(c) Upon written request from any holder of a first deed to secure debt on any Residence Unit, such holder shall be entitled to:

(i) prompt notice of any default in the Residence Unit mortgagor's obligations under the Condominium Instruments not cured within thirty (30) days of default;

(ii) the right to examine copies of the books and records of the Association and to require annual reports and other financial data; and

(iii) the right to receive written notice of any meeting of the Association and the right to attend and observe such meeting.

ARTICLE XVI

DECLARANT CONTROL; EXPANSION OF CONDOMINIUM

16.1 Declarant's Right. The Declarant shall have the right to appoint and remove any member or members of the Board of Directors of the Association, and any officer or officers thereof. This right to appoint and remove such members may be relinquished voluntarily at any time by the Declarant by its adoption of an amendment to this Declaration executed and recorded by the Declarant or it shall be relinquished as follows:

(a) The Declarant's authority to appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following

(i) the expiration of seven (7) years after the date upon which this Declaration is recorded in the Glynn County, Georgia, records; or

(ii) unless the Declarant at that time has an unexpired option to add any portion of the Additional Property, the date as of which four-fifths (4/5) of the undivided interests in the Common Elements appertain shall have been conveyed to Owners other than a person or persons constituting the Declarant, at which time Declarant's control period shall terminate and Declarant shall call an Association Owners' meeting for the Association to elect a Board of Directors; or

(iii) surrender by the Declarant of the authority to appoint and remove members of the Board of Directors and officers by an express amendment to the Declaration executed and recorded by the Declarant in the Glynn County, Georgia records.

16.2 Expansion of Condominium.

(a) Declarant, its successors, transferees, or assigns, pursuant to the provisions of the Act and pursuant to the provisions, definitions, and incorporated references of the Act in this Declaration, has reserved and does hereby reserve the option and right, but no obligation, to expand the Condominium to include, subject to this Declaration and the Act, all or any portion of the Additional Property, including any improvements thereon. Except as contained herein, there are no limitations upon this option to expand. The option to expand shall be exercisable by adoption and recordation by the Declarant of an amendment to this Declaration; provided, however, in the event any portion of the Additional Property is owned by a party other than the Declarant and such portion is to be submitted to the terms hereof, such amendment shall be executed by Declarant and by all other owners or lessees of the Additional Property or portion thereof being submitted to the terms hereof. Further, Declarant reserves the right, in its sole discretion, not to exercise the option to expand the Condominium, nor commit the Additional Property, or any portion thereof, to this Declaration and the Act. Prior to being added to the Condominium, if so added, no portion of the Additional Property shall be subject to this Declaration. If, and when, any portion of the Additional Property is added to the Condominium, only such portion added shall be subject to this Declaration.

(b) The consent of Owners within the Condominium shall not be required, and the Declarant may proceed with expansion at its sole option and in its sole discretion.

(c) The Additional Property may be added as a whole at one time or in one or more portions at different times, or it may never be added, and there are no limitations upon the order of addition or boundaries thereof. The exercise of the option as to any portion of the Additional Property shall not bar the further exercise of the option as to any other portions of the Additional Property.

(d) If all of the Additional Property is added to the Condominium, a maximum number of Units not to exceed one hundred fifty (150) may be added to the Condominium. The maximum average number of Units per acre that may be created on any portion of the Additional Property added to the Condominium is the maximum as permitted by the density allowed under applicable zoning.

(e) This option to expand shall expire seven (7) years from the date of recording this Declaration, unless all of the Additional Property shall have been added to the Condominium before that time. Declarant may terminate such option as to all or any portion of the Additional Property at any time prior to the expiration of such seven (7) year period by executing and filing an instrument in the Glynn County, Georgia records evidencing such termination. No other circumstances will terminate such option. Neither the Declarant nor the owner of the Additional Property is obligated to add the Additional Property or any portion thereof. Upon the expiration of said seven (7) year period, to the extent not exercised or previously terminated by Declarant by express amendment to this Declaration, such option shall expire and terminate; provided, however, that Declarant may extend said period for the exercise of the option if Owners of Units to which two-thirds (2/3) of the votes in the Association appertain, exclusive of any vote of the Declarant, consent to the extension of this option within one (1) year prior to the date upon which the option would otherwise have expired.

(f) The Units on the Additional Property will have undivided interests in the Common Elements of the Condominium and liability for Common Expenses in proportions as allocated by use of the method contained 5.1 hereof. Each Unit on the Additional Property, when made part of the Condominium, will have a vote in the Association such that each Unit shall be entitled to one (1) equal vote which vote shall be allocated to the Owners thereof.

(g) The Additional Property, when and if added to the Condominium, shall be subject to the restrictions contained in this Declaration or as subsequently promulgated in accordance herewith (including the restriction of Residential Units not owned by Declarant to residential use); provided, however, that there are no restrictions on Declarant's right to designate for commercial use any Units within any Additional Property which is annexed into the Condominium. shall be restricted exclusively to residential use, except as may otherwise be set out herein.

(h) There is no requirement that any structures or improvements placed, constructed, replaced, or reconstructed on the Additional Property and added to the Condominium will be compatible with the existing improvements in the Condominium as to principal materials, architectural style, and quality of construction.

(i) No assurances are made with regard to the nature, kind, or location of improvements that may be made on the Additional Property beyond those stated herein and, there are no limitations as to the location of any improvements that may be made on any portion of the Additional Property.

(j) No limitation is placed on Declarant's right to create Limited Common Elements within any portion of the Additional Property to be submitted, nor are there any limitations on the right to designate Common Elements therein which may be subsequently assigned as Limited Common Elements.

ARTICLE XVII

EASEMENTS

17.1 Easements.

(a) The Association, through the Board of Directors, may grant and accept utility easements, including easements for cable television and easements of use, enjoyment, travel, access, and ingress, under, through, across, or over the Common Elements as may be reasonably necessary to or desirable for the ongoing development and operation of the Condominium. Such right expressly includes the right of the Board of Directors to grant and accept easements for recreational amenities as may be made available for Owners. Each Owner, by accepting any interest in a Residence Unit, is deemed to appoint the Association as such Owner's attorney-in-fact for the purpose of granting permits, licenses and easements over the Common Elements, including for purposes of utilities, roads and other purposes which (a) the Board or Declarant may deem necessary or appropriate to the operation of the Condominium Property or (b) may be in furtherance of the reserved rights and easements hereunder, including the rights and easements reserved to Declarant.

