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DCP *Susan M. Barber*
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CHATHAM COUNTY, GEORGIA

DECLARATION OF CONDOMINIUM

TELFAIR PLACE
A Condominium
Savannah, Chatham County, Georgia

DECLARANT: 121 WEST BROUGHTON, L.L.C.

DATE: April 4, 1998

This Declaration is made this 4th day of April, 1998, by 121 WEST BROUGHTON, L.L.C., hereinafter called the "Owner," for itself, its successors, grantees and assigns.

WHEREAS, Owner owns certain improved real property all in Savannah, Chatham County, Georgia, and being more particularly described in Exhibit "A", attached hereto and incorporated herein and made a part hereof by reference thereto; and

WHEREAS, Owner now desires to submit said property to the provisions of the "Georgia Condominium Act", Georgia Laws, (Acts 1975, pp. 609, et seq.) codified as Chapter 85-16E, Georgia Code Annotated, and also codified under Title 44, Article III, Section 70, et seq., of the Official Code of Georgia Annotated, 1981, all as may be amended from time to time (hereinafter referred to as "The Condominium Act" or "Act"), and,

WHEREAS, Owner desires to provide for the subdivision of the Building into a maximum of seventeen (17) Condominium Units each as authorized by law and as hereinafter provided.

NOW, THEREFORE, Owner, in accordance with the Georgia Condominium Act, as amended from time to time, does hereby make the following declarations:

DECLARATION

Owner hereby publishes and makes the following declaration as to the divisions, covenants, restrictions, conditions, limitations and uses to which the submitted property and improvements now situated thereon and hereinafter constructed specifying that this Declaration shall constitute covenants to run with the land, binding upon Owner, its heirs, successors, grantees, and assigns, and all subsequent owners of any part of the property or improvements, their lessees, grantees, heirs, executors, administrators, representatives, devisees, successors, and assigns, and does hereby establish and submit the Property described on Exhibit "A" (attached hereto and incorporated herein and made a part hereof) to the provisions of the Georgia Condominium Act (including any amendments thereto), and after the recording of this Declaration said property shall be held and sold subject to the provisions of said Act and the terms and conditions hereinafter set forth in this Declaration, said property hereinafter sometimes referred to as the "Submitted Property."

The name of the condominium shall be "TELFAIR PLACE, a condominium," the same being located in Savannah, Chatham County, Georgia.

1. DEFINITIONS

Except as provided herein, the definitions set forth in the Georgia Condominium Act shall apply to this Declaration and all other condominium documents. In addition to the definitions contained in said Act, the following definitions shall apply to this Declaration and all other condominium documents covering the Submitted Property described on Exhibit "A", (attached hereto and

by reference incorporated herein and made a part hereof), and shall apply to any further subdivision of the Submitted Property hereinafter submitted under the terms hereof.

(a) "Additional subdivision" shall mean with regard to any portion of the property described in Exhibit "A" which is originally designated as one Unit hereunder, the construction of more than one unit within the boundaries of the original Unit in accordance with the provisions of the Condominium Act and this Declaration.

(b) "Association" shall mean "TELFAIR PLACE OWNER'S ASSOCIATION, INC., a Georgia non-profit corporation formed for the purpose of exercising the powers of the Association of this Condominium.

(c) "Board of Directors" or "Board" shall mean the Directors of "TELFAIR PLACE OWNER'S ASSOCIATION, INC."

(d) "Common Elements" shall mean all portions of the Condominium other than the Units, and shall include the common areas and facilities as defined in the Act, this Declaration, Association by-laws, and all amendments to such.

(e) "Building" shall mean the composite of all Units, common areas and limited common areas comprising the seventeen (17) separate Units, as shown on the Condominium Plat herein described.

(f) "Common Expenses" shall mean all expenditures lawfully made or incurred by or on behalf of TELFAIR PLACE OWNER'S ASSOCIATION, INC. together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Act, this Declaration, Association by-laws, and all amendments to such.

(g) "Common Profits" shall mean all income collected or accrued by or on behalf of the Condominium Association, other than the income derived from assessments pursuant to section 44-3-80 of the Official Code of Georgia Annotated or as provided by this Declaration, Association By-Laws, and all amendments to such.

(h) "Condominium" shall mean that form of ownership established by the provisions of the Act and includes all property lawfully submitted to the Act.

(i) "Condominium Documents" or "Condominium Instruments" shall mean this Declaration, the Articles of Incorporation and the By-Laws of TELFAIR PLACE OWNER'S ASSOCIATION, INC. and all other exhibits referenced or attached to any of such, and all other documents, rules, and regulations promulgated pursuant to the authority created herein and by the Act, all as said documents or instruments shall be amended from time to time. Any amendment or certification of any condominium instrument shall from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument or document, so long as such amendment or certification was made in accordance with the provisions of the Act and this Declaration.

(j) "Condominium Unit" shall mean a unit together with the undivided interest in the common elements appertaining to that unit.

(k) "Declaration" shall mean this document or instrument as recorded, including any lawful amendments thereto.

(l) "Foreclosure" shall include, without limitation, the exercise of a power of sale contained in any security deed, trust deed, deed to secure debt or other instrument conveying security title to the condominium unit, or the judicial foreclosure of such.

(m) TELFAIR PLACE OWNER'S ASSOCIATION, INC. shall mean a non-profit corporation organized under the laws of the State of Georgia, whose members shall be condominium unit owners, and which condominium unit owners will automatically become members of the Association upon becoming such owner. TELFAIR PLACE OWNER'S ASSOCIATION, INC. is hereinafter sometimes referred to as "Association."

(n) "Identifying Number" shall mean one or more letters, numbers, symbols or words, or any combination thereof, that identifies only one unit in the Condominium.

(o) "Lease" shall include all leases, sub-leases and rental contracts, whether oral or written.

