

newwalk ARWOOD, A CONDOMINIUM

**INDEX OF ATTACHED OR NON APPLICABLE DISCLOSURE
ITEMS REQUIRED BY
O.C.G.A. § 44-3-111(b)**

	ITEMS	ATTACHED	NON-APPLICABLE/ DOES NOT EXIST
1.	Floor Plan of Unit	X	
2.	Declaration of Condominium and Amendments, if any	X	
3.	Articles of Incorporation and By-Laws	X	
4.	Ground Lease or Underlying Lease		X
5.	A copy of every management, maintenance and other contract for the management and operation of either the association, the condominium, or the facilities to be used by the unit owners having a term in excess of one year; contract renewable without the consent of the association shall be deemed to have a term in excess of one year.		X
6.	The estimated operating budget of the condominium for the current year and the estimated expense of the Unit Owner for the current year for assessments to cover association expenses.	X	
7.	A copy of any lease of recreational or other facilities that will be used only by the Unit Owners.		X
8.	A copy of any lease of recreational or other facilities that will or may be used by unit owners in common with any other person.		X

newwalk ARWOOD, A CONDOMINIUM

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	ITEMS	ATTACHED	NON-APPLICABLE/ DOES NOT EXIST
9.	A copy of a statement setting forth the extent of and conditions or limitations applicable to the Declarant's commitment to build and submit additional units, additional recreational or other facilities, or additional property; and	X	
10.	If the covered contract applies to a condominium unit which is part of a conversion condominium:		
	a) A statement by the Declarant, based on a report prepared by an independent, registered architect or engineer, describing the present condition of all structural components and mechanical and electrical systems, excluding fixtures and appliances within the units, material to the use and enjoyment of the condominium;	X	
	b) A statement by the Declarant of the expected useful life of each item reported on as provided in subparagraph (A) of this paragraph or a statement that no representations are made in that regard; and	X	
	c) A list of any outstanding notices of uncured violations of building code or other county or municipal regulations together with estimated cost of curing those violations, or a statement by Declarant that none exist.	X	

NOTES:

- 1) ANYTHING SHOWN OUTSIDE THE DEFINED BOUNDARY IS FOR DESCRIPTIVE PURPOSES ONLY.
- 2) THE PUBLIC RECORDS REFERENCED WERE USED FOR THE ESTABLISHMENT OF THE BOUNDARY OF THIS PROPERTY. THEY ARE NOT AND DO NOT CONSTITUTE A TITLE SEARCH.
- 3) THIS PLAT WAS MADE AS AN AGREEMENT BETWEEN THE SURVEYOR AND THE CLIENT. NO THIRD PARTY USE EXCEPT AS AUTHORIZED.
- 4) ALL WETLANDS ARE UNDER THE AUTHORITY OF THE U.S. ARMY CORPS OF ENGINEERING AND/OR GEORGIA DEPARTMENT OF NATURAL RESOURCES. NO DISTURBANCE TO THESE AREAS ALLOWED EXCEPT AS PERMITTED.
- 5) NO ENVIRONMENTAL OR SUBSURFACE INVESTIGATION TO INDICATE AREAS OF WETLANDS OR OTHER CONCERNS PERFORMED.
- 6) PROPERTY SHOWN HEREON IS SUBJECT TO ANY/ALL APPLICABLE MUNICIPAL SETBACKS OR NEIGHBORHOOD COVENANTS.

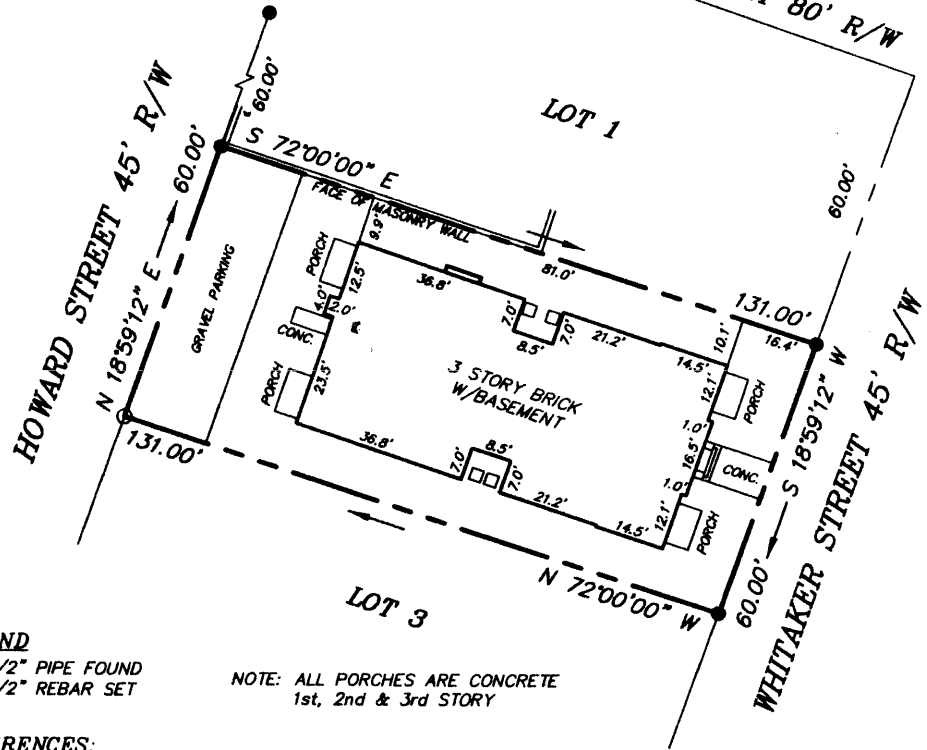
REVISED: 9/10/07
ADDED CONDOMINIUM NAME

RECEIVED FOR RE
2007 SEP 10 PM 3:51

DATE: 9/10/07
SURVEYOR: C.R.J.

GWINNETT STREET 80' R/W

REFERENCE PLAT



LEGEND

- 1/2" PIPE FOUND
- 1/2" REBAR SET

NOTE: ALL PORCHES ARE CONCRETE
1st, 2nd & 3rd STORY

REFERENCES:

PLAT BY: LEO V. EXLEY
DATED: 10/20/87

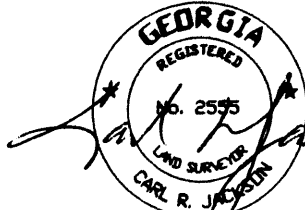
NEWWALK ARWOOD, A CONDOMINIUM

"I HEREBY CERTIFY THAT PURSUANT TO O.C.G.A. 15-6-67, THIS PLAT DEPICTS AN EXISTING TRACT OF RECORD, DOES NOT CREATE ANY PUBLIC AREAS, STREETS, OR RIGHTS OF WAY, AND THEREFORE DOES NOT REQUIRE APPROVAL OF ANY LOCAL GOVERNING AUTHORITY PRIOR TO RECORDING."
I FURTHER CERTIFY THAT THIS SURVEY WAS MADE UNDER MY SUPERVISION AND THAT IT IS A TRUE REPRESENTATION OF THE LAND AND THAT IT CONFORMS WITH THE MINIMUM STANDARDS REQUIRED BY LAW.

ADDRESS: 805 WHITAKER STREET
PROPERTY IDENTIFICATION NUMBER: 2-0044-11-002
EQUIPMENT USED: TOPCON GPT 8205A TOTAL STATION
TOTAL AREA: 7,858.8 SQ.FT 0.180 ACRES
PRECISION PLAT: 1/100,000
PRECISION FIELD: 1/35,000
PRECISION ANGLES: 05" PER ANGLE POINT
ADJUSTMENT METHOD: LEAST SQUARES
FIELD WORK COMPLETED: 3/05/2007

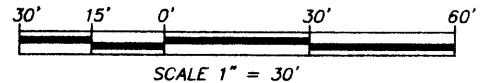
FLOOD NOTE:

THIS IS TO CERTIFY THAT ACCORDING TO FEMA FLOOD INSURANCE RATE MAP: 135163 COMMUNITY PANEL NUMBER: 0015 'C' AND DATED: 9/04/87 THAT THIS PROPERTY IS LOCATED IN ZONE: 'X' WITH A BASE FLOOD ELEVATION OF: N/A' M.S.L. "1929" DATUM



2C
P9
417
9/10/07

CARL R. JACKSON, GA. U.L.S. NO. 2555



**CARL R. JACKSON
LAND SURVEYOR, INC.**

209 CANTYRE STREET
PORT WENTWORTH, GA 31407
(912) 964-1536 (912) 596-2189
FAX (912) 964-9713
CRJSURVEYOR@COMCAST.NET

PREPARED FOR: 805 WHITAKER, LLC

**A CONDOMINIUM SURVEY PLAT OF LOT 2,
LLOYD WARD, 1st G.M. DISTRICT,
SAVANNAH, CHATHAM COUNTY, GEORGIA**

DRAWN BY: C.R.J.

CHECKED BY: C.R.J.

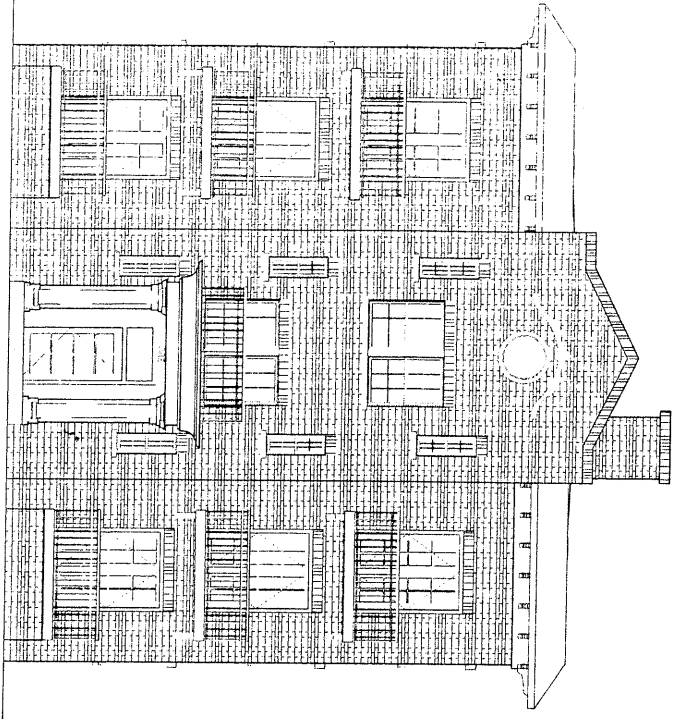
SCALE: 1" = 30'

DATE: 3/07/07

FILE: 07039

SHEET 1 OF 1

newwalk ARWOOD, A Condominium



LEGEND: CONCRETE IN RED, BRICK IN HATCH, STONE IN DOTTED, WOOD IN SOLID, GLASS IN WHITE, METAL IN CROSS-HATCH, IRON IN DIAGONAL HATCH, PLASTER IN UNHATCHED.

ARCHITECTURE
HISTORIC PRESERVATION
INTERIOR DESIGN

HANSEN ARCHITECTS, P.C.
24 Drayton Street, 9th Floor
Savannah, Georgia 31401
P 912.234.8056
www.hansen Savannah.com

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06	FOUNDATION	16	METAL
07	FOUNDATION	17	IRON
08	FOUNDATION	18	PLASTER
09	FOUNDATION	19	UNHATCHED
10	FOUNDATION	20	CROSS-HATCH
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37	ELEVATIONS	38	CONCRETE
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41	ELEVATIONS	42	CONCRETE
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93	ELEVATIONS	94	CONCRETE
95	ELEVATIONS	96	FOUNDATION
97	ELEVATIONS	98	CONCRETE
99	ELEVATIONS	100	FOUNDATION

PLAN REVIEW DATA

- 1. GENERAL
- A. PROPERTY ADDRESS
803 SWANWALK STREET
SAVANNAH, GEORGIA 31401
- B. TOTAL ACRES
0.19 ACRES
- C. P.I.N.
2 0044-11-002
- D. ZONING
S-2B
- E. GROSS PROJECT SQUARE FOOTAGE
 UNIT 1: 780 SF
 UNIT 2: 720 SF
 UNIT 3: 720 SF
 UNIT 4: 720 SF
 UNIT 5: 720 SF
 UNIT 6: 720 SF
 UNIT 7: 720 SF
 UNIT 8: 720 SF
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 UNIT 94: 720 SF
 UNIT 95: 720 SF
 UNIT 96: 720 SF
 UNIT 97: 720 SF
 UNIT 98: 720 SF
 UNIT 99: 720 SF
 UNIT 100: 720 SF
 TOTAL UNIT SPACE: 84,000 SF

VICINITY MAP



DATE: 07/08
DRAWN: R.S.
T1.1
PROJECT NUMBER: 08-15-2007
SCALE: R.S.

H

HANSEN

newwalk ARWOOD,
A Condominium

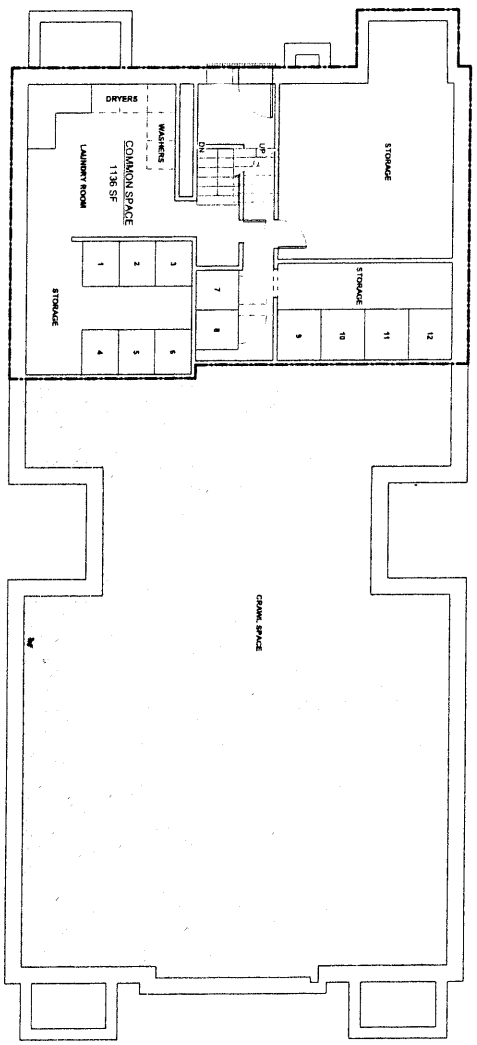
THE RIGHT TO DEFEND IN THE
UNIT OR COMMON AREA SHALL BE
RESERVED TO THE HOA. THE HOA
RESERVES THE RIGHT TO REVOKE
OR MODIFY ANY RIGHTS GRANTED
HEREIN AT ANY TIME WITHOUT
NOTICE. THE HOA SHALL BE
BOUND BY THE DECISIONS OF THE
ARBITRATOR. THE HOA SHALL
BE RESPONSIBLE FOR THE
REPAIRS OF THE UNIT AND
COMMON AREAS.