(b) The Declarant, for the benefit of itself and its successors and assigns in interest in title thereto, and any real property adjacent to the Condominium Property or other real property owned or operated by Declarant or its affiliates for the benefit of such properties, reserves the following easements, which shall be exercisable by Declarant, its agents, licensees, invitees and the successors and assigns in interest of Declarant and their agents, licensees and invitees:

(i) an easement for ingress, egress, access, use, enjoyment, and travel across, over, in, on, and upon all the Common Elements, including, but not limited to the streets, roads, sidewalks, open areas, recreational facilities, and entrance ways of the Condominium Property for the purposes, by way of example and not limitation, of the construction of

improvements and any additions thereto to the Condominium Property and the adjacent real property as may be owned from time to time by the Declarant or any affiliate of Declarant;

(ii) an easement for installation, use, connection to, maintenance and repair of utilities, including but not limited to cable television, water, gas, electric and telephone lines, pipes and apparatus, whether existing or to exist, across, over, in, on and upon the Common Elements;

(iii) an easement and right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Condominium Property, including Units, and a nonexclusive easement of access throughout the Condominium Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry into a Unit shall be only after reasonable notice to the Owner in occupancy, and no entry shall be permitted without the consent of the Owner in occupancy, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Unit for the purposes contemplated under this paragraph shall excuse Declarant or its designee from responsibility for any repairs or damages relating to defective workmanship or materials. The person exercising this easement shall promptly repair, and pay for, any resulting damage.

(iv) an easement for (i) the maintenance of signs, kiosks, trailers, a sales office, a business office, and model Units within the Condominium, (ii) inspecting, monitoring, testing, redesigning, and correcting any structure, improvement or condition which may exist on any portion of the Condominium, including Units, and (iii) such other signage, facilities and activities as in the opinion of Declarant may be reasonably required, convenient or incidental to the storage of materials, completion, renovation, improvement, development or sale of the Units, the Additional Property, or any other property subjected or to be subjected to the Declaration. Declarant shall have a transferable easement on and over the Common Elements for the purpose of making contemplated improvements on the Condominium or the Additional Property, and for the purposes of doing all things reasonably necessary and proper in connection therewith. The easements conferred by this Section may not be terminated and shall continue so long as Declarant owns any Unit primarily for the purpose of sale or has an unexpired option to add the Additional Property or any portion thereof to the Condominium. Notwithstanding anything to the contrary contained in this Declaration, including, without limitation this Article XIII, until twelve (12) months after the latter of (1) the date Declarant no longer has the option to expand the Condominium pursuant to Article X of this Declaration or (2) the date Declarant no longer owns any Unit primarily for the purpose of sale, Declarant shall have an easement over all portions of the Common Elements such that Declarant may use one or more of the Units owned or leased by Declarant and/or any portion of the Common Elements for purposes of maintaining a sales or business office or for purposes of maintaining model Units in order to conduct sales and rental activities for any property owned or being developed by Declarant, or an affiliate entity of the Declarant, and for storage and maintenance purposes

(c) In addition to any easements described hereinabove or otherwise of record, the Condominium Property shall be subject to the following easements which, by recordation of

this Declaration, are hereby reserved by the Declarant for its benefit and for the benefit of its successors and assigns in interest to the respective benefited property:

(i) A non-exclusive easement, for the benefit of each Unit, in and to the Common Elements for support of each Unit;

(ii) If any Common Element now or hereafter encroaches upon any Unit or if any Unit now or hereafter encroaches upon any Unit or Common Element, a valid easement to the benefit of each Unit and the Common elements, for such encroachment and the maintenance thereof, so long as such encroachment continues, including an easement for minor encroachments by any Unit or Common Element upon any other Unit or Common Element, due to construction or the partial or total destruction and subsequent rebuilding improvements or due to any settling or other shifting of the buildings;

(iii) An easement, to the benefit of all Condominium Property owned by Declarant, exercisable by Declarant, its affiliates, and their duly authorized agents, representatives, and employees, over, under, across, and to the Condominium Property for the purpose of maintenance of sales offices, management offices, signs, and models in such portions of the Condominium Property as owned by Declarant and for the purpose of carrying on sales and marketing activities in connection with the Condominium for so long as Declarant owns any Unit in the Condominium, unless sooner relinquished in writing signed by Declarant. This subparagraph shall not be amended, nor shall the rights of Declarant or its affiliates hereunder be further restricted, without the prior written consent of Declarant.

(iv) An easement, exercisable by Declarant its successors and assigns, including the Association and the Managing Agent so appointed, for ingress, egress and access in and to each Unit to enable the Association and the Managing Agent to implement any reservation procedures, check in and check out procedures, and maintenance responsibilities and other obligations or rights as may be set forth in the Condominium Instruments, including this Declaration.

(v) An easement, exercisable by Declarant and its successors and assigns in title thereto, for the benefit of any adjacent real property or other real property owned or operated by the Declarant or its affiliates for construction of roads to join existing roads so as to provide access, at all times, to public rights of way from and to the benefited property.

ARTICLE XVIII

INSURANCE

18.1 Insurance.

(a) Insurance on the Condominium Project.

(i) The Association, through the Board of Directors or Managing Agent so appointed, shall obtain and maintain at all times insurance as required by O.C.G.A. Section 44-3-107 and shall obtain and maintain (1) property insurance on the Residence Units in the amount of full replacement cost and (2) liability insurance associated with use and occupancy of the Residence Units in amounts determined from time to time by the Board of Directors but not less than the liability insurance as set out in O.C.G.A. Section 44-4-107.