(p) "Limited Common Element" shall mean the portion of the common elements reserved for the exclusive use of those entitled to the use of one or more (but less than all) of the units.

(q) "Majority," except where otherwise provided by the Act, this Declaration, the Articles of Incorporation of TELFAIR PLACE, a Condominium, or the By-Laws thereof, shall mean the number of condominium unit owners or their proxies, entitled to cast fifty-one (51%) percent or more of the total votes of said Association in accordance with the voting rights as determined by the Act, this Declaration, the Association By-Laws, and all amendments thereto.

(r) "Mortgage" shall mean a mortgage, deed to secure debt, trust deed, or other instrument conveying a lien upon or security title to the condominium unit.

(s) "Mortgagee" shall include any grantee or holder of a deed to secure debt or other instrument conveying security title to a condominium unit.

(t) "Person" shall mean a natural person, corporation, partnership, association, trust or other entity, or any combination thereof.

(u) "Plans" and "Plat" shall mean the plans and plat of the Buildings, Units, and Submitted Property referred to in the Act, which plans and plat are more particularly designated and described on Exhibit "B," incorporated herein, and by reference made a part hereof. Said plans and plat are filed of record in the Office of the Clerk of the Superior Court of Chatham County, Georgia.

(v) "Submitted Property" shall mean the property lawfully submitted to the provisions of the Act by the recording of condominium instruments pursuant to the provisions of the Act or this Declaration, said property being more particularly described on Exhibit "A" attached hereto and by reference incorporated herein and made a part hereof. Further subdivision shall be deemed to be submitted property upon the alteration of the number of Condominium Units pursuant to the provisions of the Act and this Declaration.

(w) "Unit" shall mean a portion of the condominium intended for any type of independent ownership and use.

2. DESCRIPTION OF THE BUILDING

The Building is located at 121 and 125 West Broughton Street in Savannah, Chatham County, Georgia.

For a complete description of the Building reference is hereby made to the Condominium Plans Book 1, Page 117, of the Chatham County Records.

3. DESCRIPTION OF THE UNITS

There are presently seventeen (17) units in the Building, three (3) commercial units located on the first floor, two of which commercial units shall include the basement area underneath said unit or more specifically shown on the Master Plat referred to hereinabove, and fourteen (14) units located on the upper floors. Units located on the 2nd floor and Penthouse may be either commercial or residential. Units located on the 3rd and 4th floors shall be exclusively residential and may not be utilized for commercial purposes. Each has an individual heating and air conditioning system. Greater detail as to the exact dimensions of the units and their location are contained in the Master Plat of TELFAIR PLACE, a Condominium, recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia, in the above-described Condominium Plans Book.

4. UNIT BOUNDARIES

The boundaries of each unit shall be determined in the following manner:

- (a) The upper boundary shall be the plane of the lower surfaces of the structural floor joists of the unit above or roof joist as the case may be.
- (b) The lower boundary shall be the plane of the upper surface of the floor joists, cement or slab as the case may be.

*****(c) The vertical boundaries of the unit shall be walls (including the interior surface of the exterior brick or stone supporting doors) of the building, and (2) the interior plane of the wall studs between the units, if applicable, including all limited and general common areas.

(d) Each unit shall include all improvements contained within such area, including any plumbing and electrical fixtures; provided, however, that no bearing walls and bearing columns of the building in which such unit is located, and no pipes, wires, conduits, ducts, flues, shafts, and public utility lines situated within such unit and forming part of any system serving one or more other units or the Common Elements shall be deemed to be a part of such unit.

5. SEPARATE REAL ESTATE TAXES

Real estate taxes shall be separately taxed to each Unit Owner for his or her Unit and his or her corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner, shall pay his or her proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements, and, in said event such taxes shall be a Common Expense.

6. LIMITED AND GENERAL COMMON AREAS,
SHARES OF COMMON ELEMENTS
AND LIABILITY FOR COMMON EXPENSES

(a) Limited Common Areas: The portico, front and rear doors, lobby, stairs, stairwell, elevator, interior walls and fixtures and other areas located therein, as designated on the Condominium Plans, shall constitute limited common areas of the fourteen (14) upper units served by such areas, but not the three (3) ground floor commercial units. As such, they shall be reserved for the exclusive use of the owners of the fourteen (14) upper floor units so situated and their employees, clients, guests, invitees and licensees (except as may be required by the Georgia Fire & Safety Code).

The exterior surface of all doors and windows of each unit shall be limited common elements.

(b) General Common Areas: The general common areas shall consist of the land, and all improvements located thereon except the Units and the limited common areas, including but not limited to the plumbing, pipes (excluding fixtures), and pumps, electrical wires (except those to each Unit for which separate meters are installed), utility closets, gas lines, extensions and supportive walls, foundation, and roof.

(c) Each unit owner shall own a proportionate share in the general common areas and in any common surplus of the condominium and shall be liable for a proportionate share of common expenses of the condominium. The percentage of Common Elements ownership shall be the percent of the square footage of each unit as compared to the combined square footage of all units, excluding common areas and limited common areas. The expenses of the limited common area shall be divided among those fourteen (14) upper floor units served by such area or areas on a similar basis using the percent of the square footage of each unit as compared to the combined square footage of all units served by said limited common areas. The above provisions notwithstanding, the commercial units located on the street level (first floor) of the Condominiums shall pay (1) a pro rata share of the insurance premiums of the Association, (2) a pro rata share of real estate Ad Valorem Taxes thereon unless billed separately, (3) a 3/17th share of water and sewer utility charges, and (4) a 3/17th share of the roof maintenance. The three (3) first floor commercial units shall be exclusively responsible for the upkeep of the exterior of the ground floor, with the exception of the entrance to and the lobby of the fourteen (14) upper floor units, and the upper level units (above the street level) shall be exclusively responsible for the exterior of the upper floors and the lobby and entrance on the ground floor. The basement areas located under the two street level units as shown on the said Master Plan shall not be included in the calculation of the expenses based on square footage. Each first floor commercial unit shall be responsible for maintenance of the basement area accessed from its unit, and the fourteen (14) upper floor units (above street level) shall be responsible for the maintenance of the basement accessed from the lobby.

