

WARSAW BLUFF CONDOMINIUM ASSOCIATION, INC.

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3005 River Drive
Thunderbolt, Georgia 31404

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE WARSAW BLUFF CONDOMINIUM
ASSOCIATION, INC.**

**NOTICE: This document contains all authorized
amendments as of 1 February 2001.**

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WARSAW ELUFF, A CONDOMINIUM
THUNDERBOLT, CHATHAM COUNTY, GEORGIA

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DECLARATION
OF
WARSAW BLUFF, A Condominium
THUNDERBOLT, CHATHAM COUNTY, GEORGIA

CLERK OF SUPERIOR COURT
CHATHAM COUNTY, GEORGIA
RECORDED
NOV 19 1985
317

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for WARSAW BLUFF, A Condominium, Thunderbolt, Chatham County, Georgia, made this 15th day of November, 1985, by Thunderbolt Development Company, Inc., (the "Declarants").

WHEREAS, Declarants are the owners of that certain tract or parcel of land described in Exhibit "A" attached hereto and made a part hereof; and,

WHEREAS, Declarants desire to create an expandable condominium as provided for in accordance with the provisions of the Georgia Condominium Act; and,

WHEREAS, it is the desire and intention of the Declarant to market, sell and convey interests in the property and the improvements thereon as a Condominium Project pursuant to the provisions of the Georgia Condominium Act, 1975, Georgia Laws, Page 609, et seq.; and,

WHEREAS, a plat of survey of the condominium made by Doug Corken Architects, Inc. ("the Condominium Plat"), pursuant to Section 20 of the Georgia Condominium Act, will have been filed for record in the Office of the Clerk of Superior Court of Chatham County, Georgia, prior to the first conveyance of a condominium unit;

NOW THEREFORE, Declarants do hereby declare and submit that portion of said tract described in Exhibit "B" with all improvements now or hereafter thereon ("the Submitted Property") to the condominium form of ownership as provided by the Georgia Condominium Act. The Submitted Property shall be held, sold, and conveyed subject to the following covenants, conditions and restrictions, which are instituted to enhance and to protect the value, desirability and attractiveness of the Submitted Property.

Filed For Record At 2:41 O'clock P M. On The
ARTICLE I 19 Day Of Nov 19 85
Recorded In Record Book 2280 Folio 317
Definitions On The 19 Day Of Nov 19 85

The definitions set forth in Section 3 of the Georgia Condominium Act, Georgia Laws, 1975, page 609 ("the Act"), will apply to this Declaration and all other condominium instruments relating to the Declaration and will have the meanings therein specified, unless the context otherwise requires.

ARTICLE II

Name

The name of the condominium shall be WARSAW BLUFF, A Condominium, Thunderbolt, Chatham County, Georgia. The name of the Association shall be WARSAW BLUFF CONDOMINIUM ASSOCIATION, INC.

See Fifth
Amendment
Article Deleted.

CSU 63B *****4750= 19*

ARTICLE III

County of Location

The condominium shall be located entirely within Chatham County, Georgia.

ARTICLE IV

Description of Submitted Property

A description of the Submitted Property is attached hereto as Exhibit B and made a part hereof.

ARTICLE V

Unit Boundaries

Each unit shall for all purposes constitute real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as other real property, subject to the provisions of the Georgia Condominium Act and this Declaration.

Each unit shall include all of the space within the boundaries thereof. The horizontal boundaries of each unit shall be the surface of the floors and ceilings of the units. The vertical boundaries shall be the outer unfinished surfaces of all exterior walls and the center line of all party walls. Each unit owner shall also own the doors, window glass, porches and decks of his or her unit and any exterior air conditioning equipment appurtenant to the unit.

The correct delineation of the unit boundaries is shown on the Condominium Plat.

ARTICLE VI

Unit Information

The identifying number, undivided interest in the common elements, number of votes in the Association and share of liability for common expenses for each unit with the condominium are set forth on Exhibit C attached hereto and made a part hereof.

ARTICLE VII

Recreational Facilities

The facilities comprising of the dock, and swimming pool shall be part of the common elements of the condominium; provided, however, that the Board of Directors shall have the right to promulgate rules and regulations for use of the facilities by unit owners.

Information added after Second Paragraph. See Fifth Amendment

Article deleted and replaced. See Fifth Amendment

ARTICLE VIII

Restrictions on the General Use of
the Condominium and Units

The use of the Submitted Property and the units shall be in accordance with the following provisions so long as the condominium exists.

Section 1. Residential Use. Each unit is hereby restricted to use by its owner, the owner's family, servants and guests, tenants or lessees, as a residence only and shall in no event be used at any time for any purpose other than residential purposes. The rental or leasing by an owner of his or her unit for residential purposes shall not be prohibited; Provided, however, that no rental or lease agreement executed for any condominium unit after 31 December 1999 shall be for a period of less than one year. The Association will furnish upon request to any unit owner or person who has executed a contract for purchase of a condominium unit a recordable statement certifying to any waiver of or failure or refusal to exercise such rights and restraints whenever such waiver, failure, or refusal has occurred. *(Amended 13 Feb 99.)*

The Declarants and their duly authorized agents, representatives and employees shall have the right to maintain a sales office and model units on the Submitted Property so long as Declarants own any condominium unit for the purpose of sale.

Section 2. No Subdivision. No Unit may be divided or subdivided into a smaller unit, nor any portion thereof separately sold, leased, rented or otherwise transferred. No structure of a temporary character, trailer, basement, tent, shack, carport or other outbuilding shall be erected or used as a residence or for any other purpose on any portion of the condominium at any time.

The undivided interest in the common elements and facilities declared to be an appurtenance to each unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said unit.

Any instrument conveying, devising, encumbering, or otherwise dealing with any unit, which described said unit by the letter/numerical designation assigned thereto in Exhibit C without limitation or exception, shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common elements and facilities. Nothing herein contained shall be construed as limiting or preventing ownership of any unit and its appurtenant undivided interest in the common elements and facilities by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

Further, it is hereby declared that the proportional undivided interest in the common elements and facilities appurtenant to each unit shall remain undivided and no unit owner shall bring any action for partition or division.

Section 3. 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.

Section 4. No Hazardous Materials. Nothing shall be done or kept in any unit or in the common elements or limited common element which will increase the rate of insurance on the condominium or any portion thereof, without the prior written consent of the Board of Directors. No unit

owner shall permit anything to be done or kept in his or her unit or in the common elements or limited common element which will result in the cancellation of insurance on the condominium or any portion thereof, or which would be in violation of any law. No waste shall be committed on the common elements or limited common element.