(ii) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage that will provide the following:

(1) that the insurer waives its rights of subrogation of any claims against directors, officers, the Managing Agent, the individual Owners, and their respective household members;

(2) that the master policy cannot be cancelled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association, or the Managing Agent, without a prior demand in writing delivered to the Association and to all mortgagees of Residence Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(3) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Owners' policies from its operation;

(4) that until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagees of any Residence Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Residence Unit, the other Owners, the Board of Directors, or any of their agents, employees, or household members, or cancelled for nonpayment of premiums;

(5) that the master policy may not be cancelled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and all mortgagees of Residence Units;

(6) that coverage will not be prejudiced by: (a) any act or neglect of the Owners when such act or neglect is not within the control of the Association, or (b) any failure of the Association to comply with any warranty of condition regarding any portion of the Condominium Property over which the Association has no control;

(7) that despite any provisions giving the carrier the right to elect to restore damage in lieu of cash, such option shall not be exercisable without the prior written approval of the Association.

(iii) All policies of insurance shall be written with a company licensed to do business in the State of Georgia. The liability insurance shall be for death, bodily injury,

and property damage arising out of or in connection with use of Common Elements and Residence Units by Owners, their guests, and others, and extended coverage.

(iv) Any Owner who obtains an individual insurance policy covering any portion of the Condominium shall file a copy of such individual policy or policies with the Board of Directors or Managing Agent so appointed within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is cancelled.

(v) Nothing contained in the Declaration or By-Laws gives any Owner or other party a priority over any rights of first mortgagees as to distribution of insurance proceeds.

(b) Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Residence Units in the Condominium as a result of fire or other casualty, unless the Owners unanimously agree and two-thirds (2/3) or more of the Condominium Property has been destroyed or substantially damaged (as agreed by the Owners holding at least 2/3 of the vote of the Association), the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the original Plat and Plans. In the event of damage or destruction prior to any consideration not to rebuild, each institutional holder of a first mortgage shall be entitled to written notice of the damage. Nothing in this Declaration shall be construed to afford a priority to any Owner with respect to the distribution of proceeds applicable to any such Residence Unit. In the event a decision is made not to rebuild, the insurance proceeds shall be payable pro rata among the Owners, first satisfying encumbrances on Residence Units as a first priority, then payouts on the basis of undivided interests in the Common Elements owned to all Owners or their mortgagees, as their interests may appear.

The procedure for repair and reconstruction shall be:

(i) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Association shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Residence Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(ii) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of re-construction and repair as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion or reconstruction and repair the funds for payment of the costs thereof are insufficient, Assessments shall be made against all Owners. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

(iii) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original Plat, Plans, and specifications under which the Condominium was originally constructed.

(iv) Encroachments. Encroachments upon or in favor of Residence Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceedings or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(v) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section.

(vi) Method of Disbursement. The construction fund shall be paid by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the building as are designated by the Board of Directors.

(vii) Insurance Deductibles. If repair is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such repair in the absence of insurance. If the loss affects more than one (1) Residence Unit or a Residence Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total costs of repair.

ARTICLE XIX

BYLAWS

19.1 Bylaws. The operation and organization of the Association shall be in accordance with the terms hereof and the Bylaws of the Association.

ARTICLE XX

TERMINATION

20.1. Termination. The Condominium project may be terminated and the Condominium Property removed from the provisions of the Act only in accordance with the terms of the Act and so long as the Declarant owns any interest in the Condominium, with the consent of the Declarant.

ARTICLE XXI

MANAGING AGENT

21.1. Managing Agent.

(a) The Board of Directors is hereby empowered to contract for the hiring of a Managing Agent to act on behalf of the Association, the Owners, and the Condominium. Such Managing Agent shall be empowered as herein and elsewhere in this Declaration, the Bylaws, and other Condominium Instruments provide.

(b) The Managing Agent shall be and hereby is empowered to perform on behalf of the Owners, the Board of Directors, and the Association, all rights, powers, and privileges of the Board of Directors and the Association, as provided in this Declaration, the Bylaws, and other Condominium Instruments, if any, the Act, unless the Board otherwise provides.

(c) Each Owner, by acceptance of a deed to his or her Residence Unit, does ratify, confirm, accept, and consent to the appointment of the Managing Agent.

ARTICLE XXII

CONDEMNATION

22.1 Condemnation. In the event of the condemnation of all or any part of the Condominium Property, O.C.G.A. Section 44-3-97 shall apply.

ARTICLE XXIII

TRANSFER OF TITLE

23.1 Notice.

(a) An Owner intending to sell or otherwise transfer title to a Residence Unit shall give written notice to the Board of Directors of such intention within seven days after entering into any agreement to sell or transfer the Residence Unit. The Owner shall furnish to the Board as part of the notice (a) the name and address of the intended grantee; and (b) such other information as the Board may reasonably require.

(b) Within seven days after taking title to a Residence Unit, the new Owner shall give written notice to the Board of Directors of his or her ownership of the Residence Unit.

Upon failure of an Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Residence Unit, as applicable, and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

23.2 Right of First Refusal. The Declarant hereby reserves the right of first refusal over the conveyance of each Residence Unit to repurchase each such Residence Unit that is offered for sale, transfer or conveyance to a bona fide third party. Prior to sale, conveyance or transfer of any Residence Unit to any to a bona fide third party, the Owner shall, in writing, at the address designated by the Declarant and provided to the Association, (i) notify the Declarant of the name and address of the person to whom the proposed sale, conveyance, or transfer is to be made, the proposed purchase price, and such other information as may be required by the Declarant, and (ii) provide to the Declarant a copy of any proposed purchase and sale agreement. Such notice and information shall be delivered to the Declarant by the Owner proposing such sale, conveyance or transfer. The Declarant shall have fourteen (14) days from and after delivery of the aforesaid notification to determine whether the Declarant desires to repurchase the Residence Unit that is offered for sale, transfer or conveyance from such Owner. If the right of first refusal is exercised by the Declarant, the Declarant shall have the right to repurchase the Residence Unit on the same terms and conditions as are offered to or by a bona fide third party purchaser/transferee, including financing, and said transaction shall be closed on or before the proposed closing date. If the Declarant fails to notify the Owner of its election to exercise its right of first refusal during such fourteen (14) day period, then the Owner may proceed to close the transaction with the bona fide third party. In addition, any permitted sale between an Owner and a bona fide third party shall be deemed to contain a provision requiring that any sums due to the Association as Assessments must be paid in full as a condition of closing the sale. The Declarant shall furnish within thirty (30) days of request by any Owner of a Residence Unit or person who has executed a contract for the purchase of a Residence Unit a recordable statement certifying to any waiver of or failure or refusal to exercise the right of first refusal as set out in this Section whenever such waiver, failure, or refusal has occurred. Failure or refusal to furnish that statement within such 30 day period shall cause all such rights and restraints to be inapplicable to the disposition of the Residence Unit in contemplation of which such statement was requested. Any such statement shall be binding on the Declarant, the Association and on every Owner. Payment of a fee to Declarant not exceeding \$25.00 may be required as a prerequisite to the issuance of such a statement.