REVISIONS

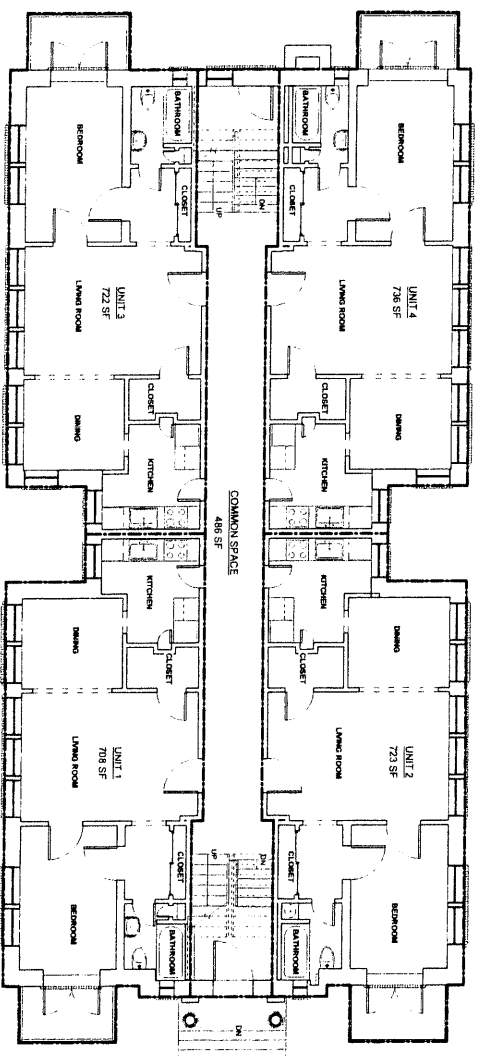
SHEET THREE
FLOOR PLANS

DATE	07/08
SCALE	AS SHOWN
PROJECT	NEWWALK ARWOOD
CLIENT	ARWOOD
DESIGNER	ALAN HANSEN
DATE	07/08

A0



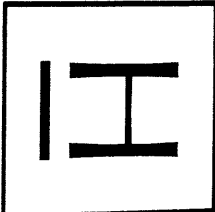
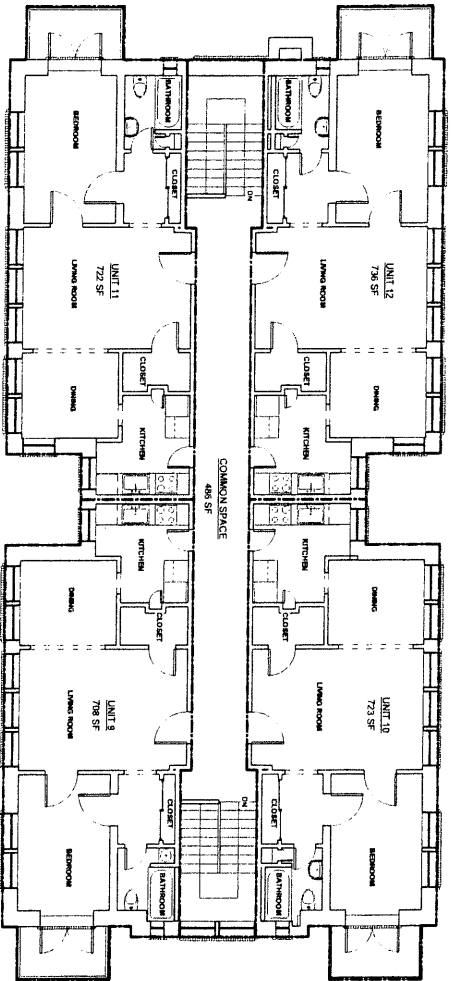
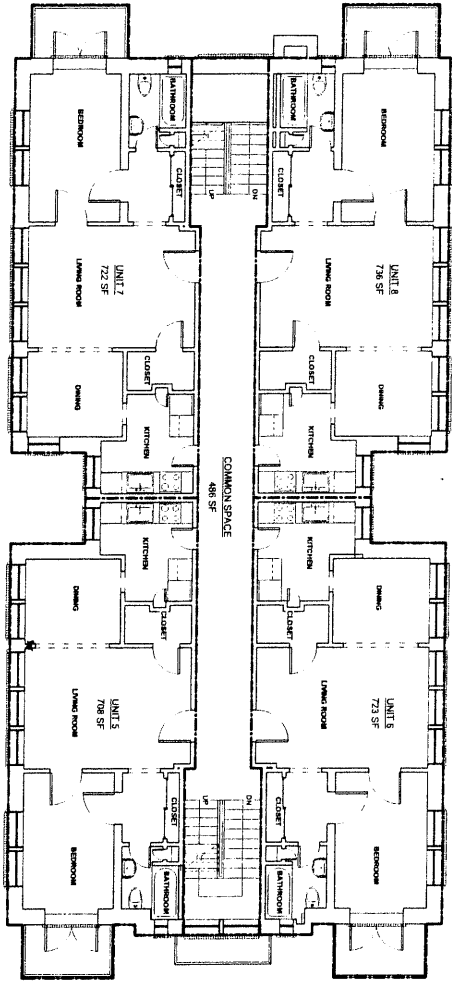
Basement 1,136 Square Feet



First Floor 3,375 Square Feet

1 SECOND FLOOR 3,375 SQUARE FEET
A02 UNIT 7-1-07

2 THIRD FLOOR 3,375 SQUARE FEET
A03 UNIT 7-1-07



HANSEN
 PERMARK ARWOOD,
 A Condominium

THE INFORMATION CONTAINED IN THIS DOCUMENTATION WAS DEVELOPED BY ARCHITECTS HANSEN PERMARK ARWOOD AND ASSOCIATES, INC. (HPA) FOR THE MULTIFAMILY HOUSING PROGRAM OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). HPA HAS OBTAINED FROM HUD THE NECESSARY RIGHTS TO REPRODUCE THIS DOCUMENTATION AND TO MAKE IT AVAILABLE TO THE PUBLIC. HPA HAS OBTAINED FROM HUD THE NECESSARY RIGHTS TO REPRODUCE THIS DOCUMENTATION AND TO MAKE IT AVAILABLE TO THE PUBLIC. HPA HAS OBTAINED FROM HUD THE NECESSARY RIGHTS TO REPRODUCE THIS DOCUMENTATION AND TO MAKE IT AVAILABLE TO THE PUBLIC.

REVISIONS

SHEET TITLE
 FLOOR PLANS

DATE: 07/08
 BY: [Signature]
 CHECKED BY: [Signature]
 APPROVED BY: [Signature]

A02

H

HANSEN

newark arwood
A Condominium

THE PROJECTS SHOWN IN THESE PLANS ARE THE PROPERTY OF HANSEN ARCHITECTS, INC. THE ARCHITECT. TO THE BEST OF THE ARCHITECT'S KNOWLEDGE AND BELIEF, THE INFORMATION PROVIDED IN THESE PLANS IS TRUE AND CORRECT. THE ARCHITECT HAS NOT CONDUCTED A SURVEY OF THE PROJECTS AND HAS NOT BEEN ADVISED BY ANY OTHER PROFESSIONAL PERSONS THAT THE PROJECTS SHOWN ON SAID PLANS AS EXISTING ARE NOT AS SHOWN. THE ARCHITECT'S RESPONSIBILITY IS TO THE CLIENT AND THE SERVICE CONTRACTOR. THE ARCHITECT HAS NOT CONDUCTED A SURVEY OF THE PROJECTS AND HAS NOT BEEN ADVISED BY ANY OTHER PROFESSIONAL PERSONS THAT THE PROJECTS SHOWN ON SAID PLANS AS EXISTING ARE NOT AS SHOWN. THE ARCHITECT'S RESPONSIBILITY IS TO THE CLIENT AND THE SERVICE CONTRACTOR.

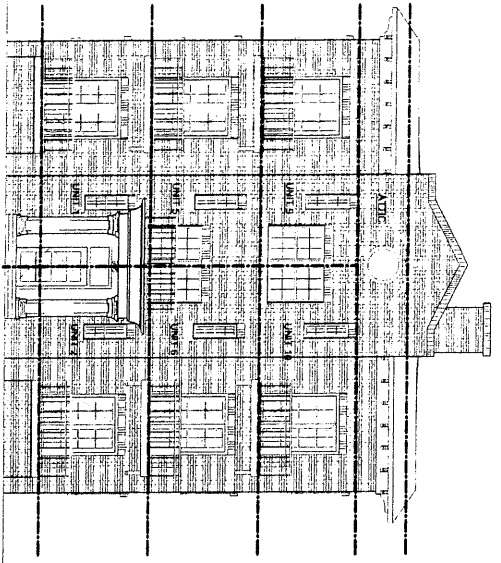
REVISIONS

SHEET TITLE
ELEVATIONS

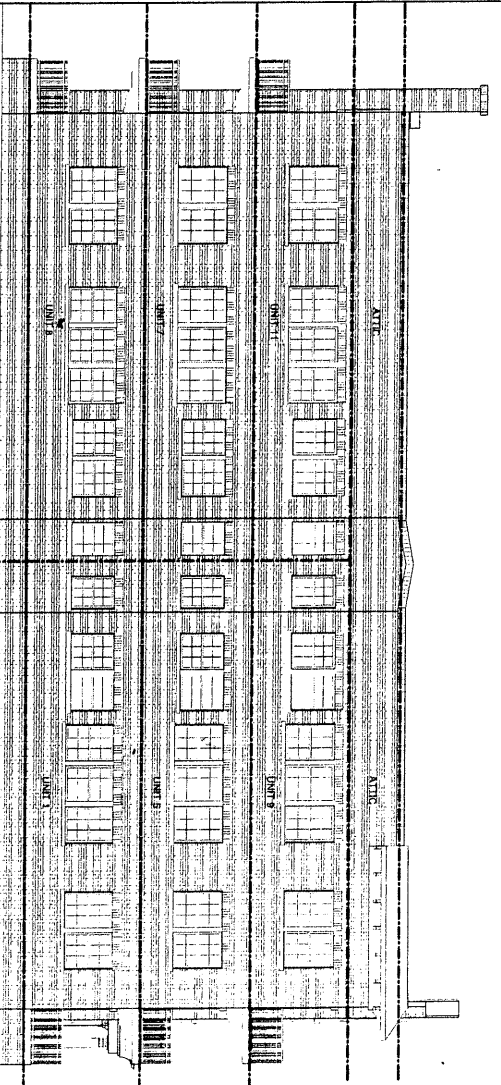


Project Number: 0708
Date: 06/15/2011
Scale: 3/16" = 1'-0"
Sheet: A0.3
Author: [Name]
Check: [Name]

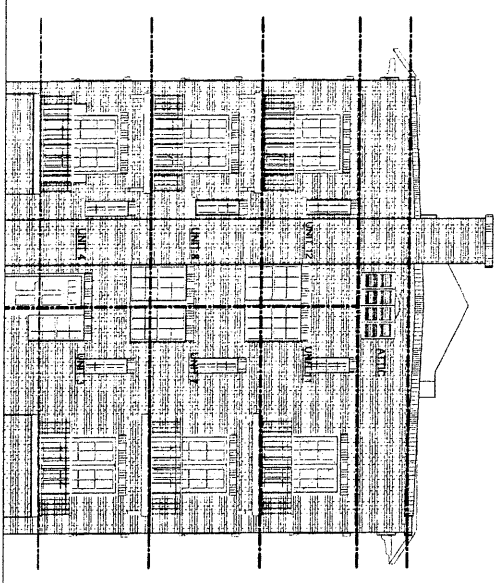
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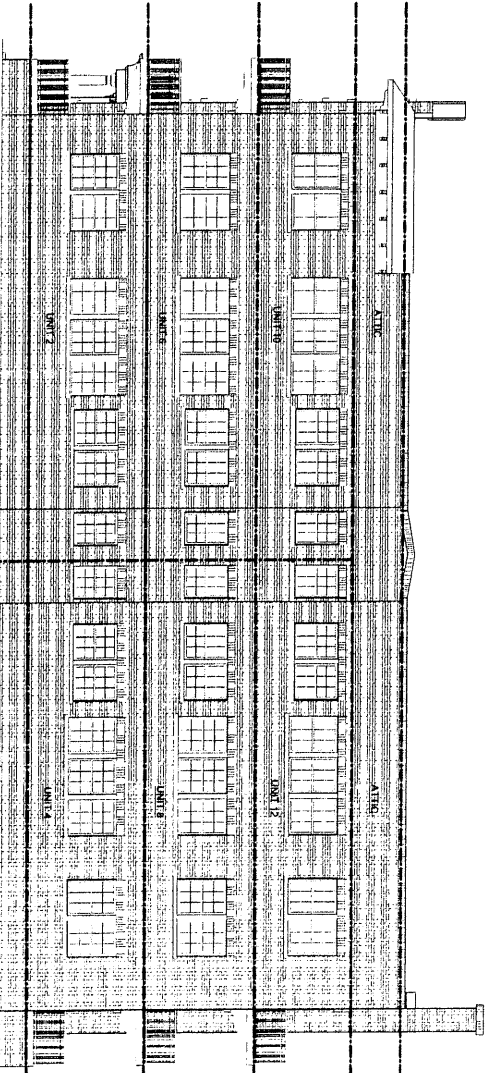
6 EAST ELEVATION WITH UNIT NUMBER
3/16" = 1'-0"



7 SOUTH ELEVATION WITH UNIT NUMBER
3/16" = 1'-0"

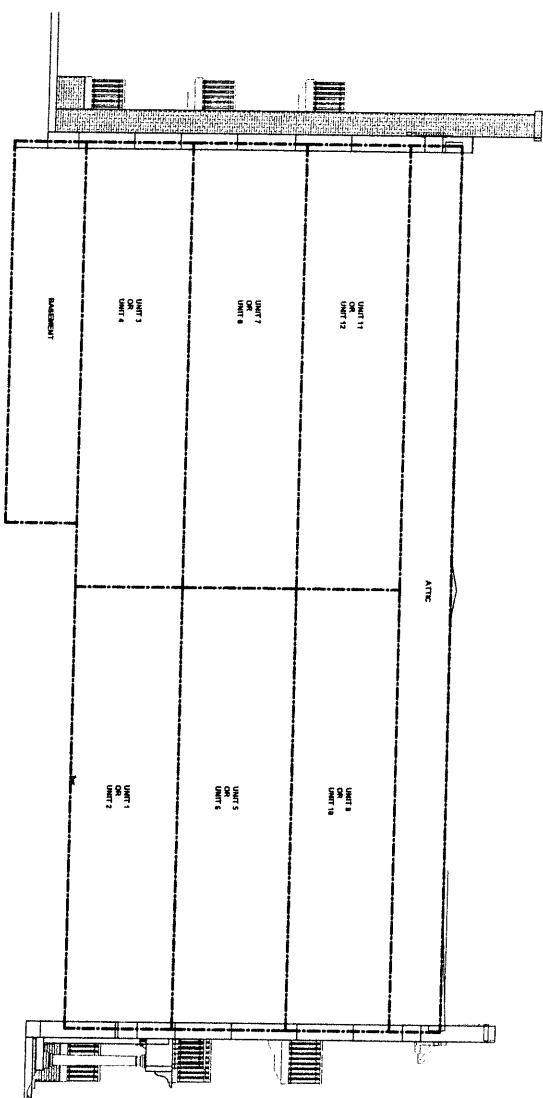


8 WEST ELEVATION WITH UNIT NUMBER
3/16" = 1'-0"



9 NORTH ELEVATION WITH UNIT NUMBER
3/16" = 1'-0"

OVERALL BUILDING SECTION
 3/16" = 1'-0"



H

HANSEN
 ARCHITECTS

newark ARWOOD,
 A Condominium

THE PROJECT DEPICTED IN THIS SECTION IS THE PROPERTY OF THE ARCHITECT. TO THE BEST OF THE ARCHITECT'S KNOWLEDGE AND BELIEF, THE INFORMATION PROVIDED AND STIPES ARE TRUE AND CORRECT FOR EACH STRUCTURE AND THE OCCUPANCY FOR SUCH WALLS. THE EXISTING SURROUNDINGS SHALL BE AS SHOWN, AND THE ARCHITECT ASSUMES NO LIABILITY FOR ANY AND ALL CONSEQUENCES OF ANY AND ALL CHANGES, OMISSIONS, AND/OR ALTERATIONS MADE HEREIN. THE ARCHITECT'S LIABILITY IS LIMITED TO THE SCOPE OF HIS PROFESSIONAL SERVICES AND SHALL NOT BE EXTENDED TO ANY AND ALL OTHER MATTERS.