Section 5. Exterior Decorations. Unit owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of any portion of the condominium, and no sign, awning, canopy, shutter 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.

Section 6. Nuisances. No noxious or offensive activity shall be maintained or carried on in any unit or in the common elements or limited common element, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other unit owners or occupants. No unit owner shall make or permit any disturbing noises in the condominium, or any portion thereof, by himself or herself, his or her family, servants, guests, tenants or lessees, nor do or permit anything by any of such persons that will interfere with the rights, comforts or conveniences of other unit owners. No clothes, sheets, blankets laundry or any kind of other articles shall be hung out of a unit or exposed on any part of the common elements. The common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

Section 7. 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 one foot by two feet. No other window displays or advertising shall be maintained or permitted on any part of the condominium or in any unit herein. Provided, however, that Declarant at its duly authorized agents, representatives and employees shall have the right to maintain advertising and for sale signs on the Property so long as Declarants own any condominium unit for the purpose of sale.

Section 8. Garbage Containers. No garbage cans shall be placed in the common elements, except as may be of a design and at a location approved by the Board of Directors.

Section 9. Parking Areas. Parking areas located on the common elements, shall be used for no purpose other than to park the personal vehicles of unit owners, their guests, tenants and lessees, specifically excluding commercial vehicles, trailers, campers, motor homes, and boats. This prohibition shall not apply to temporary parking of service vehicles used for maintenance.

Each unit shall be entitled to one (1) assigned parking space. The initial Board of Directors shall have the right to assign the parking spaces to units.

Section 10. 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 of facade of a unit exterior, including the color, unless and until approved by the Board of Directors.

Section 11. Common Elements Use. The common elements and facilities shall be and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of units in Warsaw Bluff, A Condominium, for their use and the use of their immediate families, guests or invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of units.

The use of common elements and facilities, by the owner or owners of all units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be hereafter prescribed and established by the Association.

No planting or gardening shall be done and no fences, hedges 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.

Section 12. Other Restrictions, Rules and Regulations. The Association, through its Board of Directors, shall have the authority to promulgate and publish such additional restrictions, rules and regulations governing the use of the Submitted 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 Section 13 of the Act, the Board of Directors shall have the authority to impose reasonable fines for violations 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.

ARTICLE IX

Unit Owners Maintenance

Every owner shall perform promptly all maintenance and repair work within his unit which, if omitted, would affect the condominium, either in its entirety or in a part belonging to other owners; every owner being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his unit. Such owner shall further be responsible and liable for the maintenance, repair, and replacement of the

surfaces of any and all walls, ceilings, and floors which are part of his unit, including painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in his unit. Whenever the maintenance, repair, and replacement of any item for which the owner of a unit is obligated to maintain, replace, or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair, or replacement except that the owner of such unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair, and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair, or replacement. All glass doors, window frames, panes and screens are a part of the respective units and shall be maintained by the respective owners.

All parts of a unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply with any requirements of the insurance underwriters of the insurance for the common areas and facilities when so requested in writing by the Board or its designated agent. Any failure of any owner to repair, maintain, or replace as may be required pursuant to this Declaration, or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common elements and facilities or any unit may be, upon written notice to the owner of the nature of the required repair, maintenance, or replacement, repaired or replaced by the Association at the expense of the unit owner, to be collected by special assessment as provided herein and in the By-Laws. Such assessment may include the cost to the Association incurred in the abatement of any nuisance maintained by the unit owner therein.

ARTICLE X

Procedures Regarding Common Expenses

Section 1. Budget. At the first meeting of the Board of Directors, and thereafter at least thirty (30) days prior to the date of each Semi-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 October 1st through September 30th, (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 on Exhibit "C" attached hereto and made a part hereof.

Section 2. 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:

- (a) Fees and expenses of managing and administering the Association;

New paragraph inserted
in Fifth Amendment

(b) Expenses of landscaping and maintenance of common areas, lighting, signs, swimming pool and dock facilities;

(c) Expenses of utility services for the common elements, including water, gas, electricity and sewer;

(d) 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.

(e) Expenses of water, sewer, trash, pest control and termite inspection servicing each unit;

(f) The costs of exterior maintenance to paint, repair, replace and care for roofs, gutters, downspouts, exterior stairs, and halls, porches, decks and exterior building surfaces of all units, the recreational facilities, including pesticide treatment thereof, but not to include exterior maintenance of glass surfaces, doors, air conditioning systems and lighting fixtures attached to units which is the sole responsibility of unit owners;

(g) 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; and

(h) Special assessments as hereinafter provided, notice of which shall be furnished to each unit owner in the same manner as is provided for budget.

Section 3. 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 estimate is based and, upon request shall furnish 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 or from time to time, levy special assessments to cover such inadequacy.

The assessments provided for in the Article shall be established on the Assessment Year basis unless and until and/or more frequent assessment period. The assessment obligation shall commence as to each unit at such time as the appropriate legal body issues a Certificate of Occupancy for it. 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. At the time of initial conveyance of a unit by Declarants, the purchaser thereof shall pay to the Association the pro rata assessment and, as a special assessment, an amount equivalent to the earned premium of the insurance for such unit for the then-current insurance premium year.

Section 3 edited. See Fifth Amendment

Section 4. Liabilities for Common Expenses. In addition to the allocations for shares of liability for the normal common expenses as provided in Section 17 of the Act and in Section 2 of this Article:

(a) Any expenditures by the Association benefitting fewer than all of the units shall be specially assessed equitably among all of the condominium units so benefitted;

(b) 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 condominium unit or units, the conduct of any occupant, licensee or invitee of which occasioned any such common expenses;

(c) 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.

Section 5. Special Assessments for Reconstruction or Replacement. In addition to the assessments provided for the 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 (2/3) of the Board of Directors.

Section 6. 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 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 (2/3) 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.

Section 7. 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 all interest and charges thereon as provided in the Act and in this Declaration.

Section 8. Management Contracts. The Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the manager of the Board of Directors, except such as are specifically required by this Declaration or the

Section 5 deleted
and replaced. See
Fifth Amendment

By-Laws, to have the approval of the Board of Directors of the Association. The manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the Board of Directors, make assessments for common expenses, and collect such assessments as provided in this Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Directors.