ARTICLE XXIV

SECURITY AND SAFETY

Each Owner and Occupant, for himself or herself and his or her family, guests, licensees, and invitees, acknowledges and agrees that the Association is not an insurer or guarantor of security and shall have no duty to protect any persons or personal property on the Condominium from loss, damage, or injury arising from the unlawful or negligent acts of any third person. It shall be the sole responsibility of each Owner and Occupant and each other person entering upon the Condominium to protect his or her own person and property. Neither the Association, its

Board of Directors, Managing Agent, their employees, nor the Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

ARTICLE XXV

MISCELLANEOUS PROVISIONS

25.1 Miscellaneous Provisions.

(a) Corporations, Etc., Ownership. Where a corporation, partnership, trust, or other legal entity other than a natural person or persons is the Owner of a Residence Unit, the use of the Common Elements shall be limited at any one time to such officer, director, partner, employee, trust, or beneficiary (and their family members who reside with them) who is in actual residence, and such individual for such time shall have the responsibilities and privileges of being an Owner for that time in actual residence.

(b) Quorum. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, at the beginning of a meeting who are entitled to cast one-tenth (1/10) of the eligible votes of the Association shall constitute a quorum for an Association membership meeting. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be re-established.

(c) No Assessment Exemption. Except as set forth herein above as respects the Declarant, no Owner of a Residence Unit may exempt himself or herself from liability for contribution to Common Expenses or Assessments by waiver of the use or enjoyment of the Common Elements or the Residence Unit by abandonment thereof.

(d) Covenants of Declaration. All provisions of this Declaration shall be construed and are covenants running with title to the Residence Unit and shall be enforceable, equitable servitudes and restrictive covenants and inure to and bind all Owners and their successors, assigns, heirs, executors, and administrators in the Condominium Property.

(e) Association Consent. The Association, by execution of this Declaration and acceptance of its rights and powers hereunder, approves, consents to, and accepts the terms of the foregoing and all of its terms, provisions, conditions, and covenants.

(f) Declaration Validity. If any provision of this Declaration shall be held invalid, it shall not affect the validity of the remainder or any other part of this Declaration.

(g) Titles. The paragraph or section titles at the beginning of each numbered paragraph or section of this Declaration are for convenience only, and the words contained therein shall not be considered to expand, modify, or aid in the interpretation, construction, or meaning of this Declaration. As used herein, the singular shall include the plural, and the masculine or neuter gender shall include the other genders.

(h) Association Interest Ownership. In the event of ownership of any Residence Unit by the Association, the Association shall be exempted from any liability for all Assessments, including Common Expenses, and shall be excluded from any voting rights. Any such Assessments and expenses shall be prorated and distributed among all other Owners subject to assessment.

(i) Rule Against Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Nathan Deal, Governor of the State of Georgia.

(j) Contract Termination. Any contract contemplated by O.C.G.A. Section 44-3-101(c) may be cancelled and terminated at any time during the twelve (12) months next immediately following the expiration of Declarant control by the affirmative vote of Owners to which a majority of the votes in the Association appertain, unless the Owners, by a like majority, shall have theretofore, following the expiration of the Declarant control period, expressly ratified and approved the same.

(k) Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or Managing Agent of the Association, an 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 Managing Agent, 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 7 nor more than 21 days from the date of receipt of the request.

(l) Financial Reports. The Board of Directors or Managing Agent so appointed shall prepare and disseminate to Owners an annual budget and operating statement and other financial information relating to the Association, including the status of payments under security deeds, contracts for improvements or any encumbrances concerning the Condominium Property. Dissemination shall be accomplished by mailing such information first class mail, postage prepaid, to each Owner, or by posting at the office serving the Condominium, if any.

(m) Duration. The limitations provided in subsection (b) and in paragraphs (1), (2), and (4) of subsection (d) of O.C.G.A. 44-5-60 shall not apply to any covenants contained in any of the Condominium Instruments, including this Declaration, created pursuant to the Act. To the extent any of the covenants contained herein are ever interpreted as not having been created pursuant to the Act, then (i) the restrictions of this Declaration shall run with and bind and shall inure to the benefit of and be enforceable by the Declarant, the Association, and/or the

Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for the maximum time permitted under Georgia law unless terminated by proper procedures of the Owner as provided herein; (ii) thereafter, the covenants shall be reviewed automatically for successive periods of twenty (20) years unless within ninety (90) days prior to the expiration of the covenants a document executed by a majority of the ownership interest of the affected property files in the Glynn County, Georgia, records an affirmation of covenant termination; and (iii) such adoption by a majority shall be binding on all, and each Owner of any Residence Unit, by acceptance of a deed therefore, is deemed to agree that Georgia law limits the time period for applicability of this Declaration which may be extended as provided in this paragraph.

SIGNATURES APPEAR ON NEXT PAGE

WITNESS THE SIGNATURE OF THE DECLARANT, as aforementioned, by its authorized representative on this 11th day of JUNE 2018.