7. MAINTENANCE AND ALTERATION OF UNITS

(a) The responsibility of the Unit owner shall be:

(1) To maintain, repair, or replace the Unit at owner's expense all portions of his Unit or limited common areas appurtenant to his Unit except the portions to be maintained, repaired, replaced by the Association;

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Condominium Building;

(3) To report promptly to the Association any defect or need for repairs the responsibility for which is that of the Association.

(b) Neither the unit owner nor the Association shall make any alteration in the portions of a Unit or the Condominium Building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the Condominium Building, or impair any easement without first obtaining approval in writing of the owners of all units in which such work is to be done and the approval of the Board of Directors of the Association. A copy of plans for all of such work prepared by an architect licensed to practice in this state shall be filed with the Association and approval thereof by the Association obtained prior to commencement of the work.

(c) Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit as may be required from time to time, including, but not limited to, painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorations. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls (including windows and doors), floors and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association; otherwise each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided), to the extent such decoration is deemed appropriate by the Board, and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. The interiors of all windows forming a part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit.

8. MAINTENANCE AND ALTERATION OF COMMON ELEMENTS

(a) The maintenance and operation of the common areas shall be the responsibility and the expense of the Association. The association shall maintain, repair and replace:

(1) All portions of a Unit contributing to the support of the Condominium Building, (except interior surfaces) which portions shall include, but not be limited to, the foundation, outside walls and roof of the Condominium Building and all fixtures on the exterior thereof except that any exterior air conditioning compressor or heating unit on the exterior shall be the responsibility of the Unit Owner whose unit such equipment serves; boundary walls of units; floor and ceiling slabs; and load-bearing columns and load-bearing walls; and

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which are contained in the portions of a Unit which service part or parts of the condominium other than the unit within which contained.

All incidental damages caused to a Unit by such work shall be promptly repaired at the expense of the Association.

(b) There shall be no alteration or improvement of the property constituting the common areas without prior approval in writing by the owners of not less than 60% of the common areas except as provided by the By-Laws, but any such alteration or improvement shall not interfere with the rights of any unit owner. The costs of such work shall not be assessed against any lender, whether an individual, a bank, life insurance company, or federal savings and loan association, which acquires its title as the result of owning a mortgage upon a Unit unless such an owner shall approve the alteration or improvements, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any costs not so assessed shall be assessed to the other owners in the proportions which their shares in the common areas bear to each other. There shall be no change in the shares and rights of a Unit Owner in the common areas which are altered or further improved, whether or not the Unit Owner contributes to the costs thereof. The foregoing provisions notwithstanding, any conduits, plumbing, wiring, ducts, or the like which would be required to be installed by or for a Unit to allow the use of the Unit for any purpose permitted by law and by this document shall be permitted at the expense of the Unit served.

9. ASSESSMENTS

(a) Assessments against Unit Owners for common expenses shall be made pursuant to the By-Laws and shall be allocated as set forth in Section 6 of this Declaration.

(b) Assessments and installments thereon paid on or before ten days after the date when due shall not bear interest, but all sums not paid on or before ten days after the date when due shall bear interest at the rate of 12% per annum from the date when due until paid. Additionally, all sums not paid on or before the 10th day after the date when due shall incur a delinquency charge of the greater of \$10.00 or 10% of the amount of the installment or assessment not paid when due. All payments upon account shall be first applied to interest, then to delinquent charge, and last to the assessment payment first due.

(c) In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay to the Association the fair rental value for the unit, from the time of institution of suit to foreclose until said sale at foreclosure (or judgment if suit is otherwise satisfied).

(d) The lien for unpaid assessments provided by Georgia law shall also secure interest charges, delinquency charges and fair rental value as provided in this paragraph and the costs of collection, including court costs, the expenses of sale any expenses required for the protection and preservation of the units, and reasonable attorney's fees actually incurred.

(e) In the event any such Unit is rented, the owner of said Unit agrees that the Association is hereby granted an assignment of said ownership interest together with a limited Power of Attorney authorizing the Association to collect said rentals and apply the same to its said past due assessments.

10. THE ASSOCIATION AND VOTING RIGHTS

The operation of the condominium shall be by the TELFAIR PLACE OWNER'S ASSOCIATION, INC. herein called the Association, a corporation not for profit under the laws of Georgia, which shall

be organized and shall fulfill its functions pursuant to the following provisions:

(a) The directors/members of the Association shall be the Unit Owners. The Declarant shall be a member of the association for any unsold or retained units.

(b) Each Unit Owner has an undivided interest in the Common Areas, liability for common expenses as provided herein and shall be a member of the Association with one vote per Unit.

(c) The Association has been incorporated under the Articles of Incorporation in the form attached as Exhibit "C" which is made a part hereof.

(d) The By-Laws of the Association are in the form attached as Exhibit "D" which is made a part hereof.

(e) Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for the injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, nor for injury or damage caused by the elements or other owners or persons.

(f) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

11. INSURANCE

Insurance policies upon the condominium property covering the items described in subparagraph (b) of this Article shall be purchased by the Association, as required by Sec. 44-3-107 of the Georgia Condominium Act, for the benefit of the Association and the Unit Owners and their mortgages as their interests may appear. Provisions shall be made for the issuance of the certificates of mortgage endorsements to the mortgagees of Unit Owners.