Section 9. Negligence of Unit Owner. Each 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 any member of his family, or his or their guests, employees, agents, invitees, 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 rates occasioned by use, misuse, occupancy, or abandonment of a unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

ARTICLE XI

- Article deleted and replaced.
See Fifth Amendment.

Lien for Assessments

Section 1. Non-payment of Assessment. Any assessment made in compliance with the provisions of Article VIII shall constitute a lien in favor of the Association against the units and may be enforced as provided in Section 41 of the Act or as provided by any other law.

Section 2. Late Charges, Interest and Costs. With respect to the lien for assessments provided in Section 41 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:

(a) 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);

(b) 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 8% per annum;

(c) the costs of collection, including court cost, the expenses of sale, any expenses of sale, any expenses required for the protection and preservation of the unit and reasonable attorney's fees actually incurred; and

(d) 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 judgement rendered in such suit is otherwise satisfied).

Section 3. Notice of Mortgagee. Provided that a unit owner shall have given notice to the Association of a mortgage against his or her unit (or such notice has been given 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.

Section 4. Fee for Lien Certificate. Payment of a fee to the Association in amount of \$10.00 shall be required as a prerequisite to the issuance by the Association of the notice provided in Section 3 of this Article and/or the statement required by Section 41(d) of the Act.

Section 5. Liens for Assessments Subordinate to Mortgages. Any lien for delinquent common expense assessments or other charges that the Association has on a unit will be subordinate to a First Priority Deed to Secure Debt on the unit, if the Deed to Secure Debt was recorded before the delinquent assessment was due.

ARTICLE XII

Common Profits

The common profits shall be applied to the payment of common expenses and the rights in any surplus remaining shall appertain to the condominium units in proportion to the liability for common expenses appertaining to each unit. At the discretion of the Association, any such surplus or any portion thereof may be accordingly distributed to, or credited to, the next assessments chargeable to the unit owners or the same may be added to any reserve maintained pursuant to the condominium instruments or the By-Laws of the Association.

ARTICLE XIII

Authority, Duties, and Responsibilities of the Association

In addition to the authority, duties and responsibilities conferred upon the Association by the Act, the Articles of Incorporation, the By-Laws or any other condominium instruments, it is expressly provided:

Section 1. Authorization. The Association shall be and is hereby:

(a) Pursuant to Section 13 of the Act, empowered to suspend temporarily the right of use of certain of the common elements as shall be specifically designated by the Association by a unit owner and by all those entitled to occupy a unit who fail to comply with all lawful provisions of this Declaration and all other condominium instruments; provided, however, that no such suspension shall deny any such unit owner or such occupants of any condominium unit access to the unit owned or occupied nor cause any hazardous or unsanitary condition to exist.

(b) Empowered to make rules and regulations, in addition to any provided herein, further defining the proper use and maintenance of the condominium. Such rules and regulations shall not be inconsistent with the condominium instruments and, in the event of any conflict, the condominium instruments shall control. Copies of such rules and regulations shall be maintained by the Secretary of the Association and be furnished to all unit owners upon request. Such rules and regulations shall be binding upon the owners, their families, visitors, guests, servants, lessees, agents, successors and assigns until and unless they are specifically amended, overruled and cancelled by the Board of Directors of the Association.

(c) Endowed with the right to maintain existing improvements regardless of any present or future encroachment(s) of the common elements upon another unit, and with the right to enter for its duly authorized agents into any unit at any reasonable time upon reasonable notice to such unit owner to perform the duties imposed by Section 2 of this Article.

Section 2. Duties. In addition to the duties imposed upon it by the Act and the condominium instruments, the Association shall have an affirmative duty to maintain, repair, renovate, restore and replace all common elements and the exterior and roofs of all condominium units; to provide for pesticide treatment for the exterior surfaces of all condominium units; and to construct amenities as authorized under the provisions of Section 6 of Article IX of this Declaration.

Section 3. Association to Maintain Register of Owners and Mortgagees: The Association shall at all times maintain a Register setting forth the names of the owners of all of the units. In the event of the sale or transfer of any unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any unit. Further, the owner of each unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any unit may, if he so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any unit and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

ARTICLE XIV

Control of the Association

The Declarants are 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 seven (7) years after the recording of this Declaration; or

(b) the date as of which four-fifths (4/5) of the units shall have been conveyed by Declarants to unit owners other than Declarants unless at such time the Declarants' option to add additional property has not expired; or

(c) the date as of which the Declarants surrender the authority to appoint and remove members of the Board of Directors and officers.

ARTICLE XV — Article deleted and replaced.
See Fifth Amendment.

Insurance

Section 1. Insurance Guidelines. The Association shall be required

to obtain and maintain casualty insurance, liability insurance, flood insurance, (if required), policies, and fidelity bond, as required by Section 39 of the Act. In discharging its responsibility to maintain appropriate insurance coverage the Association shall be governed by the following guidelines:

(a) All policies shall be written with a company licensed to do business in the State of Georgia and holding a rating of "AAA" or better by Best's Insurance Reports.

(b) All policies, including such additional unit insurance as unit owners may obtain, shall show the following as the named insured: "Association of the Owners of Warsaw Bluff Condominium for the use and benefit of the individual owner."

(c) Provision shall be made for the issuance of a certificate of insurance to each unit owner and his or her mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular owner's unit.

(d) The original of all master and individual policies and endorsements thereto shall be deposited with and maintained by the Association at its principal office.

(e) Casualty insurance shall cover 100% of the current replacement cost of the project facilities including the individual units. Coverage does not need to include land foundation, excavations or other items that are normally excluded. Maximum deductible amounts is the lesser of \$10,000.00 or 1% of the policy face amount. Funds to cover deductible amounts should be included in the owners associations operating reserve account.

(f) Comprehension general liability insurance shall cover all common areas, public ways and other areas under the association supervisor. Coverage shall be at least \$1,000,000.00 for bodily injury and property damage for any single occassion.

(g) All insurance coverages shall conform to the requirements of F.N.M.A. or F.A.L.M.C.

(h) Exclusive authority to adjust losses under policies hereafter in force with respect to the Submitted Property shall be vested in the Board of Directors; provided however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(i) 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.

(j) Each unit owner may obtain additional unit insurance at his or her own expense, which additional insurance shall be for the benefit of the unit owner, the Association and any mortgagee; provided, however, that no unit owner shall be entitled to exercise his or her right to maintain

insurance coverage in such a way as to decrease the amount which the Association, on behalf of all of unit owners and their mortgagees, may realize under any insurance policy which the Association may have in force with respect to the Submitted Property at any particular time.