DECLARANT:

Sea Gate Ventures, LLC, a Georgia limited liability company

[Signature]
By: Good as New Ventures, LLC,
a Pennsylvania limited liability company,
its managing member,

By: Donald Wenner, managing member

Attest: [Signature]

Print Name: Barry DeGroot

Title: COUNSEL

[Corporate Seal]

Signed, sealed, and delivered this
11th day of JUNE, 2018
in the presence of:

[Signature]
WITNESS

[Signature]
NOTARY PUBLIC

My commission expires: Apr 16, 2022

[Notary Seal]

Commonwealth of Pennsylvania - Notary Seal
Derek William Antol, Notary Public
Lehigh County
My commission expires April 16, 2022
Commission number 1283003
Member, Pennsylvania Association of Notaries

EXHIBIT "A"

CONDOMINIUM PROPERTY
LEGAL DESCRIPTION

All of those certain lots, tracts or parcels of land situate, lying and being on St. Simons Island, Glynn County, Georgia, lying between Ocean Blvd. and Beach view Drive in that certain subdivision known as St. Simons Beach Subdivision consisting of all of Lots 217, 218 and 219 together with a parcel of land lying Northwest of said Lots, all being shown or depicted upon a print or plat of survey entitled Sea Gate Inn Condominiums prepared by Charles E. Johnson, Georgia Registered Land Surveyor No. 2640, dated January 14, 2008 and recorded in the Office of the Clerk of Superior Court of Glynn County, Georgia in Plat Book 30, Page 309. Reference is hereby made to the aforesaid map and plat and the record thereof for the purposes of establishing the location and dimensions of said property and for all other purposes.

EXHIBIT "B"
ADDITIONAL PROPERTY
LEGAL DESCRIPTION

[TO BE INSERTED]

EXHIBIT "C"

ALLOCATED PERCENTAGE OF INTEREST IN COMMON ELEMENTS

Unit	Percentage Ownership
Office Unit	4.00%
101	4.00%
102	4.00%
103	4.00%
104	4.00%
105	4.00%
106	4.00%
107	4.00%
108	4.00%
201	4.00%
202	4.00%
203	4.00%
204	4.00%
205	4.00%
206	4.00%
207	4.00%
208	4.00%
301	4.00%
302	4.00%
303	4.00%
304	4.00%
305	4.00%
306	4.00%
307	4.00%
308	4.00%
Total	100%
Percentage	

A Unit's appurtenant undivided interest in the Common Elements shall be a fraction with the numerator being one and the denominator being the total number of Units.

EXHIBIT "D"

PLAT AND PLANS

The Plat is that certain Plat of Survey for Sea Gate Inn, a Condominium, depicting the Condominium Property prepared and filed to comply with O.C.G.A. Section 44-3-83. The Plat has been or will be recorded in the Condominium Plat Book in the Glynn County, Georgia Records, as may be amended or supplemented from time to time.

The Plans are those certain Floor Plans of Residence Units in Sea Gate Inn, a Condominium, depicting structures containing or constituting Residence Units prepared and filed to comply with O.C.G.A. Section 44-3-83. The Plans have been or will be recorded in the Condominium Plan Book in the Glynn County, Georgia Records as may be amended or supplemented from time to time.

EXHIBIT "E"

ARTICLES OF INCORPORATION OF SEA GATE INN UNIT OWNERS ASSOCIATION,
INC.

[ATTACHED]

Control Number : 18048621

STATE OF GEORGIA
Secretary of State
Corporations Division
313 West Tower
2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CERTIFICATE OF INCORPORATION

I, **Brian P. Kemp**, the Secretary of State and the Corporation Commissioner of the State of Georgia, hereby certify under the seal of my office that

Sea Gate Inn Unit Owner's Association, Inc.
a Domestic Nonprofit Corporation

has been duly incorporated under the laws of the State of Georgia on **04/16/2018** by the filing of articles of incorporation in the Office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta
and the State of Georgia on **04/25/2018**.



A handwritten signature in black ink, appearing to read "B. P. Kemp".

Brian P. Kemp
Secretary of State

ARTICLES OF INCORPORATION

Electronically Filed
Secretary of State
Filing Date: 4/16/2018 9:51:12 AM

BUSINESS INFORMATION

CONTROL NUMBER 18048621
BUSINESS NAME Sea Gate Inn Unit Owner's Association, Inc.
BUSINESS TYPE Domestic Nonprofit Corporation
EFFECTIVE DATE 04/16/2018
The corporation is organized pursuant to the Georgia Nonprofit Corporation Code.

PRINCIPAL OFFICE ADDRESS

ADDRESS 701 West Broad Street, Bethlehem, PA, 18018, USA

REGISTERED AGENT'S NAME AND ADDRESS

NAME	ADDRESS
INCorp SERVICES INC.	2000 Riveredge Pkwy. NW, Ste. 885, Fulton, Atlanta, GA, 30328, USA

INCORPORATOR(S)

NAME	TITLE	ADDRESS
Donald Wenner	INCORPORATOR	701 West Broad Street, Bethlehem, PA, 32095, USA

MEMBER INFORMATION

The corporation will not have members.

OPTIONAL PROVISIONS

N/A

AUTHORIZER INFORMATION

AUTHORIZER SIGNATURE Barry W. DeGroot
AUTHORIZER TITLE Attorney In Fact

EXHIBIT "F"

BY-LAWS OF SEA GATE INN UNIT OWNERS ASSOCIATION, INC.

[ATTACHED]

BYLAWS
OF
SEA GATE INN UNIT OWNERS ASSOCIATION, INC.

THESE BYLAWS OF SEA GATE INN UNIT OWNERS ASSOCIATION, INC. (the
“Bylaws”), are made and entered into on this ___ day of _____, 2018 by the Board
of Directors of SEA GATE INN UNIT OWNERS ASSOCIATION, INC. (the “Association”).