REVISIONS

SHEET TITLE
SECTION

PROJECT NUMBER 07018	DATE 08-15-2007	PROJECT NAME NEWARK ARWOOD	SCALE 3/16" = 1'-0"
DESIGNER J. HANSEN	CLIENT P.C.	ARCHITECT HANSEN ARCHITECTS	NO. OF SHEETS 8
<p>A0.4</p>			

Return Recorded Document to:
Mark T. Shawe
Weiner, Shearouse, Weitz,
Greenberg and Shawe, LLP
14 E. State Street
Savannah, Georgia 31401
File No.: 11860.0001.7

DECLARATION OF CONDOMINIUM

newwalk ARWOOD

A Condominium

Declarant: 805 Whitaker, LLC

Savannah, Chatham County, Georgia

RECEIVED FOR RECORD
2007 SEP 11 PM 3:43
DANIEL W. MASSEY
CLERK
SUPERIOR COURT
SOUTH GAA

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DECLARATION OF CONDOMINIUM

newwalk ARWOOD
A Condominium
Savannah, Chatham County, Georgia

DECLARANT: 805 WHITAKER, LLC

Declaration made this 10th day of September, 2007 by 805 WHITAKER, LLC, a Georgia Limited Liability Company having its principal office in Chatham County, Georgia hereinafter called the "Owner" or "Declarant", 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 under Title 44, Chapter 3, 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 Submitted Property into twelve (12) Condominium Units 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 declaration:

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 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 "newwalk Arwood, A Condominium", the same being located in Savannah, Chatham County, Georgia.

ARTICLE 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 "newwalk Arwood Condominium Association, Inc.", a Georgia non-profit corporation formed for the purpose of exercising the powers of the Association of this Condominium. See Exhibits "C" and "D" for the Articles and Bylaws.

(c) "Board of Directors" or "Board" shall mean the Board of Directors of "newwalk Arwood Condominium Association, Inc."

(d) "Building" shall mean the composite of all Units, common areas and limited common areas comprising the structure.

(e) "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.

(f) "Common Expenses" shall mean all expenditures lawfully made or incurred by or on behalf of newwalk Arwood Condominium 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 newwalk Arwood Condominium Association, Inc., other than 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 of newwalk Arwood Condominium Association, Inc., the By-Laws of newwalk Arwood Condominium 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) "newwalk Arwood Condominium Association, Inc." shall mean a nonprofit 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. newwalk Arwood Condominium 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. Various Limited Common Elements are described with more particularity in Article 5 of this instrument.

(q) "Majority", except where otherwise provided by the Act, this Declaration, the Articles of Incorporation of newwalk Arwood Condominium Association, Inc. 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, debt deed, 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, debt deed 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 Building, Units, 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 and 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.

(x) "Unit Owner" shall mean one or more persons, including the declarant, who own a Condominium Unit.

ARTICLE 2. DESCRIPTION OF THE BUILDING

The property as a whole consists of one (1) building located on the west side of Whitaker Street in Savannah, Georgia. The building and land are bounded on the East by the right of way of Whitaker Street, on the West by Howard Street, on the North by Lot 1, Lloyd Ward and on the South by Lot 3, Lloyd Ward.

For a complete description of the Building reference is hereby made to the Condominium Plans of newwalk Arwood, A

Condominium, recorded in Condominium Plans Book 2C,
Page 417, 418A-E in the Office of the Clerk of the Superior
Court of Chatham County, Georgia.

ARTICLE 3. DESCRIPTION OF THE UNITS

There are presently intended to be twelve (12) Units in the
Condominium designated as Units 1, 2, 3 and 4 on the ground
floor, and Units 5, 6, 7 and 8 on the second floor and Units 9,
10, 11 and 12 on the third floor of the building. All Units are
restricted to residential use only, subject to the use
restrictions of section 16 of this Declaration. Greater detail
as to the exact dimensions of the Units are contained in the
Master Plat and Plans of newwalk Arwood, A Condominium, recorded
in the Office of the Clerk of the Superior Court of Chatham
County, Georgia, in Condominium Plans Book 2C, Page
417, 418A-E. The Condominium is not expandable beyond
that amount, nor may any Unit be subdivided.

ARTICLE 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 (1) the
interior plane of the exterior structure of the exterior walls
(including the interior surface of the exterior windows and
doors) of the building, and (2) the interior surface of the walls
between the Units and all limited and general common areas.

(d) The boundaries of each are more accurately shown and

described on the Master Plat of newwalk Arwood, A Condominium, recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia, at Condominium Plans Book 2C, Page 417, 418 A-E, (the "Master Plat") which is made a part hereof.

ARTICLE 5. LIMITED AND GENERAL COMMON AREAS

(a) Limited Common Elements: The term Limited Common Elements and Limited Common Areas shall be interchangeable and of the same meaning in this Declaration and any other Condominium documents prepared and executed in connection herewith. The types of Limited Common Elements are designated within the Condominium and shown on the plans. All such Limited Common Elements are hereby declared subject to easements of access and entry as may be required by the Georgia Fire & Safety Code, and as otherwise provided in this Declaration in order to facilitate the service, repair, replacement and ordinary maintenance of the General Common Elements or any utility or amenity located within or running through the General or Limited Common Elements. The Limited Common Elements consist of the following:

(i) Limited Common Element - Stairwells, Steps and Stairs. The Stairwells, Steps and Stairs which provide a means of ingress and egress to and from Units having direct access thereto as depicted on the aforesaid Plans shall constitute a Limited Common Element of the residential Units having direct access thereto as shown on the plans for access, ingress and egress of the residential Unit Owners, their Guests, Invitees and Licensees. However, any portion of same which provides a means of ingress and egress to and from more than one Unit shall be a Limited Common Element assigned to each of the Units so served.

(ii) Limited Common Elements - Decks, Balconies and Porches. Any exterior deck or balcony is deemed a limited common element to the Condominium Unit to which it is adjacent or appurtenant. The Unit Owner shall be liable for the orderliness and cleanliness of the balconies. The Association shall be responsible for structural integrity and repairs necessitated by ordinary wear and tear (but not arising from the Unit Owner's negligence which repairs may be assessed against the Unit Owner).

Unit Owners shall observe any load limits set or published by the Declarant or the Association. Unit Owners may leave a reasonable amount of outdoor patio furniture or plants on balconies. No Unit Owner may store items thereon, hang or dry laundry or other items exterior to the Unit or from balconies. The Association shall have the right to set further or additional rules and regulations governing the use of the balconies. The Association shall have the right to enforce observance of such rules and regulations.

(iii) Limited Common Element - Parking. An open area is shown and designated on the survey of the Condominium lying to the rear of the building and opening into Howard Street as "Gravel Parking". Declarant has established a parking area within that open space for assigned parking. The parking area is designed for sufficient size and space to accommodate a total of six (6) vehicles (one (1) passenger vehicle per unit for the particular Units to which they are assigned). The Declarant shall have the right to assign and designate the parking space for each Unit by numbering the spaces according to Unit numbers. Declarant reserves the right to designate or assign the parking in the initial deeds of conveyance. Such designated spaces shall

be reserved for the exclusive use of the Owner(s), their guests, tenants and invitees of the respective Unit so designated. Unit Owners may not park non-passenger vehicles such as boats, jet skis, trailers, etc... in the parking spaces. All such vehicles must be of a size that fit within the portion of the designated space assigned to that Unit. No commercial trucks or vans may be parked in the spaces. Unless a Unit has an assigned space, there is no other parking on the property or common areas. The assigned parking spaces, once assigned by Declarant to a Unit's ownership is an appurtenance or Limited Common Element benefiting such assigned Unit, are intended to run with title to the assigned Condominium Unit and shall not be sold or leased separately than as part of the ownership, use or lease of the Condominium Unit to which such spaces have been assigned. Unit owners shall be responsible for the cleanliness and orderliness of the parking space assigned to them. Such spaces are strictly intended for parking vehicles. No items are to be left or stored in or about the parking spaces.

iv) Limited Common Element - Storage Closets. The Storage closets shown on the basement floor level of the Condominium as depicted on the plans and which closets are assigned by Unit Number to each particular assigned Unit. As such, each assigned Unit Owner shall have exclusive interior use of the storage locker assigned to such Unit for storage. No activities are to be conducted in the storage closets other than for storage of personal items. Storage closets are not to be rented to third parties except as incidental and appurtenant to the lease of the Condominium Unit to which it is assigned. No appliances or power consuming elements may be placed or left in

operation in a storage unit. No volatile or highly flammable liquids or substances may be used or stored in the closets. No activities or storage of goods, products or substances shall be permitted if it causes or is reasonably likely to cause an increase in insurance rates or premiums to the Association or constitutes a dangerous or unsafe condition, or may cause damage to the building or the Limited or General Common Elements located therein. The Board of Directors of the Association shall have discretion to approve/disapprove the use and conduct involving the closets. A storage closet may not be sold separately from the Condominium Unit to which it has been assigned and such assignment is intended to run with title to the Condominium Unit to which it has been assigned. Each Unit Owner may lock or secure their respective locker, but may not alter the structure or appearance of the closet. Upon reasonable notice, the Association shall have access to the interior of the storage closets, and the Unit Owners shall accommodate such access, in order to facilitate the service, repair, replacement and ordinary maintenance of the General Common Elements or any utility or amenity located within, adjacent to, or running through the Limited or General Common Elements. Unit Owners shall maintain the cleanliness and orderliness of the interior of their respective storage closets. The Association shall have the authority to enforce maintenance of such elements by the Unit Owner. The Association shall have an easement over, across, and under such elements as necessary to effectuate maintenance not performed by the Unit Owner. Unit Owners shall be obligated to insure the contents of their lockers from risk of loss if the Unit Owner deems such contents of value to them. The Declarant

and the Association shall have no liability or responsibility for losses to contents of lockers from whatever cause including but not limited to losses from fire, flood, theft or vandalism.

(b) General Common Elements: The general common elements shall consist of the land, and all improvements located thereon (except the Units and the Limited Common Elements) plumbing pipes (excluding fixtures) and pumps, electrical wires (except those to each Unit for which separate meters are installed), gas lines, extensions and supportive walls, and roof. The attic space above Units is subject to a right of access by Unit owners or the Association as necessary for maintenance, repair or installation of mechanical equipment, wiring, piping, fixtures or other systems or amenity located in or on the attic or roof. The Laundry room in the basement, bike racks and any other storage for general use (if so designated) is fully subject to rules and restrictions of use set by the Declarant or subsequently by the Board. Units are restricted to the use of one (1) bike rack per unit.

ARTICLE 6. SHARES OF COMMON ELEMENTS
AND LIABILITY FOR COMMON EXPENSES

Each Unit Owner shall own a proportionate share in the common areas and in any common profits and reserves of the Condominium and shall be liable for a proportionate share of common expenses of the Condominium as follows:

Each Unit and every Unit shall bear a percent of Common Expenses as follows:

Each Unit shall bear a one-twelfth (1/12) share. To the extent that there are common utilities serving the building as a whole (common water or gas that are not separately metered), then

the expense of such utilities or amenities and common equipment common or appliances shall be made a part of the budget of the Association.

ARTICLE 7. MAINTENANCE AND ALTERATION OF UNITS

(a) 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 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 maintained by the Association; and all such facilities contained within 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) The responsibility of the Unit Owner shall be:

(1) To maintain, repair, or replace at the Unit Owner's expense all portions of his Unit or limited common areas appurtenant to his Unit, including, by way of illustration and not limitation, all window glass, and all exterior doors which open into a Unit. Should the Unit Owner not maintain such surfaces, the Association will make the necessary repairs and

charge the Unit Owner.

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Condominium building, including windows or doors without the express written consent of the Association;

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

(c) Except as elsewhere reserved to the Declarant, neither the Unit Owner nor the Association shall make any alteration in the portions of a Unit or 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.

ARTICLE 8. MAINTENANCE AND ALTERATION OF COMMON ELEMENTS

(a) The maintenance and operation of the common areas shall be the responsibility and 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 51% of the units except as provided by the By-Laws, but any such alteration or improvement shall not interfere with the rights of any Unit Owner. The cost

of such work shall be assessed against each Unit, including any Unit owned by one who acquires title as a result of owning a mortgage upon such Unit, irrespective of whether such Owner approves the alteration or improvements, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. 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 cost thereof.

ARTICLE 9. PROCEDURES REGARDING COMMON EXPENSE

(a) Budget. At the first meeting of the Board of Directors, and thereafter at least thirty (30) days prior to the date of each annual meeting of the Association, the Board of Directors shall prepare a budget for the maintenance and operation of the Condominium for the next succeeding period January 1 through December 31 (the "Assessment Year") and shall estimate the amount of common expenses to be paid for such period. The amount of common expenses so determined shall be allocated and assessed by the Board of Directors among the Unit Owners in proportion to the respective shares of common expenses as set forth in Article 6 of this Declaration.