(k) Any unit owner who obtains an individual insurance policy covering his or her unit other than for coverage attributable to improvements made by such owner at his or her expense and personal property belonging to such owner, shall be required to file a copy of each such individual policy with the Board of Directors within thirty (30) days after purchase of such insurance.

(l) The Board of Directors shall conduct an annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insurable improvements on the Submitted Property (with respective owners at their expense) by one or more qualified persons, conducted preferably by an engineer or appraiser approved or employed by the insurance carrier whose policy is then in force, or from whom a policy is to be obtained.

(m) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Association and its officers, directors, employees and agents, the unit owners and their respective servants, agents and guest;

(2) a waiver by the insurer of its right to repair and reconstruct instead of paying cash;

(3) that any master policy on the Submitted Property cannot be cancelled, invalidated or suspended on account of any one or more individual unit owners;

(4) that no master policy on the Submitted Property can be cancelled, invalidated or suspended on account of the conduct of any director, officer, agent or employee of the Association without a prior demand in writing delivered to the Board of Directors to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured; and

(5) that any "other insurance" clause in any master policy exclude individual unit owners' policies from consideration.

Section 2. Damage or Destruction to Condominium Units. In the event of damage to or destruction of any unit, the Association shall cause the same to be restored, and any funds required for such restoration in excess of the insurance proceeds attributable thereto shall be paid by the unit owner of such unit; provided, however, that in the event that the unit owner of such unit, together with the unit owners of other units to which sixty-seven (67%) per cent of the votes in the Association appertain, agree not to restore such unit, the same shall not be restored and the entire undivided interest in the common elements appertaining to that unit shall thenceforth appertain to the remaining units, being allocated to

them in proportion to their undivided interests in the common elements, and the remaining portion of that unit shall thenceforth be a part of the common elements. Votes in the Association and Liability for future common expenses shall thereupon appertain to the remaining units, being allocated to them in proportion to their relative voting strength in the Association and liability for common expenses, respectively.

Section 3. Damage or Destruction to Common Elements. In the event of any damage or destruction to common elements and not to any portion of any unit, the portion of the common elements damage or destroyed shall be repaired or restored unless the Board of Directors vote not to repair or restore. The Board of Directors shall hold any insurance proceeds paid in connection therewith, provided for the repair or restoration, impose any special assessments if the insurance proceeds are insufficient to cover the cost thereof and determine the disposition of any excess proceeds if the insurance proceeds exceed the cost of repair or restoration or if no repair or restoration be undertaken.

ARTICLE XVI

Expandable Condominium

Section 1. Additional Property. The plat of survey required by Section 20(a) of the Act and which is hereinabove referred to as the Condominium Plat depicts both the Submitted Property and certain other property contiguous thereto. A description of the Additional Property is attached hereto as Exhibit D and made a part hereof.

Section 2. Option to Expand Condominium. Declarant, for itself and its assigns hereby reserves the option to expand the condominium by submitting any or all of the Additional Property, together with all improvements now or hereafter located thereon, to this Declaration and the condominium form of ownership. In the event Declarant acquires additional land contiguous to, or immediately adjacent to, Phases of the condominium, ("the Phases and Additional Properties"), Declarant also reserves the option to expand the condominium by submitting any or all of the Phases and Additional Properties, together with all improvements now or hereafter located thereon, to this Declaration and the condominium form of ownership. This option shall expire seven years from the date of recording this Declaration; provided, however, the unit owners of condominium units to which two-thirds of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any condominium unit or units owned by Declarant, may consent to the extension of this option within one year prior to the date upon which this option would otherwise have expired.

Section 3. Additional Units. The aggregate maximum number of additional units which may be created on the Phase II Additional Property is 21. The units shall be restricted as to use to the provisions of Section I of Article VIII hereof and shall be otherwise subject to the provisions of the condominium instruments and the By-Laws, rules and regulations of the Association. The buildings on all Additional Properties shall be compatible in appearance, design and architectural style to, and be of comparable construction quality with the buildings on the Submitted Property. Declarant, its successors and assigns, shall have the right in its sole discretion to determine the appearance, design,

architectural style and quality of such buildings. No assurances are made as to what other improvements, if any, will be made on any portion of the Additional Properties. As to those units to be added, Declarant reserves the right to create and establish common elements within any portion of the Additional Properties without limitations as to the types, sizes, location and maximum number of common elements.

Section 4. Option Limitations. Other than as stated herein, Declarant's option to expand or not to expand the condominium submitting any or all of the Additional Properties to the Declaration is without limitation.

Section 5. Reallocation Upon Expansion. The undivided interest in the common elements, votes in the Association and liability for common expenses are allocated among the condominium units on the Submitted Property by assigning an equal share to each unit (initially an interest per unit). Upon expansion of the condominium to include any or all of the Additional Properties, the undivided interests in the common elements, votes in the Association and liability for common expenses shall be reallocated among the condominium units on the Submitted Property and the Additional Properties on the same basis, to-wit: each unit shall have assigned to it an equal share based upon a fraction, the numerator of which shall be one and the denominator of which shall be the total number of units in the condominium including the units in the Additional Properties submitted under the provisions of this Article.

ARTICLE XVII

Easements

The following easements and rights are hereby established as covenants and burdens running with the real property and the improvements thereon:

- (a) In case of any emergency originating in or threatening any unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the managing agent, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right to entry shall be immediate.
- (b) Each unit owner shall have an easement in common with the other owners of all units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements and facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements and facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right to access to each unit to inspect the same, to remove violations therefrom and to maintain, repair, or replace the common elements and facilities contained therein or elsewhere

in the building.