TABLE OF CONTENTS

<u>Section Title</u>	<u>Page</u>
I. General	
1. APPLICABILITY	1
2. NAME	1
3. MEMBERSHIP.....	1
4. VOTING	1
5. MAJORITY	2
6. PURPOSE.....	2
7. DEFINITIONS.....	2
 II. MEETINGS OF MEMBERS	
1. ANNUAL MEETING	3
2. SPECIAL MEETINGS.....	3
3. NOTICE OF MEETINGS	3
4. WAIVER OF NOTICE	3
5. ADJOURNMENT	4
6. QUORUM	4
7. PROXY.....	4
8. CONSENTS	4
9. ORDER OF BUSINESS	4
 III. BOARD OF DIRECTORS	
<u>A. COMPOSITION AND SELECTION.</u>	
1. COMPOSITION.....	4

2.	TERM OF OFFICE	4
3.	REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS	5
4.	VACANCIES	5
5.	COMPENSATION	5
6.	ELECTIONS	5
7.	MANAGING AGENT’S POSITION	5
	<u>B. MEETINGS.</u>	
8.	REGULAR MEETINGS.....	5
9.	SPECIAL MEETINGS.....	6
10.	WAIVER OF NOTICE	6
11.	CONDUCT OF MEETING	6
12.	ACTION WITHOUT A MEETING.....	6
13.	TELEPHONE MEETINGS	6
	<u>C. POWERS AND DUTIES.</u>	
14.	POWERS AND DUTIES.....	6
15.	BORROWING AND EXPENDITURES	6
16.	ARCHITECTURAL STANDARDS.....	7
17.	OTHER COMMITTEES	7
	<u>D. DECLARANT RIGHTS.</u>	
18.	BOARD APPOINTED BY DECLARANT.....	7

IV. OFFICERS

1.	DESIGNATIONS	7
2.	ELECTION OF OFFICERS	7
3.	REMOVAL OF DIRECTORS	7
4.	PRESIDENT	7
5.	VICE PRESIDENT	8
6.	SECRETARY	8
7.	TREASURER.....	8
8.	AGREEMENTS, CONTRACTS, DEEDS, LEASES, ETC.	8

V. ASSOCIATION RESPONSIBILITIES

1.	LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS	8
2.	ARCHITECTURAL STANDARDS	9
VI. ASSESSMENTS		
1.	COMPUTATION OF OPERATING BUDGET AND ASSESSMENT	9
2.	SPECIAL ASSESSMENTS.....	9
3.	LIEN FOR ASSESSMENTS	9
4.	ASSESSMENTS BY DECLARANT.....	9
VII. USE RESTRICTIONS AND RULE MAKING		
1.	AUTHORITY AND ENFORCEMENT.....	10
2.	PROCEDURE.....	10
3.	ADDITIONAL ENFORCEMENT RIGHTS.....	10
VIII. MISCELLANEOUS		
1.	NOTICES.....	11
2.	SEVERABILITY	11
3.	CAPTIONS	11
4.	GENDER AND GRAMMAR	11
5.	FISCAL YEAR	11
6.	CONFLICTS.....	11
7.	CONDEMNATION.....	11
8.	AMENDMENT	12
9.	COMMINGLING OF FUNDS	12

BYLAWS
OF
SEA GATE INN UNIT OWNERS ASSOCIATION, INC.

Article I

General

Section 1. Applicability. These Bylaws provide for the governance of SEA GATE INN, A CONDOMINIUM and SEA GATE INN UNIT OWNERS ASSOCIATION, INC., in accordance with the Articles of Incorporation filed with the Secretary of State and the DECLARATION OF CONDOMINIUM FOR SEA GATE INN, A CONDOMINIUM, recorded in Glynn County, Georgia records.

Section 2. Name. The name of the corporation is SEA GATE INN UNIT OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

Section 3. Membership. Membership shall be as provided in the Declaration. A member shall remain a member for the entire period of Ownership. A spouse of a member may exercise the powers and privileges of the member. If title to a Residence Unit is held by more than one person, the membership shall be shared in the same proportion as the title. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Residence Unit to which it appertains and shall be transferred automatically by conveyance of that Residence Unit and may be transferred only in connection with the transfer of title.

Section 4. Voting. Each member shall be entitled to one (1) vote for each Unit an Owner has record title to. An equal vote is allocated to each Unit now or hereafter existing on the Condominium Property. Votes shall be cast as provided in the Declaration and which may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below. When more than one person owns a Unit, the vote for such Unit shall be exercised as they between or among themselves determine, but in all such cases, the vote appurtenant to a Unit must be voted as a block and in no way or manner split. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted. To reiterate, in the case of Unit being owned by more than one person, those persons among themselves shall determine how such a vote shall be exercised and a failure to agree shall result in that vote not being counted; provided, any vote cast by a co-Owner of a Unit which goes uncontested when cast shall be deemed conclusively authorized. No Owner shall be eligible to vote, either in person or by proxy, if that Owner is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any Assessment payment due the Association or is under suspension for the infraction of any provision of the Declaration, these Bylaws, or any rule established by the Board of Directors.

Section 5. Majority. As used in these Bylaws, the term “majority” shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number of eligible votes, Owners, or other groups. Unless otherwise specifically stated, the words “majority votes” mean more than fifty (50%) percent of those eligible votes voting in person or by proxy. Unless otherwise provided in the Declaration or these Bylaws, all decisions shall be by majority vote.

Section 6. Purpose. The Association, acting through the Board of Directors shall have the responsibility of administering the Condominium Property, establishing the means and methods of collecting the contributions to the Common Expenses, including by way of example, the Quarter Ownership Maintenance Fees, Resort Tracts Association Assessments, and Personal Charges, and performing all of the other acts that may be required to be performed by the Association pursuant to the Act and the Declaration. Except as to those matters which either the Act, the Declaration, or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth below.

Section 7. Definitions. Generally, terms shall have their natural meanings or the meanings given in the Declaration, the Act, the Articles of Incorporation, or the Georgia Nonprofit Corporation Code. Unless the context otherwise requires, the terms as used in these Bylaws, the Declaration, and the Articles of Incorporation shall have the following meanings:

(a) Common Elements or common areas shall mean that area and property submitted to be part of the Condominium but not included within the boundaries of a Residence Unit, as more particularly set forth in the Declaration.

(b) Condominium Property or Condominium shall mean all that property submitted to the Act as described in Exhibit “A” to the Declaration.

(c) Declaration shall mean that document filed of record in the Glynn County, Georgia, records, for the purpose of submitting the Condominium Property to the Act, as such document may be amended from time to time.

(d) Eligible votes shall mean those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not eligible.

(e) 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 for such purpose of fee title.

(f) Officer shall mean those individuals who are elected by the Board to serve as President, Vice President, Secretary, or Treasurer, or such other subordinate offices as the Board may determine necessary.

(g) Owner or member shall mean the record title holder of a Residence Unit or whole Residence Unit (if any) within the Condominium, but shall not mean a mortgage holder. Owner and member may be used interchangeably in these Bylaws.