(b) Common Expenses. In addition to any common expenses set forth in the Act, or elsewhere in this Declaration, common expenses shall include, but not be limited to, the following:

- (i) Fees and expenses of managing and administering the Association;
- (ii) Expenses of landscaping and maintenance of common areas, roadways, lighting, signs and recreational facilities;

- (iii) Expenses of utility services for the common elements, including water, trash, gas, electricity and sewer;
- (iv) The cost of all insurance premiums on all policies of insurance, including insurance for the common areas obtained by the Association pursuant to the Act or this Declaration;
- (v) The cost of exterior maintenance to paint, repair, replace and care for roofs, gutters, downspouts, common element porches, the exterior of all limited common elements and exterior building surfaces of all Units including pesticide treatment thereof, but not to include exterior maintenance of glass surfaces, window screens, air conditioning systems and lighting fixtures attached to Units each of which is the sole responsibility of Unit Owners (The Association will be responsible for HVAC systems and equipment which exclusively service common areas.);
- (vi) Amounts determined by the Board of Directors to be reasonably required for such reserve fund or funds as the Board of Directors may, but shall not be required to, establish or maintain and

for deficiencies arising from unpaid assessments;

(vii) Special assessments as hereinafter provided, notice of which shall be furnished to each Unit Owner in the same manner as is provided for the budget; and

(viii) Fees for services rendered under contracts with any third parties for miscellaneous maintenance services.

(c) Assessment. The Board of Directors shall promptly advise each Unit Owner in writing of the estimated annual amount of common expenses payable by the Unit Owner as so determined by the Board of Directors and shall furnish each Unit Owner with a copy of the budget on which such estimate is based and, upon request, shall furnish a copy of such budget to the mortgagees of such Unit. If said estimated amount proves inadequate for any such year for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may, at any time, levy a special assessment to cure said inadequacy.

The assessments provided for in this Article shall be established on the Assessment Year basis unless and until the Board of Directors elects to establish a different and/or more frequent assessment period. The assessment obligation shall commence as to all Units at such time as there is a transfer of the first Unit by sale and it is consummated and closed. The first year's assessment for each Unit shall be adjusted according to the number of days remaining in the Assessment Year after the date of such issuance and shall be paid by the Unit Owner to the

Association in equal monthly installments on the first day of each month.

(d) Liabilities for Common Expenses. In addition to the allocations for shares of liability for the normal common expenses as provided in Section 80 of the Act and in Section (b) of this Article:

- (i) Any expenditures by the Association benefiting fewer than all of the Units shall be specially assessed equitably among all of the Condominium Units so benefited;
- (ii) Any expenditures by the Association occasioned by the conduct of fewer than all of those entitled to occupy all of the Units or by the licensees or invitees of any such Unit or Units shall be specially assessed against the Condominium Unit or Units, the conduct of any occupant, licensee, or invitee of which occasioned any such common expenses;
- (iii) Any expenditures by the Association which benefit all of the Units, but which significantly benefit some Units more than others, shall be assessed equitably among all of the Condominium Units on the basis of value of such benefit.

(e) Special Assessments for Reconstruction or Replacement.

In addition to the assessments provided for above, the Board of Directors may levy special assessments for the purpose of paying, in whole or in part, the cost of construction of any reconstruction or replacement of any existing improvement within the common elements, including the cost of any fixtures or personal property relating thereto; provided that such assessment shall have been approved by at least two-thirds of the Board of Directors.

(f) Special Assessments for Capital Improvements. In addition to the assessments provided for above, the Board of Directors may levy special assessments for the purpose of paying, in whole or in part, the cost of construction of any new improvement or new amenity within the common elements, including the cost of any fixtures or personal property relating thereto; provided that the construction of such new improvement or new amenity shall have been approved by members of the Association holding at least two-thirds of the votes of the Association at a meeting duly called for this purpose, written notice of which shall have been given in the manner specified in the By-Laws of the Association. The assessment for such new improvement or new amenity shall be specially assessed equitably among the Condominium Units, the Owners of which desire to participate in the use and enjoyment of such new improvement or new amenity.

(g) Duty of Association to Enforce Collection. The Board of Directors shall take prompt action to collect any assessment due from any Unit Owner. The Board of Directors shall have the right and duty to attempt to recover such unpaid assessments, together with interest and charges thereon as provided in the Act and in this Declaration.

ARTICLE 10. LIEN FOR ASSESSMENTS

(a) Non-Payment of Assessment. Any assessment made in compliance with the provisions of this Declaration shall constitute a lien in favor of the Association against the Units and may be enforced as provided in Section 109 of the Act or as provided by any other law.

(b) Late Charges, Interest and Costs. With respect to the lien for assessments provided in Section 109 of the Act in favor of the Association against any Unit Owner or Condominium Unit, said lien may, at the option of the Board of Directors, also include:

- (1) a late or delinquency charge (not in excess of the greater of \$10.00 or 10% of the amount of each assessment or installment thereof not paid when due);
- (ii) interest on each assessment or installment thereof, and any delinquency or late charge appertaining thereto, from the date the same was first due and payable, at the rate of 10% per annum;
- (iii) the costs of collection, including court cost, the expenses of sale, any expenses required for the protection and preservation of the Unit and reasonable attorney's fees actually incurred; and
- (iv) the fair rental value of the Condominium Unit from the time of the institution of suit until the sale of the Condominium Unit at foreclosure (or until the

judgment rendered in such suit is otherwise satisfied).

(c) Notice of Mortgagee. Provided that a Unit Owner shall have given notice to the Association of a mortgage against his Unit (or such notice has been given to the Association by the mortgagee), the Association shall give notice of delinquency in payment of assessments or of lien to such mortgagee if requested in writing by it.

(d) Fee for Lien Certificate. Payment of a fee to the Association in the amount of \$10.00 shall be required as a prerequisite to the issuance by the Association of the notice provided in Section (c) of this Article and/or any statement required by the Act.

ARTICLE 11. THE ASSOCIATION AND VOTING RIGHTS

The operation of the Condominium shall be by NEWWALK ARWOOD CONDOMINIUMS Condominium 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 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 and shall be a member of the Association with one vote therein per Unit.

(c) The Association has been incorporated in accordance with the Georgia Nonprofit Corporation Code and an initial set of bylaws approved.

(d) Notwithstanding the duty of the Association to maintain

and repair parts of the Condominium property, the Association shall not be liable for 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.

(e) 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.

ARTICLE 12. INSURANCE

The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by Section 44-3-107 of the Act, as amended, and as required herein. The Association's insurance policy shall cover any of the following types of property contained within a Unit, regardless of ownership: (a) fixtures, improvements and alterations that are a part of the building or structure; and (b) appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, security or housekeeping. In the alternative, the Association's insurance policy may exclude improvements and betterments made by the Unit Owner and may exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Units (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering. Unless specified or otherwise directed by this Declaration, the By-Laws or the Act, the Board of Directors of the Association shall make the election from year to year as to the type and extent of coverage of the policy of insurance.

All insurance purchased by the Association pursuant to this Paragraph shall run to the benefit of the Association, the Board

of Directors, officers, all agents and employees of the Association, the Unit Owners, and their respective Mortgagees, and all other persons entitled to occupy any Unit, as their interests may appear. The Association's insurance policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property.

The Board of Directors shall make available for review by Owners a copy of the Association's insurance policy to allow Owners to assess their personal insurance needs and each Owner shall have the right to obtain additional coverage at his or her own expense.

All insurance coverage for the Association shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of Owners, if any. It shall be the duty of the Board of Directors at least every two (2) years to conduct an insurance review to determine if the Policy in force is adequate to meet the needs of the Association and to satisfy the requirements of Section 44-3-107 of the Act, as amended. Such responsibility may be performed, and shall be deemed reasonably performed, by the Board requesting the Association's insurance agent to verify that insurance policies in existence meet the needs of the Association and satisfy the requirements of Section 44-3-107 of the Act, as amended.

(a) The Board of Directors shall utilize reasonable efforts to secure a blanket hazard insurance policy providing "all risk" coverage in an amount equal to full replacement cost, before application of deductibles, of all improvements located on the

Condominium. If "all risk" coverage is not reasonably available at reasonable cost, the Board shall obtain, at a minimum, fire and extended coverage, including coverage for vandalism and malicious mischief, in like amounts. The Board shall use reasonable efforts to obtain policies that will provide the following:

(i) the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual Owners, Occupants, and their respective household members;

(ii) any "other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;

(iii) until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents or employees, nor be canceled for nonpayment of premiums;

(iv) the master policy may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;

(v) an agreed value endorsement and an inflation guard endorsement; and

(vi) the deductible amount per occurrence for coverage required by the Act shall not exceed ten thousand dollars (\$10,000.00).

(b) All policies of insurance shall be written with a company licensed to do business in the State of Georgia or in compliance with the Georgia Surplus Lines Insurance Law O.C.G.A. Chapter 33-5. All policies of insurance must carry a Best's rating of B+V1 or better. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee being an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of Directors of all structural improvements made by the Unit Owner to his or her Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner at his or her expense and personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Board of Directors 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 canceled.

(e) In addition to the insurance required hereinabove, the Board shall obtain as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability insurance in amounts no less than

required by Section 44-3-107 of the Act, as amended, and officers' and directors' liability insurance in such amounts as the Board may determine. The public liability insurance shall contain a cross liability endorsement;

(iii) fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount consistent with the best business judgment of the Board of Directors, but in no even less than three (3) month's assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two (2) members of the Board of Directors must sign any checks written on the reserve account; and

(iv) such other insurance as the Board of Directors may determine to be necessary.

(f) Insurance carried by the Association as a Common Expense shall not be required to include; (1) any part of a Unit which is not depicted on the original Plat and Plans; or (2) any part of a Unit that was not included as a part of the collateral for the initial loan made for the initial purchase of the Unit, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit.

(g) Nothing contained herein gives any Owner or other party a priority over any rights of first Mortgagees as to distribution of insurance proceeds. Any insurance proceeds payable to the Owner of a Unit on which there is a Mortgagee endorsement shall be disbursed jointly to such Unit Owner and the Mortgagee. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee.

(h) Every Unit Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit to the extent not insured by policies maintained by the Association. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Unit Owner fails to obtain insurance as required by this subparagraph, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments.

(i) Insurance Deductibles. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one (1) Unit or a Unit and the Common Elements, the cost of

the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any Owner or Owners fail to pay the deductible when required under this subparagraph, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to this Declaration; provided, however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than ten thousand dollars (\$10,000.00), or such higher amount as authorized by the Act, as the cost of the deductible for any one occurrence.

(j) Payment of Claims to Delinquent Owners. Notwithstanding anything to the contrary herein, in the event of an insured loss under the Association's master hazard insurance policy for which the Association receives from the insurer payment for a loss sustained by an Owner who is delinquent in the payment of assessments owed to the Association, then the Association may retain and apply such proceeds to the delinquency. Any surplus remaining after application of the proceeds to any delinquency shall be paid by the Association to the affected Unit Owner.

ARTICLE 13. INSURANCE PROCEEDS

(a) All insurance policies purchased by the Association shall provide that proceeds covering property losses shall be paid to the Association.

(b) The duty of the Association shall be to receive such proceeds as are paid and to 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 Article 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 Association shall be distributed as follows:

(1) All expenses of the Association 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 14 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.

ARTICLE 14. WHEN DAMAGED PROPERTY
IS TO BE RECONSTRUCTED OR REPAIRED

(a) If common areas are damaged, they shall be reconstructed or repaired, unless it is determined under '44-3-98 of the Georgia Condominium Act that the Condominium shall be terminated.

(b) If the damaged property is the Condominium building, and if Units to which 50% or more of the common elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty it is determined under the Georgia Condominium Act that the Condominium shall be terminated.

(c) If the damaged property is the Condominium building, and if Units to which more than 50% of the common areas are appurtenant are found by the Board of Directors to be not tenantable, the damaged property shall not be reconstructed or repaired and the Condominium shall be terminated under the Georgia Condominium Act unless within 60 days after the casualty the Owners of at least 65% of the common areas agree in writing to such reconstruction or repair.

(d) Any reconstruction or repair must be substantially in accordance with the plans of the original building, if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is the Condominium building, by the Owners of not less than 65% of the common areas, including the Owners of all damaged Units, which approval shall not be unreasonably withheld.

ARTICLE 15. RESPONSIBILITIES AND
PROCEDURES TO PAYMENT FOR REPAIRS

(a) If damage occurs only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Owner, then the Owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

(b) Immediately after a casualty causing damage to property for which the association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

(c) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the Unit Owners who own the damaged property, and against all Unit Owners in the case of damage to common areas, in sufficient amounts to provide funds to pay the estimated costs. Additional assessments may be made at any time during, or following the completion of, construction. Such assessments on account of damage to common areas shall be in proportion to the Unit Owner's share in the common areas.

(d) Whatever the amount of the estimated costs of reconstruction and repairs for which the Association is responsible, the sums, paid upon assessments to meet such costs shall be deposited with the Association and the Association shall hold such sums paid and disburse them in payment of the costs of

reconstruction and repair.

(e) The proceeds from assessments and insurance received by the Association 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 Association 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.

ARTICLE 16. USE RESTRICTIONS

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

(a) All Units shall be utilized only for residential purposes. All other uses must be approved by not less than an 80% vote of the Members of the Association. No trade or business of any kind may be conducted in or from a residential Unit, including business uses ancillary to a primary residential use, except that the Owner or occupant residing in the residence in a residential Unit may conduct such ancillary business activities within the residence so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the residence; (b) the business activity does not involve persons (including, but not limited to, clients, customers, employees, advisors, accountants,

supervisors, secretaries or receptionists) coming onto the property who do not reside in the property or door-to-door solicitation of residents of the property (other than deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services); (c) the business activity conforms to all zoning requirements for the property; (d) the business activity does not increase the insurance premium paid by the association or otherwise negatively affect the ability of the association to obtain insurance coverage; (e) the business activity is consistent with the residential character of the property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents on the property, as may be determined in the sole discretion of the Board of Directors; (f) there are no signs, advertisements or plaques of any nature whatsoever visible from the exterior of the residence; and (g) the business activity does not result in a materially greater use of common property facilities or association services. The terms "business" and "trade" shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) the activity is engaged in full or part time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity. Notwithstanding the above, the use of a Unit by an on-site management company operating on behalf of the association shall not be considered a

trade or business within the meaning of the paragraph.

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

(c) No use or practice shall be permitted in, on or about the Condominium property which is the source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the property by its Owners. Without limiting the generality of the foregoing, stereo equipment, televisions, radios and other similar devices shall be operated so as not to be clearly audible from any other Unit. No renovations, restoration or construction work shall be carried on within a Unit except between the hours of 8:00 a.m. and 6:00 p.m. on Monday through Saturday (none on Sundays). 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 charged to insure the Condominium property without the consent of the Association. 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 purchaser. The Declarant may make such use of the unsold Units and common areas as may facilitate such completion and sale, including but

not limited to, the maintenance of a sales office, the showing of the property, and the display of signs.

(e) Reasonable regulations concerning the use of the Condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners upon request. The following regulations are hereby declared to be a part of any future regulations promulgated by the Board of Directors:

(f) Obstruction of Common Elements. There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior written consent of the Board of Directors.

(g) Exterior Decorations. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of any exterior windows, or placed on the outside walls or doors of any portion of the Condominium, and no sign, awning, canopy, shutter, satellite dish, or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof, patios, or balconies, or any part thereof, or exposed on or at any window, without the prior written consent of the Board of Directors.