- (c) The initial and subsequent Boards may grant or assume easements, leases, or licenses for utility purposes for the benefit of the condominium, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the units and/or common elements and facilities; and, each unit owner hereby grants to the Board, or its designee, the irrevocable power of attorney to execute, acknowledge, and record for or in the name of the Association or each unit owner such instruments as may be necessary to effectuate the foregoing.
- (d) Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common elements and facilities; and, for vehicular traffic over, through and across such portions of the common elements and facilities as from time to time may be paved and intended for such purposes, for all unit owners of units in Warsaw Bluff, A Condominium, their guests, families, invitees, lessees, the Association, and the Declarant, its successors and assigns.
- (e) In the event that any unit shall encroach upon any of the common elements and facilities, or any other unit or units, for any reason not caused by purposeful or negligent act of the unit owner, or agents of such owner, then an easement appurtenant to such unit shall exist for the continuance of such encroachment upon the common elements and facilities or upon a unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the common elements and facilities shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the common elements and facilities upon any unit for so long as such encroachment shall naturally exist. If any unit or common elements and facilities shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such unit and/or common elements and facilities in accordance with this Declaration, there exist encroachments of portions of the common elements and facilities upon any unit or of any unit upon any other unit or upon any portion of the common elements and facilities, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

New subsection entered after E.
See Fifth Amendment.

ARTICLE XVIII

Miscellaneous

Section 1. 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.

Section 2. 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.

Section 3. Notice of Lien or Suit. A unit owner shall give prompt notice to the Association: (A) of every mortgage or lien against his or her unit; (B) of every suit or other proceeding which may affect the title to his or her 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.

Section 4. 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 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 written notice of any error in such records or change of address.

ARTICLE XIX

Modification

By recorded supplement, this Declaration may be modified:

- A. By Declarants until such time as Declarants shall have relinquished control of the Association under the provisions of Article XIII hereof, and thereafter
- B. By the affirmative action of sixty-seven (67%) per cent of the votes in Association at a meeting called and held in the manner prescribed in the By-Laws for amendments thereof.

67% of owners
 must agree
~~67%~~
 at least
 (38.69)
 (39)

for the purpose of clarifying any provisions hereof, provided that no such modification shall change the substantive provisions hereof or materially alter the rights of any owner or of the Declarant established hereunder.

Amendments of a material nature must be agreed to by members of the Association representing at least 67% of the total allocated votes in the Association. In addition, approval must be obtained from eligible mortgage holders (those holding First Priority Deed to Secure Debts on a unit who have requested the Association notify them on any proposed action

that requires the consent of a specific percentage of eligible mortgage holders), representing at least 51% of the votes of the units that are subject to mortgages held by the eligible mortgage holders. A change to any of the following would be considered material:

1. Voting Rights
2. Assessments, assessment liens, or subordination of assessment liens;
3. Reserves for maintenance, repair and replacement of common areas;
4. Responsibility for maintenance and repairs;
5. Reallocation of interests in the general or limited common areas, or rights to their use;
6. Boundaries of any unit;
7. Convertibility of units into common areas or vice versa;
8. Expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project;
9. Insurance or fidelity bonds;
10. Leasing of units;
11. Imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
12. A decision by the owners' association to establish self management when professional management had been required previously by an eligible mortgage holder;
13. Restoration or repair of the project (after a hazard damage or partial condemnation) in a management had been required previously by an eligible mortgage holder.
14. Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or,
15. Any provisions that expressly benefit mortgage holders, insurers or guarantors.

When the Association is considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, the eligible mortgage holders representing at least 67% of the votes of the mortgaged units must agree.

IN WITNESS WHEREOF, the undersigned have execute these presents,

New Article XX inserted. See Fifth Amendment.

326

FIRST AMENDMENT TO
DECLARATION
OF
WARSAW BLUFF, A CONDOMINIUM
THUNDERBOLT, CHATHAM COUNTY, GEORGIA

WHEREAS, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for WARSAW BLUFF, A Condominium, Thunderbolt, Chatham County, Georgia, was made November 15, 1985 and recorded November 19, 1985 in Deed Book 128-Q, page 317, Chatham County records, (hereinafter referred to as the "Declaration"); and

WHEREAS, THUNDERBOLT DEVELOPMENT COMPANY, INC., the Declarant, wishes to modify the Declaration pursuant to the provisions regarding modification contained in Article XIX of the Declaration; and

WHEREAS, the amendments contained herein are of a material nature as defined in said Article XIX of the Declaration, thereby requiring the agreement of the Declarant and sixty-seven (67%) percent of the unit owners other than the Delcarant; and

WHEREAS, the undersigned represent 19 votes, thereby satisfying the modification requirements of the Declaration and the Georgia Condominium Act;

NOW, THEREFORE, the Declaration is amended in the following particulars:

1. Article XVI, Section 3 is amended by deleting the first sentence thereof in its entirety and substituting the

253819A001 12/21/90TOTAL 19.00

Filed For Record At 5:57 P.M. On The 21 Day Of Dec 1990
Recorded In Record Book 148 B (11) On The 21 Day Of Dec 1990

RECEIVED FOR RECORD

CLERK SUPERIOR COURT, CHATHAM CO., GA.
1990 DEC 21 PM 3:57

DEBORAH J. WELLS
CLERK, S.C.C.G.

19

following: "The aggregate maximum number of additional units which may be created on the Phase II Additional Property is twenty-four (24) for a total of fifty-seven (57) units in the entire Condominium".

2. Exhibit "C" of the Declaration is deleted in its entirety and the following is substituted in lieu thereof:

<u>Identifying Unit Number</u>	<u>Undivided Interest in Common Elements and Share of Liability For Common Expenses</u>	<u>Number of Votes in Association</u>
101 through 112 201 through 209 301 through 312	1/33	1


Note: Warsaw Bluff at Thunderbolt, Georgia is an Expandable Condominium as defined in the Georgia Condominium Act and as provided in Article XV of this Declaration. Undivided Interest in Common Elements, Number of Votes in Association and Share of Liability of Common Expenses are subject to change in accordance with Section 5 of Article XVI of this Declaration upon inclusion of Additional Properties in the Condominium.

IN WITNESS WHEREOF, the foregoing instrument has been executed by the undersigned this 20th day of December, 1990.

Executed in the presence of:

THUNDERBOLT DEVELOPMENT COMPANY, INC.

John R. Williams
Heather C. Lober



By: *[Signature]*

Attest: *[Signature]*
Unit _____

DIANE C. EDNER
Notary Public, Chatham County, Ga.
My Commission Expires May 23, 1993

EXHIBIT "C"

<u>IDENTIFYING UNIT NUMBER</u>	<u>UNDIVIDED INTEREST IN COMMON ELEMENTS AND SHARE OF LIABILITY FOR COMMON EXPENSES</u>	<u>NUMBER OF VOTES IN ASSOCIATION</u>
101 through 112	1/36	1
201 through 209		
301 through 315		

Note: Warsaw Bluff at Thunderbolt Georgia is an Expandable Condominium as defined in the Georgia Condominium Act and as provided in Article XV of this Declaration. Undivided Interest in Common Elements, Number of Votes in Association and Share of Liability of Common Expenses are subject to change in accordance with Section 5 of Article XV of this Declaration upon inclusion of Additional Properties in the Condominium.