(a) Insurance shall cover the following:

(1) The entire building and all improvements upon the land and all personal property included in the common areas in an amount equal to the full replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association or if insurance in such amount is not available, at the highest value available. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as are customarily covered with respect to a building similar to the building on the land, such as vandalism and malicious mischief. Notwithstanding anything above to the contrary, the hazard insurance coverage for this Condominium shall at all times meet the requirements of the Lending Guide of the Federal National Mortgage Association, as such Guide may be amended from time to time.

(2) Public liability in amounts not less than \$500,000.00 for injury, including death, to a single person, \$1,000,000.00 for injury or injuries, including death, arising out of a single occurrence, and \$50,000.00 property damage, and such other or increased coverage as shall be required by the Board of Directors of the Association and Sec. 44-3-107 of the Georgia Condominium Act, including but not limited to, hired automobile and non-owned automobile coverages, and with cross liability

endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

- (3) Worker's compensation as required by law.
- (4) Casualty and liability insurance and fidelity bond coverage meeting the requirements of the Lending Guide of the Federal National Mortgage Association, as such Guide may be amended from time to time.

(b) Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

(c) The Association is hereby irrevocable appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

12. INSURANCE PROCEEDS

(a) All insurance policies purchased by the Association shall provide that proceeds covering property losses shall be paid to such person or persons selected by the Board of Directors of the Association as a trustee, which party is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of policies, or for the failure to collect any insurance proceeds.

(b) The duty of the Insurance Trustee shall be to receive such proceeds as are paid and the hold them in trust for the benefit of the Unit Owners and their mortgagees as follows: An undivided share of such proceeds on account of damage to common areas shall be allocated to the Unit Owners according to their shares of the common areas set forth in Section 6. Proceeds on account of units shall be held for the Owners of damaged units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association. In the event a mortgagee endorsement has been issued as to a unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be distributed as follows:

(1) All expenses of the Insurance Trustee shall be first paid.

(2) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be expended as provided in paragraph 14. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(3) If it is determined as provided in paragraph 13 that the damage for which the proceeds are paid shall not be reconstructed or repaired, or if there are excess proceeds remaining after a reconstruction and repair, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(d) If the amount of the estimated costs of reconstruction and repairs for which the Association is responsible is more than \$5,000.00, the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair.

(e) The proceeds from assessments and insurance received by the Insurance Trustee shall be disbursed as follows:

(1) The portion of insurance proceeds representing damage, the reconstruction and repair of which is the responsibility of the owner, shall be paid by the Insurance Trustee to the Unit Owner or, if there is a mortgagee endorsement, then to the Unit Owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(2) The portion of insurance proceeds representing damage, the reconstruction and repair of which is the responsibility of the Association, shall be disbursed in payment of the costs of such repair and reconstruction in the manner required by the Board of Directors of the Association.

(3) The Insurance Trustee shall not be required to determine whether a disbursement is to be made, the identity of the payee, or the amount to be paid, but may rely upon a certification of the Association stating such facts.

15. USE RESTRICTIONS

The use of the property of the condominium shall be in accordance with the following provisions:

(a) Each Unit on the street level (1st floor) shall be utilized for commercial purposes, each Unit on the 2nd floor and the Penthouse may be utilized for commercial or residential purposes, and all units above the 2nd floor, except the Penthouse, shall be used for residential purposes only. Except as reserved to the Declarant, no Unit may be divided or sub-divided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending this declaration to show the changes in the Unit to be affected thereby. All other provisions of these covenants to the contrary notwithstanding, these covenants may not be amended to restrict or prohibit commercial use on the street level (first floor) and second floors.

(b) The common areas shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the use and occupancy of the Units.

(c) All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the common areas which will increase the rate of insurance upon the condominium property unless the Unit owner pays the increase in such insurance premium. All valid laws, zoning ordinances, and regulations of all governmental bodies which require maintenance, modification, or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

(d) Whether or not the Declarant has sold all of the Units, neither the Unit Owners nor the Association nor the use of the condominium property shall interfere with the completion of the contemplated improvements by the Declarant or any Unit

that no such suspensions shall deny any Unit Owner or occupant access to the Unit owned or occupied nor cause any hazardous or unsanitary conditions to exist. The Association shall not impose fines or suspend any rights of the Unit Owner or occupant unless and until the following procedure is followed.

(i) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (1) the alleged violation; (2) the action required to abate the violation; and (3) a time period, not less than ten days, during which the violation may be abated without further sanction if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanctions after notice and hearing if the violation is not continuing.

(ii) Notice. Within twelve months of such demand, if the violation continues past the period allowed in a demand for abatement without penalty, or if the same rule is subsequently violated, the Association shall serve the alleged violator with written notice of a hearing to be held by the Board of Directors in executive session. The notice shall contain: (1) the nature of the alleged violation; (2) the time and place of the hearing, which time shall not be less than ten days from the giving of the notice; (3) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and (4) the proposed sanction to be imposed.

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

19. RIGHTS OF MORTGAGE HOLDERS

Notwithstanding any of the foregoing provisions of this Declaration, the following provisions are hereby adopted for the protection of mortgagees (and any insurers or guarantors of the applicable mortgagees) of individual condominium units within the project, and to the extent that they conflict with the foregoing provisions, shall control:

(a) None of the foregoing provisions, nor any provisions of the By-Laws of the Association shall entitle a condominium Unit Owner, Declarant, or any other party, priority over any rights of first mortgagees of condominium Units with regard to a distribution to condominium Unit Owners of insurance proceeds or condominium awards for losses to or the taking of condominium Units or common elements.

(b) The Association shall give written notice to any first mortgagees of individual condominium Units of any loss to or taking of, the common areas of the condominium project if such loss or taking exceeds \$10,000.00 or if damage to a condominium Unit covered by a mortgage exceeds \$1,000.00.