(h) Advertising Signs. All "For Sale", "For Rent", or "For Lease" signs placed by any Unit Owner on any part of the Condominium or in any Unit therein will conform to such regulations which specify size, shape, color and placement as may be adopted by the Board of Directors, but in no event will any sign be larger than eighteen (18") inches by twenty-four (24") inches. No other window displays or advertising shall be

maintained or permitted on any part of the Condominium or in any Unit therein. Provided, however, that Declarant and its duly authorized agents, representatives and employees shall have the right to maintain advertising and for sale signs on the Property so long as Declarant owns any Condominium Unit for the purpose of sale.

(i) Garbage Containers. No garbage cans shall be placed in the common elements or limited common elements, except as may be of a design and at a location approved by the Board of Directors.

(j) Approval Required for Changes. No construction of any nature whatsoever shall be commenced or maintained upon the common elements of the Condominium, nor shall there be any change, modification, or alteration in any manner whatsoever of any surface or facade of a Unit exterior, including the color, unless and until approved by the Board of Directors.

(k) Common Elements Use. No planting or gardening shall be done and no decorative objects or hangings shall be installed or walls shall be erected or maintained within the common elements except as the Board of Directors, in its sole discretion, may deem appropriate. No sidewalks, doorsteps, entrances and passageways shall be obstructed, encumbered, or used other than for ingress and egress to and from Units. These restrictions are for the mutual benefit, safety and protection of all Owners and Unit residents and visitors.

(l) Pets. Each Unit Owner shall be permitted to have not more than two (2) dogs and/or cats per Unit unless specifically disapproved by the Association; provided, however, in all events, household pets must be leashed or under the direct control of a Unit Owner within the common elements and limited common elements

of the Condominium. No pets are to be kenneled, boarded, caged or otherwise kept outside of the Owner's Unit in either the common areas or limited common areas. Noise by pets (barking, etc...) must be strictly controlled so as not to disturb others.

The keeping of pets on the Condominium shall be subject to the rules and regulations adopted by the Board in addition to the restrictions set forth in this Declaration. The Board may require that any pet that, in the Board's opinion, endangers the health of any Owner or Occupant or creates a nuisance or unreasonable disturbance be permanently removed from the Condominium upon seven (7) days written notice. If the Owner or Occupant fails to do so, the Board may remove the pet. Furthermore, the Board shall have the authority to create fines or assessments for rules infractions relating to pets. All dogs must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements. Feces left upon the Common Elements by pets must be immediately removed by the Owner, Occupant or other responsible person in charge of the pet. The Owner is subject to fines or assessments as may be set by the Board for rules infractions in that regard or for other rules infractions.

Any Owner or Occupant who keeps or maintains any pet upon the Condominium shall be deemed to have agreed to hold harmless and indemnify the Association, its Directors, Officers, and Agents free from any liability, claim or losses of any kind or character whatsoever arising by reason of having such pet within the Condominium.

(m) Right of Entry. In case of any emergency originating in or threatening any Unit or the Condominium or any part thereof, regardless of whether the Owner or his Tenant, if any,

is present at the time of such emergency, the Association's Board of Directors and all managerial personnel (such personnel to be adequately bonded or insured), and any agents thereof, shall have the right to enter such Unit for the purposes of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit with the Association a key to such Unit.

(n) Use and Leasing. All leases or rental agreements for Units shall (a) be in writing, and (b) require any tenants or lessees entering into such leases or rental agreements to abide by the terms of this Declaration and all rules and regulations of the Association.

(o) Timesharing. No Unit shall be made subject to any type of time sharing, fractional interest ownership, or similar program whereby the right to exclusive use of a Unit rotates between or among timeshare owners, who may or may not be members of a program, on a fixed or floating time schedule over a period of years.

(p) Occupancy Limits. Any Unit used for residential purposes shall have no more than one adult (1) occupant per 400 square feet rounded to the next highest 400 square foot multiple.

By way of example, a 730 square foot Unit would allow for two adult (2) occupants (730 sq. ft. rounded up to next highest multiple of 400 is 800. $800 \div 400 = 2$).

(q) Sales Offices. The Declarant and its duly authorized agents, representatives and employees shall have the right to maintain a sales office and model Units on the Property so long

as Declarant owns any Unit for the purpose of sale.

(r) Other Restrictions, Rules and Regulations. The Association, through its Board of Directors, shall have the authority to promulgate and publish such additional Condominium rules and regulations governing the use of the Property, as is deemed necessary to insure the protection and the beneficial enjoyment thereof by all Owners.

The Board of Directors shall be empowered to enforce compliance with the provisions of the Condominium instruments and any rules and regulations adopted under this Section. Pursuant to the Georgia Condominium Act, the Board of Directors shall have the authority to impose reasonable fines for violations and for each failure to comply with said rules or with any Condominium instruments, and to suspend temporarily the right to use certain of the common elements.

Subject to the provisions of this Declaration, all occupants of Units and their guests shall have a nonexclusive right to use the common elements, for the purposes for which they are intended, subject, however, to the following provisions: (a) no such use shall enter or encroach upon the lawful rights of other persons; and (b) the Association may restrict the use of and govern the operation of the common elements by promulgating reasonable rules and regulations with respect thereto.

ARTICLE 17. NOTICE OF LIEN OR JUDGMENT

(a) A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien. Failure to comply with this subparagraph shall not affect the validity of any judicial sale.

(b) Notice shall be given to the Association of every judgment against any Unit Owner.

ARTICLE 18. DECLARATION PREPARATION

This formal Declaration of Condominium was prepared by Mark T. Shawe, Attorney at Law, 14 East State Street, Savannah, Georgia 31401, as attorney for Declarant.

ARTICLE 19. COMPLIANCE AND DEFAULT

(a) Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, by the Articles of Incorporation, By-Laws, and regulations of the Association as they may be amended from time to time. A default shall entitle the Association or other Unit Owners to the relief described in subparagraph (b) of this paragraph and the By-Laws in addition to the remedies provided by the Condominium Act.

(b) A Unit Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of his guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

(c) The failure of the Association or any Unit Owner to enforce any covenant, restriction, or other provision of the Condominium Act, this Declaration, the Articles of Incorporation, the By-Laws, or the regulations adopted pursuant thereto, shall

not constitute a waiver of the right to do so thereafter.

ARTICLE 20. 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 mortgages) 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 mortgages 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) 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.

(d) 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's 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.

(e) Subject to the provisions of this agreement, 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 directly liable for all 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. Such unpaid dues or charges shall, however, constitute liens as provided herein or under Georgia Law.

(f) 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 mortgages 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.

ARTICLE 21. CONTROL OF THE ASSOCIATION

The Declarant is hereby authorized to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association until the occurrence of the earliest of the following:

(a) the expiration of three (3) years after the recording of this Declaration; or

(b) the date at which 80% of the Units shall have been conveyed by Declarant to the Unit Owners other than Declarant, unless at such time the Declarant's option to add additional property has not expired; or

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

ARTICLE 22. 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 67% 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 the Superior Court of Chatham County, Georgia.

ARTICLE 23. 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.

ARTICLE 24. MISCELLANEOUS

(a) All personal pronouns used in this Agreement whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa.

(b) Titles of articles and sections in this Agreement are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions hereof.

(c) If any provisions hereof or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(d) Incorporation of the Act. Except as modified or expanded by the provisions of this Declaration, the Act and all of the terms, conditions and provisions thereof as existing on the date hereof are hereby by reference incorporated herein.

(e) Multiple Owners. If any Unit shall be owned as tenants in common by two or more persons, such persons shall be jointly and severally liable for the common expenses assessed against such Unit and for the prompt discharge of each and every

obligation or duty imposed on such Owners by the Condominium instruments.

(f) Notice of Lien or Suit. A Unit Owner shall give prompt notice to the Association: (a) of every mortgagee or lien against his Unit; (b) of every suit or other proceeding which may affect the title to his Unit; (c) of any notice, demand, or other communication from a mortgagee holding a mortgage on such Unit demanding payment of the debt secured by such mortgage, accelerating or proposing to accelerate the maturity of such debt, or in any manner informing such Owner of an actual, pending, or alleged default by Owner under such mortgage.

(g) Notices. Any notice or consent required by the Act or by any of the Condominium instruments shall be a written notice delivered to the recipient or mailed to recipient by United States mail, postage prepaid, at recipient's last known address, if the recipient is an individual, or addressed to the President of the Association, if the recipient is the Association. All notices delivered by mail shall be deemed to have been given as of the date and hour of the postmark thereon. The address of Unit Owners shown on the records maintained by the Secretary of the Association shall be the address of such Owner for mailing of all notices required from the Board of Directors or the Association, and it shall be the responsibility of each Owner to furnish the Secretary with written notice of any error in such records or change of address.

(h) Notice of Action to Lenders. Upon written request to the Association identifying the name and address of the holder, insurer, or guarantor of any deed to secure debts securing a Unit and the Unit number or address, any such eligible lender or

eligible insurer or guarantor will be entitled to timely written notice of:

- (i) Any condemnation loss or any casualty loss which affects a material portion of the project or any Unit on which there is a first deed to secure debt held, insured, or guaranteed by such eligible lender or eligible insurer or guarantor, as applicable;
- (ii) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first deed to secure debt held, insured, or guaranteed by such lender or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;
- (iii) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (iv) Any proposed action which would require the consent of a specified percentage of eligible holders of Unit deeds to secure debt.

(i) The Association shall have a reasonable right of 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.

(j) 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 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.

(k) 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.

(l) 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.

(m) A working capital fund shall be established for the initial months of the project's operation equal to two (2) month's assessment 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 to the fund are not to be considered as advance payment of regular assessments.

(n) The Declarant shall be required to pay association dues to the Association on unsold Units commencing with the month next following first sale of any Unit within the development.

ARTICLE 25. 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/or her respective percentage of ownership interest in the Common Elements, and, in said event such taxes shall be a Common Expense.

ARTICLE 26. SECURITY AND SAFETY

Each Owner and Occupant, for himself or herself and his or her Occupants, 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 persons or personal property on the Condominium from loss, damage, or injury arising from the unlawful or negligent acts of third persons. 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, 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 27. TAX FREEZE

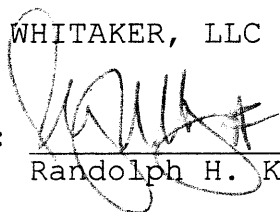
To the extent the Declarant or its predecessor in title has established beneficial tax treatment for the property and/or the Units contained within the building, then Unit Owners shall observe and abide by all such rules and/or regulations which preserve such tax treatment. Without limiting the foregoing obligation, Unit Owners may not cause physical adjustments, renovations or improvements which would impair or revoke the preferential tax treatment. Prior approval of Declarant, and

subsequently the Board after Declarant loses control of the Association, shall be obtained before any such renovations or improvements are undertaken. Declarant reserves the right (but shall not be obligated) to append an Exhibit to this Declaration setting forth rules and/or restrictions specific to such preferential tax treatment. Such rules and/or restrictions are intended as a guideline only and are not all-inclusive or exhaustive, as individual circumstances of proposed renovations, repairs or alterations may require the discretionary approval of Declarant, or subsequently the Association Board in order that the purposes of this Article are properly observed and the tax treatment preserved.

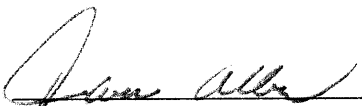
[This space intentionally left blank. Signatures on the following page.]

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

805 WHITAKER, LLC

By: 
Randolph H. Kulp, II, Manager

Signed, sealed and delivered on the 10th day of September, 2007


Witness



Notary Public



EXHIBIT "A" TO
DECLARATION OF CONDOMINIUM OF
newwalk ARWOOD, A CONDOMINIUM

LEGAL DESCRIPTION

ALL that certain lot, tract or parcel of land situate, lying and being in the City of Savannah, County of Chatham, State of Georgia, shown and designated on the Map or Plan of the City as Lot No. 2, Lloyd Ward; said lot having a frontage of 60 feet, more or less, and being bounded as follows: On the North by Lot No.1, said Ward, on the East by Whitaker Street; On the South by Lot No. 3, said Ward; and, On the West by Howard Street, containing improvements formerly known as Arwood Apartments and designated under the present numbering system of the City of as 805 Whitaker Street. Reference is hereby mad to Plat Record Book 9-P, Folio 78, as recorded in the Office of the Clerk of Superior Court of Chatham County, Georgia and said plat is expressly made a part of this description.

Subject, however to valid restrictions, covenants and easements of record, if any.

EXHIBIT "B"

TO

DECLARATION OF CONDOMINIUM

newwalk ARWOOD

A Condominium

Savannah, Chatham County, Georgia

Plat

Reference is hereby made to the plat or survey prepared by Carl R. Jackson, R.L.S. No. 2555 and all recorded in Condominium Plans Book 2C, Pages 417, in the Office of the Clerk of the Superior Court of Chatham County, Georgia, which are specifically made a part hereof and incorporated herein by reference

Plans of Building

Reference is hereby made to the Plans of Building of newwalk ARWOOD, A Condominium at 805 Whitaker Street, Savannah, Georgia 31401, prepared by Hansen Architects, P.C., recorded in Condominium Plans Book 2C, Pages 418 A thru E in the Office of the Clerk of the Superior Court of Chatham County, Georgia, which are specifically made a part hereof and incorporated herein by reference.

Articles Of Incorporation For Georgia Non-Profit

The name of the corporation is:

newwalk ARWOOD CONDOMINIUM ASSOCIATION, INC.

The corporation is organized pursuant to the Georgia Nonprofit Corporation Code.

The principal mailing address of the non-profit:

340 Lincoln Street
Savannah, GA 31401

The Registered Agent is:

Randolph H. Kulp, II
340 Lincoln Street
Savannah, GA 31401

County: Chatham

The name and address of each incorporator(s) is:

Randolph H Kulp, II
340 Lincoln Street
Savannah, GA 31401

The corporation will have members.

The optional provisions are:

The corporation has perpetual duration.

The corporation is a membership association organized pursuant to the provisions of the Georgia Non-Profit Corporation Code, is not organized for pecuniary gain or profit, direct or indirect, to its members, and shall have no capital stock. No substantial part of the activities of the corporation shall be for carrying on of propoganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

The corporation is formed to promote the health, safety and welfare of the owners and residents of newwalk ARWOOD, A CONDOMINIUM, Chatham County, Georgia; to fulfill all functions as are provided by the By-Laws of the Corporation; to provide for the maintenance, repair, replacement and operation of portions of the Condominium; to exercise all rights and privileges and perform all duties and obligations as set forth in the Georgia Condominium Act and in the Declaration of Condominium for newwalk ARWOOD, A CONDOMINIUM to be recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia; and to perform such related functions as the Board of Directors of the Corporation shall from time to time determine.

Every person or entity who is a record owner of a fee or undivided interest in any unit which is subjected by covenants of record to assessment by the Corporation shall be a member of the Corporation, except that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

The affairs of the Corporation shall be managed by a Board of Directors. The initial Board of Directors shall serve until their successors shall have been elected and qualified. The method of election and number of Directors shall be as provided in the By-Laws of the Corporation.