SECOND AMENDMENT AND DECLARATION OF
EXPANSION OF WARSAW BLUFF, A CONDOMINIUM,
THUNDERBOLT, CHATHAM COUNTY, GEORGIA

WHEREAS, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for WARSAW BLUFF, A Condominium, Thunderbolt, Chatham County, Georgia, was made November 15, 1985 and recorded November 19, 1985 in Deed Book 128-Q, page 317, Chatham County records, (hereinafter referred to as the "Declaration"); and

WHEREAS, the Declaration was amended by First Amendment dated December 21, 1990 and recorded in Deed Book 148-B, page 326, Chatham County records; and

WHEREAS, Article XVI entitled Expandable Condominium of the Declaration allows the Condominium Declarant to expand the Condominium by submitting Additional Property described on Exhibit D in the Declaration;

NOW, THEREFORE, pursuant to the requirements of O.C.G.A. § 44-3-8, the undersigned Declarant, Owners and Mortgagee of the Additional Property do declare that the Warsaw Bluff Condominium is expanded by submission of said Additional Property (as described on Exhibit "D" of the Declaration and on Exhibit "A" attached hereto), to the Declaration and to the Condominium form of ownership.

In addition, the undivided interest in the common elements, votes in the Association and liabilities for future common expenses are reallocated as follows:

Filed For Record At 2:46 O'Clock P.M. On 11/17/92
Recorded In Record Book 148-B, Page 326
On The 17th Day Of November, 1992
CLERK SUPERIOR COURT CHATHAM CO., GA.

RECEIVED FOR RECORD
1992 NOV 17 PM 3:40
CLERK, S.C.C.G.A.

Undivided Interest
in Common Elements and
Share of Liability
For Common Expenses

Number of Votes
in Association

Identifying
Unit Number

101 through 112	1/57	1
201 through 209	1/57	1
301 through 312	1/57	1
401 through 409	1/57	1
501 through 515	1/57	1

IN WITNESS WHEREOF, the foregoing instrument has been executed
by the undersigned this 16th day of November, 1992.

Executed in the presence of:

THUNDERBOLT DEVELOPMENT
COMPANY, INC., Declarant

[Signature]
Witness

[Signature]
Notary Public

By: [Signature]



Attest: [Signature]

DIANE C. EDNER
Notary Public, Chatham County, Ga.
My Commission Expires May 23, 1993

Executed in the presence of:

[Signature]
Charles W. Williams, Owner

[Signature]
Witness

[Signature]
Notary Public

DIANE C. EDNER
Notary Public, Chatham County, Ga.
My Commission Expires May 23, 1993

Executed in the presence of:

[Signature]
William A. Reardon, Owner

[Signature]
Witness

[Signature]
Notary Public

DIANE C. EDNER
Notary Public, Chatham County, Ga.
My Commission Expires May 23, 1993

Executed in the presence of:

FIRST UNION, Mortgagee

[Signature]
Witness

[Signature]
Notary Public

MONICA STRICKLAND
Notary Public, Chatham County, Ga.
My Commission Expires Nov. 18, 1994

By: [Signature]



Attest: [Signature]

THIRD AMENDMENT AND DECLARATION OF
EXPANSION OF WARSAW BLUFF, A CONDOMINIUM,
THUNDERBOLT, CHATHAM COUNTY, GEORGIA

WHEREAS, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for WARSAW BLUFF, A Condominium, Thunderbolt, Chatham County, Georgia, was made November 15, 1985 and recorded November 19, 1985 in Deed book 128-Q, Page 317, Chatham County records, (hereinafter referred to as the "Declaration"); and

WHEREAS, the Declaration was amended by First Amendment dated December 21, 1990 and recorded in Deed Book 148, Page 326, Chatham County records; and

WHEREAS, the Declaration was amended by second amendment dated November 16, 1992 and recorded in Deed Book 157-C, Page 21, Chatham County records; and

WHEREAS, the Board of Directors proposed at the annual meeting of the members on February 13, 1999 that Article VIII, Section I of the covenants be amended as follows: To remove that portion of the second sentence which reads, "...regardless of the term of occupancy" and substitute the following: "Provided, however, that no rental or lease agreement executed for any condominium unit after 31 December 1999 shall be for a period of less than one year. The Association will furnish upon request to any unit owner or person who has executed a contract for purchase of a condominium unit a recordable statement certifying to any waiver of or failure or refusal to exercise such rights and restraints whenever such waiver, failure, or refusal has occurred," and the members having so approved.

NOW, THEREFORE, pursuant to the requirements of O.C.G.A. §44-3-93, the undersigned Declarant, the duly elected Board of Directors of Warsaw Bluff, a condominium acting upon vote of more than two-thirds of the members at the duly called annual meeting of February 13, 1999, hereby amends its declaration of covenants Article VIII, Section I to remove that portion of the second sentence which reads, "...regardless of the term of occupancy" and substitute the following: "Provided, however, that no rental or lease agreement executed for any condominium unit after 31 December 1999 shall be for a period of less than one year. The Association will furnish upon request to any unit owner or person who has executed a contract for purchase of a condominium

unit a recordable statement certifying to any waiver of or failure or refusal to exercise such rights and restraints whenever such waiver, failure, or refusal has occurred,"

IN WITNESS WHEREOF, the foregoing instrument has been executed by the undersigned this 11th day of August, 1999.

Executed in the presence of:

WARSAW BLUFF CONDOMINIUM
OWNER'S ASSOCIATION INC.

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

By: _____
Attest: _____

Executed in the presence of:

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

B.V. Cooper
B.V. Cooper, Board of Directors

Executed in the presence of:

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

John Evans
John Evans, Board of Directors

Executed in the presence of:

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

William Hampton
William Hampton, Board of
Directors

Executed in the presence of:

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

Patricia Holland
Patricia Holland, Board of
Directors

Executed in the presence of:

Patricia Anne Carleton
Witness
PATRICIA ANNE CARLETON
Notary Public, Chatham County, Ga.
My Commission Expires June 24, 2001
Notary Public

Lisa Manes
Lisa Manes, Board of Directors

**Fourth Amendment to
DECLARATION OF CONDOMINIUM
for
Warsaw Bluff
(A Condominium)**

This Fourth Amendment to Declaration of Condominium ("Fourth Amendment to Declaration") is made this ___ day of _____, 2009, by **Warsaw Bluff Condominium Association, Inc.**, a Georgia corporation (hereinafter referred to as the "Association").