(c) Any mortgagee of an individual condominium Unit shall have the right to examine the books and records of the Association or the Declarant. The Association shall be required to make available to any mortgagee of an individual condominium Unit current copies of the Declaration, By-Laws, other rules concerning the Condominium, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

(d) The Association shall provide, upon request, any mortgagee of individual Units within the project with written notice of any default in the performance of any obligation of any Unit Owner under this Declaration or By-Laws of the Association which is not cured within sixty (60) days.

(e) Subject to the provisions of Section 25 hereinafter, any mortgagee of any individual Condominium Unit within the project who obtains title to a Condominium Unit pursuant to the provisions of the mortgage by transfer by deed in lieu of foreclosure, or foreclosure of the mortgage shall not be personally liable for any part of the unpaid dues or charges attributable to such Unit which have accrued prior to the acquisition of title to such Unit by the mortgagee; however, such unpaid dues or charges shall constitute liens as provided herein or under Georgia law.

(f) Unless at least two-thirds (2/3) (or such greater number as may be specified in the Act or elsewhere in this Declaration) of the mortgagees holding mortgages constituting first liens on Units subject to such mortgages (based upon one vote for each mortgage owned) have given their prior written approval, the Association shall not be entitled to: (1) by act or omission seek to abandon or terminate the condominium; (2) change the pro rata interest or obligations of any Unit for (A) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (B) determining the pro rata share of ownership of each Unit in the common elements; (3) partition or subdivide any Unit, which shall require in addition the prior written approval of the holder of any first mortgage on such unit; (4) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements; provided, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium shall not be deemed a transfer within the meaning of this clause; (5) use hazard insurance proceeds for losses to any of the property (whether to Units or to common elements) for other than the repair, replacement or reconstruction of such improvements; (6) amended materially this Declaration or the By-Laws of the Association; or (7) terminate professional management, if any, and assume self management of the condominium.

(g) No provision of the condominium instruments shall be construed to grant to any Unit Owner or to any other party, any priority over any rights of first mortgagees of the Units pursuant to their first mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or the common elements or any portions thereof.

(h) To notify in writing all mortgagees of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(i) To notify in writing all mortgagees of any proposed action requiring the consent of a specified percentage of the mortgage holders.

(j) Upon written request, to furnish any holder of a first mortgage with a copy of the financial statements for the Association for the immediately preceding fiscal year.

20. AMENDMENTS

This Declaration may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Amendments must be approved by the owners of 80% of the common areas of the condominium.

(c) No amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless owners so affected shall consent. No amendment shall change any Unit boundary nor the share in the common areas appurtenant to it, nor the owner's share of the common expenses, unless all Unit Owners and all Record Owners of liens thereon shall join in the execution of the amendment.

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Office of the Clerk of Superior Court of Chatham County, Georgia.

(e) In addition to the requisite vote provided in Paragraph 23, the approval of institutional mortgagees holding mortgages on Units comprising at least fifty-one percent of the votes of Units subject to mortgages held by Institutional Mortgagees, shall be required to add or amend any material provision of the condominium documents which establish, provide for, govern or regulate the following:

1. Voting;
2. Assessments, assessment liens or subordination of such liens;
3. Reserves for maintenance, repair and replacement of the common areas (or units if applicable);
4. Insurance or Fidelity Bonds;
5. Rights to use of the common areas;
6. Responsibility for maintenance and repair of the several portions of the project;
7. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
8. Boundaries of any Unit;
9. The interests in the general or limited common areas;
10. Convertibility of Units into common areas or of common areas into Units;
11. Leasing of Units;

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12. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
13. Any provisions which are for the express benefit of Institutional Mortgagees, eligible insurers or guarantors of first mortgages on Units.

21. SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase, or word, or other provisions of this Declaration and the Articles of Incorporation, By-Laws, and regulations of the Association shall not affect the validity of the remaining portion thereof.

22. MISCELLANEOUS

Notwithstanding any of the foregoing provisions of this Declaration, the following provisions are hereby adopted and to the extent that they conflict with the foregoing provisions, shall control:

- (a) The Declarant shall transfer control of the Association to the Unit Owners, no later than the earlier of the following events:
1. The date of which 80% of the Condominium Units in the project have been conveyed to Unit purchasers; or
 2. Three years following conveyance of the first Condominium Unit.

The term "control" shall mean the right of the Declarant to control the Association, the Association Board, the project, or the Unit Owners in any manner except through votes allocated to Units it owns on the same basis as votes pertaining to sold Units. Prior to the passage of control, the Association should not be bound directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of such contract or lease without cause which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) day's notice to the other party.

(b) The Association shall have a reasonable right entry upon any Unit to make emergency repairs and to do other work that is reasonably necessary for the proper maintenance and operation of the project. Additionally, the Association shall have the right to grant permits, licenses, and easements over the common areas for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

(c) The Owners Association's Board of Directors shall have the authority and duty to levy and enforce the collection of general and special assessments for common expenses, and shall provide adequate remedies for failure to pay such assessments. Reasonable restrictions on the increase of assessments may be provided, nevertheless, an assessment against any Unit, with interest, costs, and a reasonable attorney's fee shall become a lien upon such Unit if not paid when due in accordance with the Georgia Condominium Act. Each assessment against a Unit shall also be the personal obligation of the Owner of the Unit at the time the assessment became due. Such a personal obligation shall not pass to successors in title unless assumed by

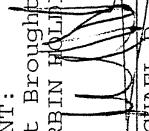
them, or required by the Act. Common expenses include expenditures made or liabilities incurred by the Association together with payments or obligations to reserve accounts. Assessments shall be collected by the Association on a monthly basis.

(d) To the extent permitted by the Act, any lien of the Owners Association for common expense assessments, or other charges, becoming payable on or after the date of recordation of the first mortgage on any Unit shall be subordinate and inferior to the operation and effect of said first mortgage. A lien for common expense assessments shall not be affected by any sale or transfer of a Unit except that a sale or transfer pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any such delinquent assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all of the Units as a common expense, unless collected from the Unit Owner having personal liability therefor. Any such sale or transfer pursuant to a foreclosure does not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, any assessments made thereafter.