In addition to, but not in limitation of, the general powers conferred by law, the corporation shall have the power to own, acquire, construct, operate and maintain property, buildings, structures and other facilities thereto; to supplement municipal or governmental services; to fix and collect assessments to be levied

against and with respect to the condominium units and the owners thereof, inclusive of special assessments for capital improvements, which assessments shall be a lien and permanent charge on said units as well as the personal obligation of said owners; to enforce any and all covenants, restrictions and agreements applicable to the condominium; to buy, hold, lease, sell, rent, manage and otherwise deal in property of every kind and description, whether real or personal; to borrow money, issue promissory notes and other obligations and evidence of indebtedness and to secure the same by mortgage, deed, security deed, pledge or otherwise; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote, directly or indirectly, the health, safety, welfare, common benefit or enjoyment of the unit owners and occupants of said units; enhance preserve or maintain property values within the condominium; enhance, preserve or maintain the appearance of the condominium and its surroundings; or be necessary, proper, useful or incidental to the carrying out of the functions for which the corporation is organized.

The corporation shall have one class of members. Each owner of a condominium unit comprising a portion of newwalk ARWOOD, A CONDOMINIUM, shall automatically be a member of the corporation, which membership shall continue during the period of ownership by such unit owner. Pursuant to the provisions of the Georgia Condominium Act, the number of votes in the corporation allocated to each condominium unit is set forth in the Declaration for newwalk ARWOOD, A CONDOMINIUM. Said votes shall be cast under such rules and procedures, as may be prescribed in the By-Laws of the corporation, as amended from time to time, or by law.

The initial Board of Directors shall consist of two persons whose names and addresses are:

Randolph H. Kulp, II
340 Lincoln Street
Savannah, Georgia 31401

Ricardo DeSoto
P.O. Box 2233
Savannah, Georgia 31405

The By-Laws shall set forth any expansion of the number of Directors once the Incorporator turns over control of the Association to the Members in accordance with the By-Laws and Declaration of Condominium.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation on the date set forth below.

Signature(s):

Attorney-in-Fact, Mark T Shawe

Date:

08/27/2007

BY-LAWS
OF
newwalk ARWOOD CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

OFFICE

newwalk ARWOOD CONDOMINIUM ASSOCIATION, INC. (the "Association") shall at all times maintain a registered office in the State of Georgia and a registered agent at that address. The Association may also have such other offices as the Board of Directors shall determine.

ARTICLE II

DEFINITIONS

Unless the context requires otherwise, the terms defined in the Georgia Condominium Act, Official Code of Georgia Annotated Sections 44-3-70 through 44-3-115, as amended (the "Act") and in the Declaration of Condominium of newwalk ARWOOD, A CONDOMINIUM, dated September 10, 2007 to be recorded in the Office of the Clerk of the Superior Court of Chatham County, Georgia (the "Declaration") shall have the same meanings for purposes of these By-laws as are ascribed to them in the Act and the Declaration.

ARTICLE III

MEMBERS

Section 3.1. Membership. The Association shall have only one class of members. Every person who shall own of record a fee interest or an undivided fee interest in any condominium unit shall automatically be a member of the Association, excluding persons who own such interest under a mortgage. Such membership shall continue for so long as such ownership shall continue, and shall terminate when such member no longer owns such a fee interest of record.

Section 3.2. Annual Meetings. The annual meeting of the members shall be held on such date within two (2) months after the end of each fiscal year of the Association as the Board of Directors shall determine from time to time.

Section 3.3. Special Meetings. Special meetings of the members may be called at any time by the President of the Association. Additionally, it shall be the duty of the President to call a special meeting of the members upon being presented

with a written request to do so signed (i) by a majority of the members of the Board of Directors, or (ii) after the expiration of the right of the Declarant under the Declaration to appoint and remove any member or members of the Board of Directors, by the owners of no less than fifty percent (50%) of the units within the Condominium.

Section 3.4. Notice of Meetings. It shall be the duty of the Secretary to give a notice to each member of each annual or regularly scheduled meeting of the members at least twenty-one (21) days in advance of such meeting, and in the case of special meetings notice shall be given at least seven (7) days in advance of such meetings. Each notice of meetings shall state the purpose thereof as well as the time and place where it is to be held. All notices of meetings shall be delivered personally or sent by United States mail, postage prepaid, to all members at such address as any of them may have designated to the Secretary, or, if no other address has been so designated, at the address of their respective units.

Section 3.5. Quorum. A quorum shall be deemed present throughout any meeting of the members until adjourned if members, in person or by proxy, entitled to cast more than one-third of the votes of the Association are present at the beginning of such meeting.

Section 3.6. Voting. (a) On all matters upon which the members are entitled to vote, each member shall be entitled to cast one (1) vote for each unit within the Condominium in which he shall own of record a fee interest or an undivided fee interest. In no event, however, shall more than one (1) vote be cast with respect to any unit. If more than one person shall own of record a fee interest in any condominium unit, the vote with respect to such condominium unit shall be cast as such Unit Owners shall unanimously agree, and such unanimous agreement shall be presumed conclusively if any one of such Unit Owners shall purport to cast the vote of such condominium unit without protest being made forthwith by any of the other Unit Owners of such condominium unit to the presiding officer of the meeting at which such vote is to be cast. If such protest be made, or if more than one vote be cast with respect to any condominium unit, then the vote of such condominium unit shall not be counted. All references to voting by members contained in these By-laws are subject to, and shall be interpreted consistently with, the limitations contained in this Section 3.6(b) subject to the provisions of Section 7.4 of these By-laws, during any period in which a member shall be in default in the payment of any amount due and owing to the Association, the vote which is allocated to any condominium unit in which such member owns a fee interest

shall not be counted for any purpose.

Section 3.7. Presiding Officer. The President, or in his absence, the Vice President, shall serve as the presiding officer of every meeting of members, unless some other person is elected to serve as presiding officer by a majority of the votes represented at any such meeting. The presiding officer shall appoint such other persons as he deems required to assist with the conduct of the meeting. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the members when not in conflict with the Declaration or these By-laws.

Section 3.8. Adjournments. Any meeting of the members, whether or not a quorum is present, may be adjourned by the holders of a majority of the votes represented at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting at which a quorum is represented or present, any business may be transacted which could have been transacted at the meeting which was adjourned.

Section 3.9. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which such proxy is valid. To be valid, a proxy must be dated and must be filed with the Secretary prior to the opening of the meeting for which it is to be used. No proxy shall be revocable except by written notice delivered to the Association. A proxy shall be automatically revoked if the member who has given such proxy is present at the meeting at which the proxy was to be used.

Section 3.10. Action in Lieu of Meeting. Any action to be taken at a meeting of the members of the Association, or any action that may be taken at a meeting of the members of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Association and any further requirements of law pertaining to such consents have been complied with.

ARTICLE IV

DIRECTORS

Section 4.1. Number. Until the date upon which the right of the Declarant under Article 21 of the Declaration to appoint and remove any member or members of the Board of Directors shall expire, the number of members of the Board of Directors shall be two (2). From and after the date on which the first Board of Directors is elected after the expiration of the Declarant's right to appoint and remove any member(s) of the Board of Directors under Article 21 of the Declaration, the number of members of the Board of Directors shall be three (3).

Section 4.2. Eligibility & Qualifications. Directors shall serve one (1) year terms and serve from the close of one annual meeting to the close of the succeeding annual meeting. The membership of the Association shall nominate and elect Directors at the annual meeting. The membership may nominate any number of qualified individuals (all of whom, with the exception of any directors appointed by the Declarant pursuant to Article 21 of the Declaration, must be owners of units within the Condominium or the spouses of such owners, provided, however, that no Unit Owner and his or her spouse may serve as directors at the same time), but no less than the number of directors to be elected.

Section 4.3. Appointment and Election. Until the date upon which the Declarant's right to appoint and remove any member or members of the Board of Directors shall expire, as provided in Article 21 of the Declaration, all of the members of the Board of Directors shall be appointed and removed by the Declarant. From and after the expiration of the aforesaid right of the Declarant, the members of the Board of Directors shall be elected in the following manner:

(a) Unless a special meeting of the members shall have been called for such purpose in accordance with Section 3.4 of these By-laws, the first election of the members of the Board of Directors by the members of the Association shall be held at the first annual meeting of the members of the Association following the date on which the Declarant's right to appoint and remove any member or members of the Board of Directors shall expire, as provided in Article 21 of the Declaration.

(b) At each annual meeting thereafter, the members of the Association shall elect the number of directors equal to the number of vacancies created on the Board of Directors due to the expiration of the terms of persons then serving as the members of the Board of Directors.

(c) Except in the case of death, resignation, or removal, each director elected by the members shall serve until the annual meeting at which his term expires and until his successor has been duly elected and qualified. Persons receiving the largest number of votes at any election of directors shall be elected, as provided above, whether or not such number constitutes a majority of the votes cast. All elections of members of the Board of Directors shall be by secret ballot.

Section 4.4. Removal of Members of the Board of Directors. After the expiration of the Declarant's right to appoint and remove directors pursuant to Article 21 of the Declaration, at any regular or special meeting of the members of the Association duly called, any one or more of the members of the Board of Directors may be removed with or without cause by the affirmative vote of the Unit Owners to which a majority of the votes in the Association appertain, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least seven (7) days written notice of the meeting and purpose thereof and shall be given an opportunity to be heard at such meeting.

Section 4.5. Vacancies. Subject to the provisions of Sections 4.3(c) and 4.4 of these By-laws, any vacancy occurring in the Board of Directors may be filled (i) by the Declarant during such time as the Declarant has the power to appoint and remove directors pursuant to Article 21 of the Declaration, and (ii) from and after the expiration of such power, by the affirmative vote of a majority of the members at a regular or special meeting.

Section 4.6. Duties and Powers. Except as specifically provided otherwise in the Act, the Georgia Nonprofit Corporation Code, the Declaration, the Articles of the corporation or these By-laws, the powers inherent in or expressly granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Unit Owners. The Board of Directors shall also have the responsibility of discharging all of the duties imposed upon the Board of Directors under the terms and provisions of the aforesaid legislative authorities and instruments. Such powers and duties may further be exercised and discharged by a management firm which shall be employed to manage the operation and affairs of the Condominium and the Association, should the Board of Directors retain such a firm.

Section 4.7. Regular Meetings. The Board of Directors shall meet regularly, at such intervals and such time and place as shall be determined by a majority of the members of the Board of Directors; provided, however, that such meetings shall be held at least once every three (3) months. In any event, the Board of Directors shall meet within ten (10) days after each annual meeting of the members of the Association. No notice shall be required for such regular quarterly meetings of the Board of Directors.

Section 4.8. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President, or by any one director, on three (3) days notice to each director, which notice shall specify the date, time and place of the meeting. Notice of any such meeting may be waived by an instrument in writing executed before or after the meeting. Attendance in person at any meeting shall constitute a waiver of notice thereof.

Section 4.9. Action in Lieu of Meeting. Any action to be taken at a meeting of the Board of Directors, or any action that may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors and any further requirements of law pertaining to such consents have been complied with.

Section 4.10. Committees.

(a) The Board of Directors may establish an Architectural Standards Committee for the purpose of establishing and maintaining harmonious architectural standards within the Condominium, as provided in the Declaration.

(b) The Board of Directors shall have the power to appoint such other committees as it shall determine, with such powers and duties as the Board of Directors shall authorize. Unless otherwise provided in the resolution creating any committee, the chairperson of each committee shall be a member of the Board of Directors.

Section 4.11. Compensation. No fee or compensation shall be paid by the Association to directors for their services in said capacity unless approved by not less than a two-thirds (2/3) majority in interest of Unit Owners at a meeting of Association Members. The directors shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

ARTICLE V

OFFICERS

Section 5.1. General Provisions. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer. In addition, the Association shall have such other officers as the Declarant (prior to the expiration of its right under Article 21 of the Declaration to appoint and remove any officer or officers of the Association) or the Board of Directors (after the expiration of the aforesaid right of the Declarant) shall deem to be desirable in connection with the administration of the affairs of the Association. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 5.2. Appointment. Until such time as the right of the Declarant under Article 21 of the Declaration to appoint and remove any officer or officers of the Association shall expire, all officers of the Association shall be appointed and removed by the Declarant. After the Declarant's aforesaid right shall expire, all of the officers of the Association shall be appointed by, and shall serve at the pleasure of, a majority of the members of the Board of Directors.

Section 5.3. 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 manage, supervise and control all of the business and affairs of the Association and shall have all of the powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.4. Vice President. The Vice President shall perform the duties of the President whenever the President shall be absent or unable to perform such duties. If neither the President nor the Vice President shall be able to perform such duties, the Board of Directors shall appoint one of their members to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as the President may delegate to him from time to time.

Section 5.5. Secretary. The Secretary (a) shall attend all meetings of the members and of the Board of Directors and shall keep the minutes thereof, (b) shall be responsible for the preparation and giving of all notices which are required to be given by the Declaration and these By-laws, (c) shall be the custodian of the books and records of the Association, (d) shall

keep a register of the addresses of each member of the Association and any mortgagee on the condominium unit or condominium units of each such member, (e) shall give all of the notices which mortgagees shall be entitled to receive under the provisions of Section 9.1 of these By-laws and (f) shall perform such other duties as are incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.6. Treasurer. The Treasurer shall be charged with the management of the financial affairs of the Association, and shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association, and shall prepare all required financial data. The Treasurer shall also perform all of the duties which are incident to the office of the treasurer of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.7. Compensation of Officers. The officers of the Association shall not be entitled to the payment of any compensation for serving in such capacities unless approved by not less than a two-thirds (2/3) majority in interest of Unit Owners at a meeting of Association Members. The officers of the Association shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

ARTICLE VI

INSURANCE

Insurance which shall be obtained by the Association shall be governed by the following provisions:

Section 6.1. Types of Insurance. The Association shall obtain and maintain the following insurance policies:

(a) A master multi-peril policy of property insurance covering the entire Property and all structures located on the Property and all fixtures and equipment attached thereto or located therein. Such insurance shall afford protection against at least the following: loss or damage by fire and other hazards covered by the standard extended coverage endorsement, vandalism, malicious mischief, windstorm and water damage including costs of debris removal and costs of demolition. Reference is hereby made to the Declaration of Condominium for better determining the insurance requirements of the Association.

(b) A comprehensive policy of public liability insurance covering all of the common elements. The coverage of such insurance policy shall be for at least \$1,000,000 per occurrence, for personal injury or death, and/or property damage, and shall include protection against water damage liability.

(c) A policy of fidelity coverage against dishonest acts on the part of the members of the Board of Directors, the manager of the Condominium, and any employees or volunteers of the Association responsible for handling funds belonging to or administered by or on behalf of the Association. Unless the Board of Directors determines otherwise, said policy of fidelity coverage insurance shall name the Association as the named insured, shall be written in an amount which shall in no event be less than one and one-half (1 1/2) times the Association's estimated annual common expenses and reserves, and shall contain provisions waiving any defenses based upon the exclusion of persons serving without compensation from coverage as "employees."