RECITALS:

A. The Association is the designated condominium association pursuant to the Declaration of Warsaw Bluff, a Condominium, Thunderbolt, Chatham County, Georgia, dated November 15, 1985 and recorded in Deed Book 128Q, page 317, Chatham County, Georgia records (the "Declaration").

B. The Association desires to amend the Declaration with this Fourth Amendment to Declaration to provide for restrictions on the rental and leasing of the units, and for other purposes, as set forth herein.

C. The owners have approved this Fourth Amendment to Declaration as required by the Declaration and the Act as certified on Exhibit "A" incorporated herein and made a part hereof by this reference.

D. Terms used herein shall have the same meaning when used in the Declaration and the Act, unless the context clearly otherwise requires.

NOW, THEREFORE, The Association, by this Declaration, does hereby amend the Declaration as indicated herein.

Article VIII, Section 1 of the Declaration is deleted in its entirety and the following inserted in lieu thereof:

"Section 1. Residential Use; Leasing Restrictions. Each unit is hereby restricted to use by its owner, the owner's family, servants and guests, tenants or lessees, as a residence only and shall in no event be used at any time for any purpose other than residential purposes. The rental or leasing by owner of his or her unit for residential purposes shall be prohibited, except that this prohibition does not apply to current owners of units as of the date of the adoption of this amendment, but shall apply to any subsequent transferees of title.

Section 2: Lease Form. All leases shall be in writing. Within ten (10) days after executing a lease agreement for the lease of a unit, the owner shall provide the Board with a copy of the lease and the name of the tenant and all other people occupying the unit. The owner must also provide the Association with a signed statement affirming that they have

provided the tenant with copies of the Association Declaration, Bylaws, Handbook, and the rules and regulations. Nothing herein shall be construed as giving the Board the right to approve or disapprove of a proposed tenant.

Section 3: Required Lease Terms. Each owner covenants and agrees that any lease of a unit shall comply with the following provisions or contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the tenant, by occupancy of the unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

- (a) Units may be leased only in their entirety, no fraction or portion may be leased without prior written Board approval.
- (b) There shall be no subleasing of units or assignment of leases without prior written board approval.
- (c) All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship.
- (d) The lease must list all occupants and their relationship to tenant, and shall provide that no other persons will occupy the unit without owner's consent.
- (e) The tenant shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased unit in order to ensure such compliance. The owner shall cause all occupants of his or her unit to comply with the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the unit are fully liable and may be sanctioned for any such violation. If the tenant, or a person living with the tenant, violates the Declaration, Bylaws, and the rules and regulations for which a fine is imposed, notice of the violation shall be given to the owner, and the tenant, and such fine may be assessed against the tenant as if he were the owner of the unit as provided herein. If the fine is not paid by the tenant within 30 days or other time period set by the Board, then the Board may demand that the owner pay the fine upon notice from the Board of the tenant's failure to pay the fine. Unpaid fines shall constitute a lien against the unit and shall also be the personal responsibility of the unit owner.
- (f) Any violation of the Declaration, Bylaws or rules and regulations adopted pursuant thereto by the tenant, or any guest of tenant, is deemed to be a default under the terms of the lease and authorizes the owner to terminate the lease without liability and to evict the tenant in accordance with Georgia law. The owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation

of the Declaration, bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the tenant as attorney-in-fact on behalf and for the benefit of the owner, in accordance with the terms hereof. If the Association proceeds to evict the tenant, any costs, including reasonable attorney's fees actually incurred and court costs associated with the eviction shall be an assessment and lien against the unit, shall be the personal responsibility of the unit owner.

Further, Sections 2-12 of Article VIII are hereby renumbered as Sections 4-14, respectively.”

IN WITNESS WHEREOF, the Association has executed this Fourth Amendment to Declaration on the day and year above first written.

(signatures on following page)

RETURN TO:
McCorkle & Johnson, LLP
319 Tattnall Street
Savannah, Georgia 31401

PLEASE CROSS REFERENCE:
Deed Book **128-Q**, Page **317**,
Chatham County, Georgia records

**AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WARSAW BLUFF, A CONDOMINIUM
Thunderbolt, Chatham County, Georgia**

THIS FIFTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Warsaw Bluff, A Condominium, City of Thunderbolt, Chatham County, Georgia (this "Fifth Amendment"), made this ___ day of _____, 2011 by WARSAW BLUFF CONDOMINIUM ASSOCIATION, INC., a Georgia non-profit corporation (the "Association")

WHEREAS, Thunderbolt Development Company, Inc. submitted certain real property to the provisions of the Georgia Condominium Act, Official Code of Georgia Annotated Sections 44-3-70 *et seq.*, pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Warsaw Bluff, A Condominium dated November 15, 1985, and recorded at Deed Book 128-Q, page 317, Chatham County, Georgia records, as amended by that certain First Amendment dated December 20, 1990 and recorded in Deed Book 148-B, Page 326, aforesaid records, as further amended by that certain Second Amendment dated November 16, 1992, and recorded in Deed Book 157-C, Page 21, aforesaid records, as further amended by that certain Third Amendment dated August 26, 1999, and recorded in Deed Book 372-B, Page 860, aforesaid records, and as further amended by that certain Fourth Amendment dated October 8, 2009, and recorded in Deed Book ____, Page ____ (as amended from time to time, the "Declaration"), and

WHEREAS, the Association desires to further amend the Declaration as more particularly set forth herein.

NOW THEREFORE, for and in consideration of One Dollar (\$1.00) in hand paid, the above listed recitals, and the benefits to be derived by the members of the Association and each and every subsequent owner of any property located within Warsaw Bluff, a Condominium, the Association hereby amends the Declaration as follows:

1. All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed thereto in the Declaration.

2. ARTICLE I is hereby deleted in its entirety and the following is inserted in lieu thereof:

3. ARTICLE V is hereby amended by inserting the following immediately after the second paragraph:

“(c) Additional Information to Interpret Unit Boundaries. Doors, windows, fixtures, surface flooring materials, wallboard, drywall, hanging ceiling material and other material constituting the ceiling, equipment, and appliances located within the boundaries of each Unit, are deemed to be a part of each Unit. All portions of the heating and air-conditioning systems serving a Unit, whether located inside or outside the boundaries of the Unit, are deemed to be a part of the Unit. If any chutes, flues, ducts, conduits, wires, pipes, or any other apparatus lie partially inside and partially outside of the designated boundaries of a Unit, any portions thereof which serve only that Unit shall be deemed a part of that Unit, while any portions thereof which serve more than one Unit or any portion of the Common Elements shall be deemed a part of the common elements. No bearing walls, bearing columns or structural members of the building within a Unit shall be deemed to be part of such Unit.