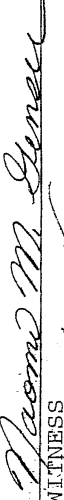
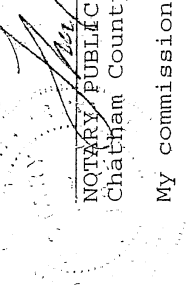
(e) The Owners Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas and limited common areas which the Association may be obligated to maintain. The fund shall be maintained out of regular assessments for common expenses.

(f) A working capital fund shall be established for the initial months of the project's operation equal to at least two months' assessments for each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Unit and maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Association Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of regular assessments.

IN WITNESS WHEREOF, the Declarant has executed this declaration on the day and year above first written.

DECLARANT:
121 West Broughton, L.L.C.
BY: DURBIN HOLLINGS, L.L.C., Member
BY:  MICHAEL D. BROWN, Manager

Signed, sealed and delivered this
4th day of April, 1998


WITNESS

NOTARY PUBLIC
Chattham County, Georgia

My commission expires:

THOMAS A. NASH, JR.
Notary Public, Chatham County, Ga.
My Commission Expires Nov 13, 1998

ALL that certain lot, and portion of lot, tract or parcel of land situate, lying and being in the City of Savannah, Chatham County, Georgia, and known and designated as Lot One (1) and the Western one-half (1/2) of Lot Two (2) LaRoche Tything, Heathcote Ward all of which is shown on that certain plat prepared by Bert B. Barrett, Sr., Georgia Registered Land Surveyor No. 1239, entitled "plat of Lot 1 & The Western Portion of Lot 2, LaRoche Tything, Heathcote Ward, known as Nos. 121, 123 and 125 West Broughton Street, Savannah," dated February 15, 1985 and recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia, in Plat Book 6-P, Folio 131. Said plat book being incorporated herein and made a part hereof by special reference thereto. Said lot and portion of lot are lying contiguous with a combined frontage of 92.5 feet on the southern side of Broughton Street right-of-way with a rectangular depth southwardly of 90.8 feet to a lane and as a whole being bounded as follows: On the North by the southern side of Broughton Street; on the East by the eastern one-half (1/2) of said Lot (2); on the South by said lane; and on the West by the eastern side of Barnard Street right-of-way. Improvements located on said property are known as 121, 123, and 125 West Broughton Street, Savannah, Georgia.

EXHIBIT "A"

EXHIBIT "B"

TO

DECLARATION OF CONDOMINIUM

TELFAIR PLACE
A Condominium

Savannah, Chatham County, Georgia

Plans and Plat of Building

Reference is hereby made to "Plans and Plat of Building" dated 3/3/78 and recorded in Condominium Plans Book 1, Page 117 of the Chatham County Records, which are specifically made a part hereof and incorporated herein by reference.

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EXHIBIT B

ARTICLES OF INCORPORATION
OF
TELFAIR PLACE OWNER'S ASSOCIATION, INC.

ARTICLE I

Name. The name of the corporation is TELFAIR PLACE OWNER'S ASSOCIATION, INC.

ARTICLE II

Initial Registered Office. The initial registered office of the Corporation is located at 22 West Bryan Street, Box 151, Savannah, Chatham County, Georgia 31401 and the registered agent at such address is Michael Brown.

ARTICLE III

Incorporator. The name and address of the Incorporator is Thomas A. Nash, Jr., 17 West McDonough Street, Savannah, Georgia 31401.

ARTICLE IV

Membership. Every owner of a unit within Telfair Place, a condominium, which is subject to the Master Declaration of Covenants, Conditions and Restrictions for Telfair Place, a condominium, of record in the real property records of Chatham County, Georgia, shall be a member of the corporation. Membership shall be appurtenant to and may not be separated from ownership of any unit, and ownership of a unit shall be the sole qualification for such membership. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a

EXHIBIT "C"

security interest shall not terminate or otherwise affect an owner's membership in the Association. Where a mortgagee or other person holding an interest in a unit as security for the performance of an obligation acquires title to such unit through a foreclosure proceeding or the issuance of a deed in lieu of foreclosure, such mortgagee or other transferee shall be deemed to have a membership in the Association upon acquiring title to such unit. In the event of multiple owners of a unit, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member, but in no event shall more than one vote be cast or more than one office held for each unit. When more than one person holds an interest in any unit, the vote for such unit shall be exercised as those owners of such unit themselves determine and advise the Secretary or Assistant Secretary of the Association prior to any meeting. In the absence of such advisement, the vote appurtenant to such unit shall be suspended in the event more than one person seeks to exercise it. Such a suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the persons owning such unit determine how such vote shall be cast and so advise the Secretary or Assistant Secretary of the Association.

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ARTICLE V

Initial Principal Office. The mailing address of the initial

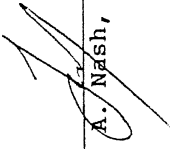
principal office is 22 West Bryan Street, Box 151, Savannah, Georgia 31401.

ARTICLE VI

Purpose. The Corporation is organized pursuant to the provisions of the Georgia Non-Profit Corporation Code and is not organized for pecuniary gain or profit, direct or indirect, to its members and shall have no capital stock.

The basic purpose of the Corporation is to maintain the common areas of the project known as Telfair Place, a Condominium, located in Savannah, Chatham County, Georgia, and to collect and administer funds for the maintenance of said property. The corporation is not organized and shall not be operated for pecuniary gain or profit. The corporation shall never be authorized to engage in a regular business of a kind ordinarily carried on for profit or in any other activity except in furtherance of the purposes stated above for which the corporation is organized. The corporation shall never engage in propaganda, attempt to influence legislation, or participate in any political campaign on behalf of any candidate for public office, nor shall any part of its property or any part of the income therefrom be devoted to such purposes.