(d) Such other insurance policies as the Board of Directors shall deem desirable for the benefit of the Association and the Unit Owners (e.g. flood insurance, Directors & Officers liability coverage at such time as it becomes available).

Section 6.2. Minimum Qualifications of Insurance Carriers. Each policy of insurance which the Association is required to maintain under the provisions of Section 6.1 shall be written by a hazard (or liability, as the case may be) insurance carrier which has a satisfactory financial rating as determined by the Board of Directors and which is licensed to transact business within the State of Georgia.

Section 6.3. Minimum Qualifications of Insurance Policies. All policies of insurance which the Association is required to maintain under the provisions of Section 6.1(a) shall not allow contributions or assessments to be made against the owner of any condominium unit, or the holder of any mortgage upon any condominium unit; (b) shall not allow loss payments to be contingent upon action by the insurance carrier's board of directors, policy holders or members; (c) shall not include any limiting clauses (other than insurance conditions) which could prevent any Unit Owner or the holder of any mortgage upon any unit from collecting insurance proceeds; (d) shall contain or have attached a mortgagee clause which provides that the insurance carrier shall notify in writing all holders of first mortgages on any of the condominium units at least thirty (30) days in advance of the effective date of any reduction in, or material modification or cancellation of, such policies; (e)

shall provide coverage which shall not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control; and (f) shall contain its waiver of subrogation by the insurer as to any and all claims against the Association, any Unit Owner, and/or their respective agents, employees or tenants, and of any defenses based on co-insurance or any invalidity arising from the acts of the insured.

Section 6.4. Annual Insurance Reviews. It shall be the duty of the Board of Directors at least annually to conduct an insurance review to determine if the policies in force are adequate to meet the needs of the Association and to satisfy the requirements of Section 44-3-107 of the Act. Such responsibility may be performed, and shall be deemed reasonably performed, by the Board's requesting and receiving verification from the Association's insurance agent that the Association's then existing insurance policies meet the needs of the Association and satisfy the requirements of Section 44-3-107 of the Act.

Section 6.5. Unit Owners' Policies. The Unit Owners shall procure, carry and maintain at their own expense the following insurance policies:

(a) A "Tenant's or Condominium Owner's Policy" covering the unit as defined in the Declaration, the contents of his unit, building additions, betterments and alterations, personal injury and property damage, liability, burglary and the like.

(b) Such other and further insurance which such owner, in the owner's sole discretion, deems necessary or appropriate.

In no event shall any recovery or payment under the insurance coverage obtained and maintained by the Association be affected or diminished by insurance purchased by individual Unit Owners or mortgagees, and no Unit Owner shall be entitled to exercise his right to maintain the additional insurance coverage set forth in this Section 6.5 in such a way as to bring into contribution any insurance coverage maintained by the Association, or decrease in any other way the amount which the Association may realize under any insurance policy which it may have in force on the Property at any particular time.

In the event of any conflict of these Insurance Provisions of Article VI with the Insurance Provisions of the Declaration, the terms and provisions of the Declaration shall be controlling over the provisions of these By-Laws.

ARTICLE VII

ENFORCEMENT PROCEDURES

The right of the Board of Directors to impose fines, to suspend voting rights in the Association, and otherwise to restrict any other rights of a member of the Association or any other occupant of such member's condominium unit, for violation of any rules or regulations promulgated by the Association pursuant to Article 16 of the Declaration, shall be subject to the following conditions and provisions:

7.1. Demand. The Board of Directors shall first serve upon the alleged violator written demand to cease and desist from, or otherwise to cure, any alleged violation. Said written demand shall specify (a) the alleged violation; (b) the action required to abate or cure the violation; and (c) (i) if the violation is a continuing one, a time period not less than ten (10) days during which the violation may be abated or cured without further sanction, or (ii) if the violation is not a continuing one, a statement that any further violation of the same rule may result in the imposition of sanctions after notice and hearing.

7.2. Notice. Within twelve (12) months following such demand, if the violation continues beyond the period allowed in the demand sent pursuant to Section 7.1 above, or if the same rule or regulation is subsequently violated by the alleged violator to whom such previous demand was sent, the Board of Directors shall serve the alleged violator with written notice to appear at a hearing to be held by the Board of Directors in executive session. The notice shall set forth (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of such notice; (iii) an invitation for the alleged violator to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; (iv) the proposed sanctions to be imposed; (v) the name, address and telephone number of a person to contact in order to challenge the proposed action; and (vi) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is initiated within ten (10) days of receipt of the notice (said ten-day period being hereinafter called the "Challenge Period"). If a challenge is not so initiated, the sanction shall be imposed upon expiration of the Challenge Period.

7.3. Hearing. The hearing described in the notice required to be given under Section 7.2 above shall be held in executive session pursuant to said notice, for the purpose of affording the alleged violator a reasonable opportunity to be heard. Prior to

the effectiveness of any sanction imposed 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 delivery, is entered by the officer or Director that delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at such meeting. The minutes of the meeting shall contain a written statement of the summary of the hearing and the sanction(s), if any, imposed.

7.4. Exception. If the nature of the violation or alleged violation is such that the procedure described in Sections 7.1, 7.2 and 7.3 above cannot reasonably be followed before assessing the appropriate penalty or sanction (including, without limitation, self-help measures such as the towing of vehicles that are in violation of parking rules and regulations) then the penalty or sanction may be first assessed or imposed and the aforesaid procedures for notice and an opportunity to be heard complied with promptly thereafter, for the purpose of affording the party against whom the penalty or sanction was assessed or imposed with an opportunity to contest said penalty or sanction as set forth above.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 8.2. Certain Notices. Any member who shall sell, grant a mortgage on, or lease any condominium unit in which he has a fee or undivided fee interest shall promptly give the Secretary a written notice of such sale, grant or lease, which notice shall also set forth the name and address of such purchaser, mortgagee or lessee. The address so furnished for such purchaser, mortgagee or lessee shall be the address to which the Secretary shall send any notices to be sent to such purchaser, mortgagee or lessee, until such purchaser, mortgagee or lessee shall furnish the Secretary with another address for such purpose. In addition, by granting a mortgage on any condominium unit, every member shall be deemed to have thereby authorized the Secretary to send to such mortgagee such information as such mortgagee shall request in regard to any default by such member in the performance of his duties and responsibilities under the Declaration and these By-laws.

Section 8.3. Liability and Indemnification of Officers and Directors.

(a) The Association shall, except as may be prohibited by applicable law, indemnify every officer and director of the Association against any and all reasonable expenses (including, but not limited to, reasonable attorneys' fees) incurred by or imposed upon such officer or director in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (including, without limitation, the settlement of any such action, suit or proceeding, if approved by the then-existing Board of Directors) to which he may be made a party by reason of being or having been an officer or director of the Association, whether or not such person is an officer or director of the Association at the time such expenses are incurred. The officers and directors of the Association 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 may also be members of the Association), and the Association shall, to the extent not prohibited by applicable law, indemnify and forever hold each such officer and director free and harmless from and against any and all liability to others on account of any such contract or commitment.

(b) Expenses incurred by any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that he is or was a director or officer of the Association in defending any such action, suit or proceeding, shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized hereunder or under the applicable provisions of the Georgia Nonprofit Corporation Code.

(c) Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former director or director, may be entitled, and such indemnification shall inure to the benefit of the heirs, executors and administrators of such indemnified person. The Association, as a common expense, shall maintain adequate general liability insurance (with an appropriate contractual liability endorsement) and, if obtainable at a cost which the Board of Directors determines not to be unreasonable, officers' and

directors' liability insurance, to fund the obligations set forth in this Section 8.3, which insurance shall be written in accordance with the standards set forth in Article VI of these By-laws.

Section 8.4. 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 8.5. 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 requests the Association shall promptly mail to any member of record a copy of such balance sheet and profit and loss statement.

Section 8.6. 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, and Articles of Incorporation, in the order listed.

ARTICLE IX
CERTAIN RIGHTS OF MORTGAGEES, INSURERS, AND
GUARANTORS

Section 9.1. Certain Notices. Any mortgagee, any insurer of a mortgage and any guarantor of a mortgage (or any of the foregoing), upon written request identifying the name and address of the requesting mortgagee, insurer or guarantor and the condominium unit(s) to which such mortgage or mortgages apply, shall be entitled to receive from the Association (a) written notice of all regular and special meetings of the members, such notice to be given by the Secretary no later than the date upon which notice of any such meeting is required to be given to the members under Section 3.4 of these By-laws, (b) timely written notice of the occurrence of any damage to or destruction of any material portion of the Condominium (including, without limitation, any material part of the common elements) or any unit on the Property on which there is a mortgage held, insured or guaranteed by such mortgagee, insurer or guarantor, (c) if any

unit on the Property (or any portion there on which there is a mortgage held, insured, or guaranteed by such mortgagee, insurer or guarantor, or if the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, timely written notice of any such proceeding or proposed acquisition, and (d) written notification of any default in the performance by any member on whose condominium unit there is a mortgage held, insured, or guaranteed by such mortgagee, insurer or guarantor, of any obligation under the Declaration or these By-laws which is not cured by such member within sixty (60) days.

Section 9.2. Certain Rights. Any Unit Owner, lender or first mortgagee, and any insurer or guarantor of a first mortgage, shall upon request, be entitled and have the right, during normal business hours or under other reasonable circumstances, to inspect the books, records and financial statements of the Association, as well as then current copies of the Declaration, the By-laws, and the rules and regulations of the Association. Any first mortgagee and any insurer or guarantor of a first mortgage shall be entitled to designate a representative to attend all regular and special meetings of the members.

ARTICLE X

AMENDMENTS

These By-laws may be amended only in accordance with the following procedure: the Board of Director's shall first adopt a resolution proposing the amendment and recommending its adoption by the members. Such proposed amendment shall then be presented to the members at a meeting thereof duly called and held for the purpose of considering such proposed amendment (at which meeting at least fifty one percent (51%) of the Unit Owners must be present at the time such proposed amendment comes up for a vote, in order for any action adopting such amendment to be valid and binding). If such proposed amendment is approved by at least fifty-one percent (51%) of the total votes in the Association cast at such meeting, such amendment shall become effective. Notwithstanding the foregoing, however, in no event shall any amendment to these By-laws be effective to modify, amend, vary or contradict any of the provisions of Article VI, IX or X of these By-laws unless such amendment shall be consented to in writing by the holders of mortgages on at least two-thirds of the condominium units which the records of the Secretary reflect as then being encumbered by mortgages.

WITNESS the consent of each Director of the Corporation,
effective as of the 10th day of September, 2007.



Ricardo DeSoto, Director



Randolph H. Kulp, II, Director

EXHIBIT "E"
PREFERENTIAL TAX TREATMENT GUIDELINES AS TO FINISHES, ALTERATIONS OR
REPAIRS TO THE DECLARATION OF CONDOMINIUM OF
newwalk ARWOOD, A CONDOMINIUM

Listed are the architectural features that must be preserved and maintained.

Exterior Facades: no additions that are not pre-approved

Masonry: no incompatible re-pointing/sealing

Concrete balconies: no removal

Wood Windows: no replacements except in kind with like materials

Front Entry Door/ door and transom

Floor Plan - layout of the units - now a combination of the units is okay as long as they do not take in the common corridor - no demolition/addition of interior walls - unless approved

Wood doors/hardware/transoms: repair first replace in kind only

Interior woodwork: repair first - replace in kind

Plaster Walls: repair do not replace with drywall or expose structure

Wood floors: must be dominant - add carpet or tile (limited) above

Tile: Bathrooms

Grills: HVAC

The above guidelines are general in nature and specific reference is hereby made to Article 27 of the Declaration of Condominium requiring approval of any proposed alteration of the Units.

**ESTIMATED BUDGET
OF
newwalk ARWOOD CONDOMINIUM ASSOCIATION, INC.
FOR 2007**

This condominium is a conversion condominium, and it is necessary, therefore, to estimate the budget and from that budget project monthly condominium fees for each unit. This projected budget addresses all known factors to be reasonably included in the monthly fee for the operation of the condominium. When the condominium is turned over to the Association, the Association, may, of course revise the budget.

Annual Expenses:

Insurance	\$ 9,000.00
Office Supplies, Postage	\$ 100.00
Secretary of State Annual Filing Fee	\$ 30.00
Water, Sewer & Refuse	\$ 2,775.00
Recycling Program	\$ 900.00
Electric	\$ 3,200.00
Natural Gas	\$ 1,900.00
Property Ground Maintenance	\$ 2,600.00
Pest Control	\$ 300.00
Reserves	\$ 1,200.00

Total Annual Budget	\$22,005.00
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<u>UNIT</u>	<u>PERCENT OF COMMON EXPENSES</u>	<u>ANNUAL EXPENSES</u>	<u>MONTHLY EXPENSE</u>
1	.0833	\$1,836.00	\$153.00
2	.0833	\$1,836.00	\$153.00
3	.0833	\$1,836.00	\$153.00
4	.0833	\$1,836.00	\$153.00
5	.0833	\$1,836.00	\$153.00
6	.0833	\$1,836.00	\$153.00
7	.0833	\$1,836.00	\$153.00
8	.0833	\$1,836.00	\$153.00
9	.0833	\$1,836.00	\$153.00
10	.0833	\$1,836.00	\$153.00
11	.0833	\$1,836.00	\$153.00
12	.0833	\$1,836.00	\$153.00

newwalk ARWOOD, A CONDOMINIUM
STATEMENTS BY DECLARANT
AS REQUIRED BY
O.C.G.A. § 44-3-111(b) (9) and (10)

(A) Based upon the report of an appropriate licensed professionals of a visual inspection and non-intrusive investigation with respect to the structural components and mechanical and electrical systems (excluding fixtures and appliances within the Units) material to the use and enjoyment of the condominium, Declarant states as follows:

The attached "Report of Property Condition Assessment" as conducted by ECS Engineering sets forth the scope and extent of the inspection upon which Declarant relies to state that all matters noted therein for repair, correction, or replacement have been completely addressed so that the building is structurally sound and all mechanical and electrical systems fully operational and functioning at the present time.

(B) Notwithstanding any comments and/or opinion contained in the foregoing reports no representations are made by Declarant with respect to the useful life of any item described or reported on in paragraph (A) above.

(C) Declarant has received no notices of any uncured violations of building code or other county or municipal regulations.

(D) The Declarant does not intend to build and submit any additional units, recreational or other facilities, or additional property to this condominium other than shown on the recorded Plans.