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

(i) Residence Unit, unit, dwelling, or residence shall mean that portion of the Condominium existing within the boundaries described in the Plat and Plans which is not owned in common with all other Owners of all other Residence Units and which is intended for independent use and ownership by the Owners, including the Residence Unit Owners, thereof, and shall include the undivided Ownership in the Common Elements appurtenant thereto.

Article II

Meetings of Members

Section 1. Annual Meeting. The regular annual meeting of the members shall be held within the month of September in each year on a day and at an hour set by the Board. Meetings shall be at the Condominium or at some other suitable place set by the Board.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Secretary, or Treasurer, or by request of any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail to each Owner of record or to cause to be delivered to the Owners, a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. Such notice shall be delivered personally or sent by United States mail, postage prepaid, to all Owners of record at such address or addresses as any of them may have been designated.

Section 4. Waiver of Notice. Waiver of notice of meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of the Owners holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business

which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 6 **Quorum.** Except as may be provided elsewhere, the presence in person or by proxy at the beginning of the meeting, of Owners entitled to cast one-tenth (1/10) of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

Section 7. **Proxy.** Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid.

Section 8. **Consents.** Any action which may be taken by a vote of the Owners may also be taken by written consent signed by all Owners.

Section 9. **Order of Business.** At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws, resolutions of the Board of Directors, or rulings of the President.

Article III

Board of Directors

A. Composition and Selection.

Section 1. **Composition.** The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of an odd number of persons, not less than three (3) nor more than seven (7) persons. After the expiration of the time period for Declarant control as specified in the Declaration, except as provided in Section 4 of this Article, the members of the Board shall be Owners of Units, or spouses of such Owners, or representatives of Owners in the case of corporate Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time. Board members are herein referred to sometimes as "Directors."

Section 2. **Term of Office.** Other than Directors appointed by the Declarant, Directors shall be elected as provided in this Article. The initial terms of such Directors shall be staggered on a one (1), two (2), and three (3) year basis. Approximately one-third (1/3) of the Directors shall be elected for one (1) year, one-third (1/3) of the Directors shall be elected for two (2) years, and the remainder of the Directors shall be elected for three (3) years. After the initial term of each Director, Directors shall be elected for three (3) year terms or until their successors are elected.

Section 3. **Removal of Members of the Board of Directors.** At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors, other

than those Directors appointed by the Declarant, may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any such Director whose removal has been proposed by the members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new seat or seats on the Board, but excluding the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office for the remainder of the term of the member being replaced. In the event any vacancies in the membership of the Board exist and such vacancies are not filled, the Managing Agent, in its discretion, may act as the remaining Board member or appoint Board members of its choosing, whether they are Owners or not.

Section 5. Compensation. Directors shall not be compensated for services as such unless and to the extent the compensation is authorized by a majority vote of the members. Directors may be reimbursed for the expenses incurred in carrying out their duties as Directors upon approval of such expenses by the Board of Directors. Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director; provided that the Director's interest is known and the contract is approved by a majority of the Board of Directors, excluding the Directors with whom the contract is made.

Section 6. Elections. Directors to be elected by the members shall be elected, from among those nominated, by a plurality vote at the annual meeting, a quorum being present.

Section 7. Managing Agent's Position. Any Managing Agent for the Association may be given full power and right to govern the day to day affairs of the Association upon resolution of the Board. Notwithstanding the foregoing, nothing herein shall be construed as limiting the powers or rights of any Managing Agent which such Managing Agent may have independent of such resolution of the Board.

B. Meetings.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board. A newly elected Board shall meet within (30) days after the annual meeting of members.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) days' notice to each Director given by mail, in person, by electronic mail, or by telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) Directors.

Section 10. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and place of such meeting unless the Director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or consent to any action taken at the meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, the Articles of Incorporation, these Bylaws, resolutions of the Board of Directors, or rulings of the President. A majority of Directors shall constitute a quorum for the transaction of business. A decision of the Board shall be by a majority of those Directors present at a duly called meeting. The President may vote.

Section 12. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all (or, if not prohibited by statute, a majority) of the Directors consent in writing, sent by mail or electronic mail, to such action. Such written consent or consents shall be filed with the minutes of the Board of Directors.

Section 13. Telephone Meetings. Any meeting of the Board may be held by means of electronic conference equipment if all persons participating in the meeting can hear each other at the same time.

C. **Powers and Duties.**

Section 14. Powers and Duties The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and Residence Unit Plan and may do all such acts and things as are not by the Declaration, Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. The Board shall have the power to adopt, modify, repeal such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including, without limitation, monetary fines.

Section 15. Borrowing and Expenditures. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of Common Elements and Common Furnishings without the approval of the members of the Association; provided, however, the Board shall obtain majority membership approval in the event the proposed borrowing is for the purpose of adding amenities to the Condominium, the total amount of such borrowing exceeds or would exceed One Hundred Thousand and No/100 Dollars (\$100,000.00) outstanding debt at any one time, or the Condominium Property is to be encumbered in any way by such borrowing.

Section 16. Architectural Standards. The Board may establish an Architectural Standards Committee for the purpose of establishing and maintaining architectural standards on Condominium Property.

Section 17. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

D. **Declarant Rights.**

Section 18. Board Appointed by Declarant. Notwithstanding anything to the contrary herein, this Article III, Sections 1 through 17, inclusive, shall not apply so long as the Declarant retains the right to appoint and remove Directors, as provided in the Declaration. The activities of the Board during the period of Declarant control shall be governed by the Declaration and the Act.

Article IV

Officers

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, the Secretary, and the Treasurer. The President and Secretary shall be elected by and from the Board of Directors. The Vice President and Treasurer shall be elected by the Board of Directors, but may be either a Board or an Association member. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate officers as in its judgment may be necessary. Such subordinate officers shall not be required to be members of the Board of Directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one office.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 3. Removal of Directors. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Georgia law.

Section 7. Treasurer. The Treasurer shall have such responsibilities as the Board may resolve.