IN WITNESS WHEREOF, I have hereunto executed these Articles of Incorporation, this 2nd day of October, 1996.



Thomas A. Nash, Jr., Incorporator

BSR (4)

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SECRETARY OF STATE

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BY-LAWS OF
TELFAIR PLACE OWNER'S ASSOCIATION, INC.
A Nonprofit Corporation
(the "Association")

These By-Laws are the By-Laws of the Association, which is the corporation created by Articles of Incorporation filed with the Secretary of State of Georgia on December 4, 1996. (The Articles of Incorporation"). All references herein to the "Declaration" shall refer to that certain Declaration of Condominium of Telfair Place, a condominium, recorded at Deed Book _____, Page _____, Chatham County, Georgia, Records, and all capitalized underlined terms used herein shall have the meanings assigned thereby by the Declaration unless the context clearly otherwise requires.

ARTICLE 1

Offices

Section 1. Registered Office. The registered office of the Association shall be located in c/o 311 W. Broughton Street, Savannah, Georgia 31401, or such other offices as the board of directors shall select.

Section 2. Other offices. The Association may also have offices at such other places both within and without the State of Georgia as the board of directors may from time to time determine or the business of the Association may make appropriate.

EXHIBIT "D"

ARTICLE 2

Meetings of Members

Section 1. Location of Meetings. All meetings of members shall be held at such place within or without the State of Georgia as may be from time to time fixed by the board of directors or as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or at the Association's registered office if not so fixed or stated.

Section 2. Annual Meetings. Annual meetings of members shall be held on the first Tuesday of January in each year, or if such day is a legal holiday, then on the next following Tuesday. At each such meeting, the members shall, by a majority vote, elect a board of directors, and, by majority vote, transact such other business as may be properly brought before the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law, by the Declaration, or by the Articles of Incorporation, special meetings of members may be called for any purpose or purposes by the president, the board of directors, the holders of 50 percent of the outstanding voting interest in the Association, or such other officers or persons as may at the time be provided in the Articles of Incorporation, or in the event there are no officers or directors, then by any member.

Section 4. Notice of Meetings. Written notice of a meeting stating the place, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting

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is called, shall be delivered not less than forty-eight (48) hours nor more than ten (10) days before the date of the meeting.

Section 5. Business of Meetings. At an annual meeting of members, any matter relating to the affairs of the Association, whether or not stated in the notice of meeting, may be brought up for action (unless otherwise provided by law). Unless a majority of the members of this Association entitled to vote are present and specifically agree thereto in writing, no matter that was not stated in the notice of a special meeting of members shall be brought up for action at such a special meeting.

Section 6. Quorum. The holders of more than fifty (50%) percent of the interests entitled to vote, present in person or by proxy, shall constitute a quorum at all meetings of members for the transaction of business except as otherwise provided by law. If a quorum shall not be present, the members present in person or by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such reconvened meeting, any business may be transacted with might have been transacted at the adjourned meeting.

Section 7. Majority. If a quorum is present, the affirmative vote of a majority of the members entitled to vote and represented at the meeting shall be the act of the members, except that unanimous vote of all members entitled to vote and represented at the meeting shall be required to approve matters at a special

meeting of members with respect to which matters no notice had been give in the notice of such special meeting.

Section 8. Voting.

(a) Anything herein to the contrary notwithstanding, all voting contemplated by those By-Laws shall be governed by the Declaration and any reference herein to the voting rights of any member shall be governed by the relevant provisions of the Declaration.

(b) Each Unit shall be entitled to one vote on each matter submitted to a vote at a meeting of members. A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Any proxy must be in writing, signed by the Unit owner (or owners as provided below) and submitted to the President prior to the meeting. If any Unit is owned by a corporation, partnership, trustee or other entity or by a group of owners in any form of joint tenancy, the vote allocated to such Unit shall be exercisable by such owner or owners only as provided by the Declaration as amended from time to tome. Unless the holder of a valid proxy, a mere lessee of any Unit shall have no right to vote and shall in no respect be deemed a member of the Association. In all elections for directors, every member entitled to vote shall have the right to vote, in person or by proxy, the number of units owned by him for an many persons as there are directors to be elected and for whose election he has the right to vote but members may not cumulate their votes.

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Section 9. Action by Consent. Any action required or permitted to be taken at a meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the holders of all interests entitled to vote with respect to the subject matter thereof.

ARTICLE 3

DIRECTORS

Section 1. Number; Election. The number of directors shall be no fewer than three (3) nor more than five (5), Directors must be over age eighteen, but need not be (i) residents of the State of Georgia (ii) owners of Units or (iii) residents of the Building. The directors, other than the first board of directors, shall be elected at the annual meeting of members, and each director elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified. The first board of directors shall hold office until the first annual meeting of members.

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Section 2. Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors even though the remaining directors may constitute less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired portion of the term of this predecessor in office.

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Any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a

majority of the remaining directors present at a meeting even though less than a quorum of the board of directors is present. A director elected to fill a newly created directorship shall serve until the next election of directors by the member and the election and qualification of his successor.

Section 3. Powers. The business and affairs of the Association shall be managed by its board of directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by law, the Declaration, the Articles of Incorporation or these By-Laws directed or required to be exercised or done by the members.

Section 4. Compensation of Directors. The board of directors shall receive no compensation, except as provided in Section 5 of this Article 3.

Section 5. Indemnification. As an inducement to the officers and directors of the Association to act on the Association's behalf, the Association shall, out of its general funds or by special assessment, indemnify and hold harmless, the Developer and each officer or director acting in accordance with these By-Laws and the Declaration, including without limitation all actions taken in connection with the levying, collection and enforcement of assessments. All such indemnification shall be paid upon written request of the Developer or such officer or director setting forth in reasonable detail the reason for such indemnification, which request shall be given to each of the officers of the Association.