This 10th day of September, 2007

805 WHITAKER STREET, LLC

By: _____

Randolph H. Kulp, II, Manager

PROJECT

Property Condition Assessment
Three Story Apartment Building
Savannah, Georgia

CLIENT

Tidewater Equity Group, LLC

SUBMITTED BY

ECS Southeast, LLC
1306 Heidt Avenue
Suite A
Savannah, Georgia

PROJECT NO. 23:1460

DATE March 13, 2007

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1.0 PURPOSE AND SCOPE

The purpose of the Property Condition Assessment (PCA) is to identify construction defects or components which seem to exhibit less than expected service life or which have been poorly maintained. The assessments are not intended to develop detailed remedial plans for identified problems; however, the estimates are prepared to evaluate immediate physical needs and capital replacement items typically required over the term. These services are qualitative in nature and do not include engineering calculation or design. The following building/facility systems are observed:

1. Site Drainage
2. Structural
3. Building Envelope
4. Mechanical, Electrical, Plumbing (MEP)
5. Pavements
6. Tenant Spaces
7. Handicap Access

The assessments typically utilize a variety of sources including; reviews of available and relevant drawings, reports and records, and interviews with property managers and/or tenants at the property. This review was followed by a walk-through of the property by Mr. Christopher Jones. During the walk-through, observations were made to note the general condition of the property and to identify problems and visible defects in the materials and building systems. The assessment was not performed to determine if the facility was constructed in conformance with local building codes. No finishes or tenant-owned furniture/stock were removed or moved to observe covered areas of the structure. Observations were made of the general condition of the roofing, structure, and site noting the general performance of the systems.

The purpose of the site drainage assessment is to determine the effectiveness of the site drainage systems. General observations were made of the conditions of stormwater drainage system components, including drainage swales, creeks, and culverts, as well as the condition of landscaping and slopes.

The purpose of the structural condition assessment is to determine what structural systems were used and their adequacy for the intended use of the facility. Observations were made to locate visible defects which might suggest structural problems and to determine, by visual observations, if the structure was constructed in general compliance with industry standards.

The purpose of the building envelope assessment is to determine what wall, window, and roofing systems are in place and their general condition. From on-site observations of the walls and windows and a walk-over of roofs, observations were made of the general condition of the components including sealant, coverings, flashing, and penetrations.

The purpose of the MEP assessment is to observe the readily visible components of the MEP systems installed in representative units, and prepare an opinion of the appropriateness of the systems for the facility. Additionally, the general quality of the workmanship and general nature of the construction of the systems was observed. MEP equipment observed included: plumbing systems, electrical power, and heating and air conditioning systems. In addition, we observed exterior and interior lighting, emergency exits, and fixtures.

The purpose of the pavement assessment is to observe the condition of the existing pavements and determine if they are suitable for the intended use. We made observations of the pavement noting any visible defects that might suggest problems.

The purpose of the tenant spaces assessment was to observe the interior of the buildings and determine the general condition of finishes and appliances.

The purpose of the Fair Housing Amendments Act (FHAA) and the Americans with Disabilities Act (ADA) review was to determine if the facility has obvious items out of compliance with existing regulations. Our brief review did not include all areas of the site and is not intended to identify all items not in accordance with ADA guidelines.

Evaluation Definitions

The following terms are used throughout the report and are defined as follows:

- Excellent: New or like new.
- Good: Average to above average condition, normal maintenance, no immediate needs.
- Fair: Average condition, immediate and/or short term needs.
- Poor: Below average, requires immediate repair, significant work or replacement needed.

2.0 EXECUTIVE SUMMARY

The results of our Property Condition Assessment indicated that the building is well constructed and in good condition. The following items were identified by our assessment:

Site Drainage-

The immediate physical needs:

- Replace gutter downspouts.

Routine maintenance over the term:

- Routinely clean gutters to allow water to flow as designed.

Structure-

- No structural repairs are needed at this time.

Building Envelope –

The immediate physical needs:

- Replace the broken windows.
- Repaint the building trim, window frames, and door frames.
- Reseal the roof.
- Trim the trees that come in contact with the building.

MEP Systems -

The immediate physical needs:

- Investigate adequacy of plumbing system with regards to steel pipes.

Routine maintenance over the term:

- Expect routine replacement of HVAC condensers.
- Expect routine replacement of the washer and dryer machines.

Pavements -

- Regrade gravel drive and increase the stone thickness.

Tenant Spaces–

- Repair cracked plaster walls and repaint.

ADA Accessibility –

- Units are not in general accordance with ADA specifications.

In summary, we estimate Immediate Physical Needs for this property to be on the order of \$7,250.00 and that longer term Physical Needs Over the Term (10 years) will be on the order of \$78,394.63.

3.0 SITE DESCRIPTION AND GEOLOGY

The site is located at 805 Whitaker Street in Savannah, Georgia. The topography of the site is relatively level. The owner of the property indicated that the property was undeveloped prior to the construction of the apartment building.

The site is located in the Coastal Plain Physiographic Province of Eastern Georgia. The site is located in an area of Chatham County that was not surveyed during the soil survey of Chatham County, Georgia conducted by the United States Department of Agriculture in 1974.

The site area is generally not considered to be seismically active and the materials at the site are generally not susceptible to liquefaction under dynamic loading.

4.0 PROPERTY DESCRIPTION

The 0.18 acre site is developed with an approximate 9,432 square foot apartment building with 12 units. According to the Chatham County Board of Assessors the three story structure was constructed in 1926 (Photograph 1). The site is bounded on the north by a multi-family home followed by West Gwinnett Street; on the east by Whitaker Street followed by Forsyth Park; on the south by a single family home; and, on the west by Howard Street. The property is accessed via a gravel parking area off of Howard Street.

Site personnel indicated that no major building improvements have been performed at the site. They also indicated that there has not been any significant damage to apartment buildings as the result of flooding, fires, or storm events.

5.0 SITE DRAINAGE

5.1 Purpose and Scope

The purpose of the site drainage assessment is to determine the effectiveness of the site drainage systems. A walk-over of the site was made to locate defects that may exist in the site drainage. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

5.2 Observations

The drainage on the site is handled by surface flow across the site towards curbs and gutters located on the east and west boundaries of the site and appears to drain to the city storm water system. The site generally slopes slightly away from the building.

Roof drainage flows to gutters and downspouts which outlet into the city stormwater system. Downspouts on the south side of the building are rusted and severely damaged or completely missing (Photograph 2 & 3). The splash guards and corrugated piping directs the flow away from the building toward storm drains. Ponding water was not observed on the roof.

5.3 Evaluation and Recommendations

The on-site storm drainage generally appears to be adequately designed and implemented to handle the site drainage requirements. Roof downspouts on the south side of the building are in poor condition. The downspouts are rusted or missing completely. We recommend that downspouts on the south side of the building be replaced.

We recommend the following items be repaired or replaced:

- Replace roof downspouts on the south side of the building.

We recommend the following items be addressed during routine maintenance:

- Routinely clean gutters to allow water to flow as designed.

6.0 STRUCTURAL

6.1 Purpose and Scope

The purpose of the structural condition assessment is to determine what structural systems were used and their adequacy for the intended use of the facility. A walk-through of the facility was made to locate visible defects which might suggest structural problems and to determine, by visual observations, if the structure was constructed in general compliance industry standards. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

6.2 Observations

The apartment building is a three story masonry built structure supported by steel I-beam columns and a steel web joist floor and ceiling systems (Photograph 4 & 5). Foundations for the buildings consist of concrete slab on grade on the west side of the building and concrete spread footings on the east side of the building. We did not observe any obvious indications of foundation related distress during our site visit.

6.3 Evaluation and Recommendation

The structures at the complex generally appeared to be in good condition and constructed in accordance with local practice.

We did not observe structural items that need to be addressed at this time.

7.0 BUILDING ENVELOPE

7.1 Purpose and Scope

The purpose of the building envelope assessment is to determine what wall, window, and roofing systems are in place and their general condition. From on-site observations of the walls and windows and a walk-over of the roof, observations were made of the general condition of the components including sealant, coverings, flashing, and penetrations. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

7.2 Observations

The building envelopes for the apartment building consist of low slope roofs, brick veneer with wood trim, single pane glass windows, and wood with glass panel exterior doors. The building is equipped with metal gutters and downspouts.

The roof sealant appeared to be in fair condition. We observed cracking of the sealant around the roof penetrations and in the corners of the roof (Photograph 9).

Peeling and cracked paint was observed on all exterior painted wood window frames, door frames and trim. The wood does not appear to be rotten, but the peeling paint should be scraped off and the wood surfaces should be re-painted in the near future (Photograph 7 & 8).

Broken windows were observed on the second floor of the west side of the building and on the north side of the building at the basement level.

Several trees located with in close proximity to the building are over grown and touching the side of the building and/or the roof.

7.3 Evaluation and Recommendations

The building envelope generally appears to be properly constructed and in fair condition. We expect that the building trim will require repainting in the near future. Due to the cracks observed in the roof sealant we recommend the roof be re-sealed in the near future to avoid any roof leaks. Thus, we have provided a capital replacement cost estimate for roof re-seal during the term. The broken windows require replacement. The overgrown trees touching the building need to be trimmed to prevent damage to the building.

We recommend the following be addressed as immediate physical needs for building envelope.

- Repaint all of the exterior wood trim, windows and doors.

- Reseal the roof.
- Replace broken windows.
- Trim the overgrown trees touching the building.

8.0 MECHANICAL, ELECTRICAL, AND PLUMBING SYSTEM (MEP)

8.1 Purpose and Scope

The purpose of the MEP assessment is to perform a walk through of the facility and to observe the systems used, comment on the appropriateness of the systems, and the general condition of the systems. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

8.2 Observations

The common areas of the building are heated and cooled with a Bryant split system heat pump. The unit is eight years old and can be expected to require replacement within the next five to seven years. The tenant single rooms are heated and cooled with Carrier heat pumps manufactured in 1987. These units will need replacement in the near future.

The apartment building is equipped with an American Standard 75 gallon natural gas automatic, instantaneous water heater. The water heater was installed in 2004.

Electrical service to the complex is provided by a pole mounted transformer which distributes power to separate exterior wall mounted meters and disconnect for each of the 12 apartments and one for the common areas. Service is then distributed to separate subpanels. The subpanel breaker boxes range from 125 to 600 amps. We did not observe aluminum wiring; convenience outlets and switches are marked for copper / copper clad wiring. The apartment units are equipped with battery powered smoke alarms.

Plumbing at the building consists of steel and copper supply lines and steel and PVC waste lines. Polybutylene lines were not observed at the facility.

The facility contains a laundry room in the basement. This laundry room contains two coin operated washers and two coin operated dryers. The laundry units are approximately 7-10 years old.

8.3 Evaluation and Recommendations

Heating and cooling systems at the complex appeared to be in good condition. We expect that replacement of some of the condensers will be required during the term.

The hot water system appeared to be in good condition. We expect the water heater to last through the term.

The electrical and plumbing systems at the complex appeared to be in fair condition and functioning adequately for demand. Maintenance personnel indicated that there have not been any significant electrical or plumbing problems at the complex; however, the steel pipes located in the facility are outdated and could be problematic in the future.

The laundry machines are functioning properly, but may need to be replaced during the term.

We recommend the following be addressed as part as the immediate physical needs for MEP systems.

- We recommend a professional plumber inspect the plumbing system to provide a professional opinion regarding the adequacy of the steel pipes.

We recommend the following be addressed as part of routine maintenance:

- Expect routine replacement of HVAC condensers.
- Expect routine replacement of the washer and dryer machines.

9.0 PAVEMENTS

9.1 Purpose and Scope

The purpose of the pavement assessment is to observe the condition of the existing pavement and determine if it is suitable for the intended use. We made observations of the pavement noting visible defects that might indicate distress or failure of the pavements. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

9.2 Observations

Pavements at the complex consist of brick and stone walkways, and a gravel parking lot. A depression in the parking area, preventing use of a parking space was observed.

9.3 Evaluation and Recommendations

Brick and stone pavements at the complex appeared to be in good condition (Photograph 12).

The gravel parking area appeared to be in fair condition. The depression in the parking area, should be filled with gravel and re-graded to provide access to all of the parking spaces.

We recommend the following be addressed during maintenance:

- Regrade gravel parking area and increase the stone thickness.

10.0 TENANT SPACES

10.1 Purpose and Scope

The purpose of the tenant spaces assessment was to observe the interior of the buildings and determine the general condition of finishes and appliances. The assessment was conducted by Mr. Christopher Jones on March 5, 2007.

10.2 Observations

The apartments are equipped with painted plaster interior walls and ceilings, wood and ceramic tile floors, and wood trim (Photographs 15). We observed the units 1, 7, and 10 during our site visit. The common areas are equipped with painted plaster interior walls and ceilings, carpeted floors, and wood trim.

The interior finishes generally appeared to be in fair condition. Cracked plaster in the walls was observed throughout the building. This is normal for a structure of this age in the Savannah area.

Bathrooms are equipped with ceramic tile floors and walls, and Formica-type laminate counters, and metal bath tubs. The bathrooms appeared to be in fair to good condition (Photograph 14).

10.3 Evaluation and Recommendations

The interior finishes at the units appeared to be in fair condition. ECS recommends repairing cracked and broken plaster walls and painting the apartments and common areas. The sinks observed did not appear to be actively leaking.

We recommend the following repairs at the property.

- Repairing cracked and broken plaster walls and painting the apartments and common areas.

11.0 ADA ACCESSIBILITY

11.1 Purpose and Scope

The purpose of the ADA review was to determine if the facility has obvious items out of compliance with existing regulations. Our brief review did not include all areas of the site and is not intended to identify all items not in accordance with ADA guidelines.

The Americans with Disabilities Act, Public Law 101-336 was enacted to prohibit discrimination on the basis of disability by entities in places of public accommodation. This law, whose

effective date was January 26, 1992, requires in all places of public accommodation or commercial facilities that: 1) new construction must be designed and constructed so as to be readily accessible to and usable by persons with disabilities, 2) alterations to existing construction must be designed and constructed so as to be readily accessible to and usable by persons with disabilities, and 3) in existing construction, all “readily achievable” barriers must be removed by January 26, 1992 to accommodate individuals with disabilities. Generally, the ADA applies to areas which will be utilized by the general public; however, it may also be applied to renovated areas.

The Fair Housing Act and Guidelines, 56 FR 9472, provides builders and designers with technical guidance on complying with the accessibility requirements of the Fair Housing Amendments Act of 1988 (FHAA). The FHAA applies to multifamily dwellings designed and constructed for first occupancy after March 13, 1991. The guidelines are not mandatory, but are intended to provide a safe harbor for compliance with the accessibility requirements of the Fair Housing Act. Generally, covered units are those accessible by elevator or ground floor units. The FHAA establishes seven general requirements:

1. An accessible building entrance on an accessible route.
2. Accessible and usable public and common use areas.
3. Doors designed to be usable by persons in wheelchairs.
4. An accessible route into and through the covered dwelling unit.
5. Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations.
6. Reinforcements in bathroom walls for later installation of grab bars.
7. Kitchen and bathroom space organized so an individual in a wheelchair can maneuver about the space.

11.2 Observations

The facility does not meet ADA or FHAA guidelines. Because of the age of the structure it is not required to comply with ADA or FHAA guidelines; however any major renovations to the structure would be required to comply with the guidelines.

12.0 QUALIFICATION OF REPORT

Property Condition Assessments are preliminary reviews to identify problems and general costs. The assessments are not intended to be a detailed analysis of each facility component. Although a reasonable standard of care is exhibited by trained professionals in this type of preliminary review, it is possible that conditions may exist which will affect the value and/or performance of the facility which were not discovered by the assessment.