Section 8. Agreements Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers, and the Managing Agent if so appointed, or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V

Association Responsibilities

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and Director, and the Managing Agent, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, or Director or Managing Agent in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, Director, or Managing Agent whether or not such person is an officer, Director, or Managing Agent, at the time such expenses are incurred. The officers, Directors, and Managing Agent shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, Director, or Managing Agent in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance. The officers, Directors, and Managing Agent shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or Directors or Managing Agent may also be members of the Association), and the Association shall indemnify and forever hold each such officer and Director and Managing Agent free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, Director, or Managing Agent, former officer or Director, may be entitled. The Association shall as a common expense maintain adequate general liability and, if obtainable, officers and Directors' liability insurance to fund this obligation.

Section 2. Architectural Standards. The Board of Directors, subject to this Section 2, may allow such encroachments onto the Common Elements as it deems acceptable. No Owner, occupant, lessee or lessor, or any other person may make any exterior change, alteration, or construction, nor erect, place, or post any sign, object, light, or thing on the exterior of the buildings, any Residence Unit, or any Common Element without first obtaining the written approval of the Board or its delegate. No change to the Common Furnishings or the interior

structure or design of any Residence Unit is permitted without prior approval of the Board of Directors or Managing Agent if so appointed.

Article VI

Assessments

Section 1. **Computation of Operating Budget and Assessment.** It shall be the duty of the Board at least thirty (30) days prior to the beginning of the Association's fiscal year to prepare a budget covering the estimated costs of operating the Quarter Interest Ownership Plan and the Condominium during the coming year. The Board shall cause the budget and the Common Expenses, including the Quarter Ownership Maintenance Fees to be levied against each Residence Unit or whole Residence Unit, if any are so owned, for the following year or period thereof to be delivered to each member as provided in the Declaration. Notwithstanding the foregoing, however, in the event that 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, and the Board may propose a new budget at any time during the year by causing the proposed budget and assessment to be delivered to the members as provided in the Declaration prior to the proposed effective date. The adoption of the budget shall be subject to the limitations and restrictions as set out in the Declaration.

Section 2. **Special Assessments.** If the Assessment proves inadequate for any year, the Board may at any time levy a Special Assessment against all Owners subject to the limitations and restrictions as set out in the Declaration and the Act.

Section 3. **Lien for Assessments.** The Association shall have full and complete lien rights as provided or permitted by Section 44-3-109 of the Act and as referenced in the Declaration for all Assessments, including all Common Expenses, Quarter Ownership Maintenance Fees, Resort Tracts Association Assessments and Personal Charges, provided herein and in the Declaration, and the lien shall specifically include the maximum costs, charges, fees, and rents set out in the Declaration and under the Act.

Section 4. **Assessments by Declarant.** Notwithstanding anything to the contrary herein, the Declarant may contribute any Assessments as may be due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called "in kind contribution"). The amount by which monetary Assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids within fourteen (14) days for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. Failure to supply such bids shall be deemed a waiver by the Association to contest Declarant's estimators. If the

Association and the Declarant are unable to agree on the value of the contribution after the Association supplies its three (3) bids, the value shall be deemed to be the average of the bids received from the independent contractors.

Article VII

Use Restrictions and Rule Making

Section 1. **Authority and Enforcement.** The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Residence Units, and the Common Elements, provided that copies of all such rules and regulations be furnished to all Owners or be posted at a conspicuous place (i.e., the check in area) at the Condominium. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Residence Unit (or whole Residence Unit if any are so owned), and to suspend an Owner's right to vote or to use the Common Elements for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Residence Unit during authorized periods of access, except as may be expressly permitted in the Declaration and permitted under Georgia law.

Section 2. **Procedure.** The Board shall not impose a fine or suspend an Owner's rights and privileges for failure of the Owner to comply with the Condominium Instruments or rules of the Association (other than a breach of Paragraph 25.1(c) of the Declaration) unless and until the Owner is given five (5) days notice and an opportunity to refute or explain the charges against the Owner in person or in writing to the Board of Directors before a decision to impose discipline is rendered.

Section 3. **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through its Board of Directors, may elect to enforce any provision of the Act, the Declaration, these Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity or enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article VIII

Miscellaneous

Section 1. **Notices.** Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class, postage-prepaid:

(a) if to an Owner, at the address which the Owner has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Owner set out in the Owner's purchase agreement for the acquisition of his or her Residence Unit; or

(b) if to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

Section 2. **Severability.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 3. **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. **Gender and Grammar.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. **Fiscal Year.** The fiscal year of the Association may be set by resolution of the Board of Directors. In the absence of affirmative action by the Board of Directors, the fiscal year shall be the calendar year.

Section 6. **Conflicts.** In the event of conflicts between the Act, the Georgia Nonprofit Corporation Code, the Resort Tracts Declaration, the Declaration, the Articles of Incorporation, and these Bylaws, the order of control shall be the order listed above.

Section 7. **Condemnation.** In the event of a taking by condemnation or eminent domain, the provisions of the Act shall prevail and govern. Each institutional holder of a first mortgage shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give a priority to any Owner, in the distribution of proceeds to such Residence Unit, other than as may be described in the Act.

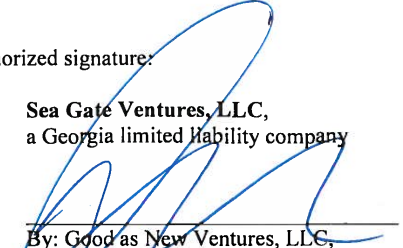
Section 8. **Amendment.** These Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of a majority of the Board.

Section 9. **Commingling of Funds.** All sums collected by the Association from Assessments, including all Common Expense Assessments and the Quarter Ownership Maintenance Fees, may be commingled in a single fund or divided into more than one fund, as determined by the Board of Directors or Managing Agent of the Association so appointed. All Assessments paid by an Owner shall be applied as to interest, delinquencies, costs, and attorneys fees, other charges, expenses, and advances as provided herein and in the Declaration, in such manner and amounts as the Board of Directors determines in its sole discretion.

WITNESS the following duly authorized signature:

DECLARANT:

Sea Gate Ventures, LLC,
a Georgia limited liability company



By: Good as New Ventures, LLC,
a Pennsylvania limited liability company,
its managing member,
By: Donald Wenner, managing member