ARTICLE 4

Meetings of the Board of Directors

Section 1. Location of Meetings. Meetings of the board of directors, regular or special, may be held either within or without the State of Georgia.

Section 2. First Meeting of New Board. The first meeting of each newly elected board of directors shall be held immediately following the annual meeting of members at the place where such annual meeting is held. Such meeting shall be designated as the annual meeting of the board of directors, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. Alternatively, the new board of directors may convene at such place and time as shall be fixed by the consent in writing of all its members.

Section 3. Regular Meetings. Regular meetings of the board of directors may be held with such frequency and at such time and at such place as shall from time to time be determined by the board. If the board has so fixed the frequency, time and place of regular meetings, no notice thereof shall be necessary.

Section 4. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, by the president, or by any two directors on three days notice to each director in accordance with Article 6.

Section 5. Notice of Meetings. Notice of a meeting need not be given to any director who signs a waiver of notice either

before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the directors shall constitute a quorum for the transaction of business unless a greater number is required by law or by the Articles of Incorporation. If a quorum shall not be present at any meeting of directors, the directors present may adjourn the meeting from time to time until a quorum shall be present, without notice of the time and place that the meeting will be reconvened other than announcement at the adjourned meeting.

Section 7. Majority. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by the Articles of Incorporation.

Section 8. Action by Consent. Any action required or permitted to be taken at a meeting of directors or a committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all directors or members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall be filed with the minutes of the proceedings of the board or the committee.

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ARTICLE 5

Notices

Section 1. Required Notices. Whenever, under the provisions of applicable law, the Articles of Incorporation or these By-Laws, any notice is required to be given to any director or member, such notice shall be given in writing and delivered either personally or by first class mail or telegram, addressed to such director or member, at his address as it appears on the records of the Association. If mailed, such notice shall be deemed to be delivered three (3) business days after it was deposited in the United States mail with first class postage prepaid. Notices given by other means shall be deemed delivered when received by the addressee.

Section 2. Waiver of Notice. Whenever under the provisions of applicable law, the Articles of Incorporation or these By-Laws, any notice is required to be given to any director or member, a written waiver thereof signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

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ARTICLE 6

Officers

Section 1. Offices; Election; Term. The offices of the Association shall be chosen by the board of directors and shall be a President, a Secretary and a Treasurer. Except as otherwise provided by law, any person may hold more than one office.

Officers shall be elected at the first meeting of the board of directors following the annual meeting of members and shall hold offices until their respective successors have been elected and shall have qualified, and if the board of directors shall fail in any year or years to meet and elect officers, the officers last elected shall continue to hold office. No officer need be (i) a member of the board of directors (ii) a resident of the State of Georgia, (iii) an owner of any Unit, or (iv) a resident of the Subdivision.

Section 2. Additional Offices and Agents. The board of directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 3. Salaries. The officers shall receive no compensation except as provided in Section 5 of Article 3.

Section 4. Removal; Vacancies. Any officer or agent elected or appointed by the board of directors may be removed by the board at any time with or without cause by the affirmative vote of a majority of the board of directors. Officers and agents otherwise elected or appointed may be removed in accordance with Georgia law. Any vacancy occurring in any office of the Association may be filled by the board of directors.

Section 5. The President. The president shall be the chief executive officer of the Association, shall preside at all meetings of members and the board of directors, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the board of directors are carried into effect. He or she shall have the authority and power to execute on behalf of the association bonds, mortgages, notes, contracts, leases and other documents and instruments (whether or not requiring a seal of the Association) except there such documents or instruments are required by law to be otherwise signed and executed and except the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the Association.

Section 6. Vice President. The vice president, or if there shall be more than one, the vice presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. Each vice president shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 7. Secretary and Assistant Secretaries. The secretary shall attend all meetings of members and the board of directors and shall record the proceedings of such meetings in books to be kept for that purpose, and shall perform like duties for the committees of directors when required. He or she shall give, or cause to be given, notice of all meetings of members and

special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the president, under whose supervision he shall be. He or she shall have custody of the corporate seal of the Association and he shall have authority to affix it to any instrument requiring it and when so affixed it may be attested by his signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers (including affixation of the Corporate Seal) of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 8. Treasurer and Assistant Treasurers. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the board of directors. He or she shall disburse the funds of the Association as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the Association. If required by the board of directors, he or she

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shall give the Association a bond in such sum and with surety or sureties as shall be satisfactory to the board of director for the faithful performance of the duties of his or her office and for the restoration of the Association, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under this control belonging to the Association. The assistant treasurer, or if there shall be more than one, the assistant treasurers, in the order determined by the board of directors shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE 7

General Provisions

Section 1. Checks. All checks, drafts, demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 2. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the board of directors.

Section 3. Seal. The Association shall have a corporate seal which shall have inscribed thereon the name of the association, the year of its organization and the words "Corporate Seal - Georgia". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

The board of directors may from time to time authorize any other officer to affix the seal of the Association and to attest to such affixation by his signature.

Section 4. Books and Records. The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its members, board of directors, and committees of directors.

Not later than two (2) months after the close of each fiscal year, and in any case prior to the next annual meeting of members, the Association shall prepare a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its preceding fiscal year, and a profit and loss statement showing the results of its operations during such fiscal year. Upon written request the Association promptly shall mail to any member of record a copy of such balance sheet and profit and loss statement.

Section 5. By-Law Amendments. These By-Laws may be altered, amended, or repealed or new By-Laws may be adopted by the board of directors or the members.

Section 6. Conflict. In the event of any conflict between these By-Laws and the following, the controlling language shall be found in: the laws of the State of Georgia, the Declaration or the Articles of Incorporation, in the order listed.