(d) Interpretation. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.”

4. ARTICLE VII is hereby deleted in its entirety and the following is inserted in lieu thereof:

“ARTICLE VII

Recreational Facilities

“The facilities comprising of the dock and the swimming pool shall be part of the common elements of the Condominium; provided however, that, in addition to the rules and regulations set forth herein, the Board of Directors shall have the right to promulgate rules and regulations for the use of and access to these recreational facilities by unit owners and their tenants and guests.

Section 1. Pool Rules.

(a) Only residents, non-resident owners and their guests have pool privileges.

(b) Residents who invite guests to use our pool should accompany them while they are using it.

(c) Guests must always register in the sign-in book while they are using the pool.

Section 2. Dock Rules.

(a) Eligibility for dock space. Only Warsaw Bluff Condominium owners or a tenant designated in writing by the unit owner may keep a boat at the dock. Space will be assigned on a first-come, first-served basis and only if an appropriate size space for the boat is available. Only one boat per unit is allowed at the dock. Anyone docking a boat at the Warsaw Bluff dock agrees to accept fully responsibility and liability for any damage to property or personal injury related in any way to the docking of a boat or any other use of the Warsaw Bluff dock. Boats kept at the dock will be maintained so as to present a neat and clean appearance and to pose no unreasonable threat to the safety of persons or property.

(b) Non-compliant boats. Any boat owner found to be in non-compliance with any provision of this Declaration, the Bylaws, or the Rules and Regulations promulgated by the Board of Directors is subject to fines, loss of dock space and removal and storage of the boat from the dock at the boat owner's expense and risk.

(c) Ownership requirements. Space can be assigned only to boats that are ***already owned by the unit owner or a renter designated in writing by the owner.*** The boat to be docked must be owned solely by, and registered in the name of, the unit owner or designated renter. Boats owned in whole or in part by anyone other than the condo owner or designated renter may not be kept at the dock. "Planning to buy" or "Might buy" cannot be the basis for space assignment.

(d) Maximum allowable boat length. The maximum allowable length for boats kept at the dock is 32.0 feet, including all equipment and any overhangs such as rails, bow pulpits, stern pushpits, bowsprits, outboard motors, outdrives, swim platforms, fishing ear, or other items.

(e) Procedure for obtaining dock space. Individuals desiring to keep a boat at the dock must do the following ***prior to bringing the boat to Warsaw Bluff:***

- (i) Complete Warsaw Bluff's dock space application form and provide it to the Dockmaster. Misrepresentation of any pertinent facts regarding the boat such as overall length, ownership, insurance coverage, etc. shall be grounds for immediate withdrawal of approval for use of the dock and will require immediate removal of the boat from the dock. If the owner fails to remove the boat immediately, the Association shall have it moved and stored at the owner's expense and risk.

- (ii) Provide the Dockmaster with a copy of the boat's current registration papers showing the boat owner's name and the state registration number or federal documentation number.
- (iii) Provide the Dockmaster with a copy of the boat's current insurance policy or other acceptable insurance verification. The owner of any boat kept at the dock must carry a minimum of \$300,000 liability insurance on the boat. A boat owner shall immediately notify the Dockmaster when the owner's liability insurance policy on a docked boat is cancelled or is reduced to an amount less than \$300,000. Such cancellation or reduction of liability insurance coverage shall result in immediate suspension of dock privileges. Boat owners may arrange with the Dockmaster to physically measure the boat's overall length to verify compliance with the 32.0 feet maximum length requirement. Overall length numbers on registration documents are often incorrect and cannot be relied upon.
- (iv) Demonstrate that the boat has on board the required operable fire extinguisher(s).

(f) Transfer of dock space. An assigned dock space cannot be transferred to the new owner when a unit is sold. The new owner must go through the usual first-come, first-served process outlined herein and in the rules and regulations promulgated by the Board of Directors.

5. ARTICLE VIII is hereby amended by inserting the following Section 4 immediately after Section 3:

"Section 4. Sale of Units.

(a) General. The right of any Owner to sell, transfer, or convey the Unit owner's Unit shall not be subject to any right of first refusal or any similar restriction in favor of the Association under the provisions of this Declaration and there shall be no restriction on the right of an owner to mortgage such owner's Unit.

(b) Notice of Sale. Each owner shall, within ten (10) days of listing or advertising the Unit for sale, notify the Association in writing of his intention to sell the Unit. The selling Owner shall provide the purchasing Owner at the closing with copies of all of the governing documents of the Condominium, including, without limitation, the Declaration, Bylaws, and Rules and Regulations promulgated by the Board of Directors. The selling Owner and the purchasing Owner shall have a joint and several liability and obligation to deliver to the Board of Directors, within ten (10) days of the date of the closing, an acknowledgement of receipt executed by the purchasing Owner acknowledging purchasing Owner's receipt of copies of the Governing Documents, together with a copy of the closing statement and such other information as the Board may reasonably require. Failure to provide the aforementioned items and information required herein shall constitute

a violation of this Declaration.”

Further, Sections 4-14 of ARTICLE VIII shall be renumbers as Sections 5-15, respectively.

6. ARTICLE IX is hereby amended by inserting the following immediately after the last paragraph:

“Notwithstanding any other provision herein to the contrary, the Board of Directors, upon resolution, shall have the authority to require any or all of the Owners to do any act or perform any work, or otherwise refrain from performing any act or any work, involving portions of the Condominium which are the maintenance responsibility of the Owner which will, in the Board’s sole discretion, decrease the possibility of fire or other casualty to the Condominium, decrease the possibility of damage to other persons or property (including other Units or the Common Elements) within the Condominium, reduce the insurance premium payable by the Association, or otherwise assist the Association in securing and maintaining such insurance coverage. The Board’s authority hereunder shall also allow the Board to require Owners (i) to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes to include, by way of example and not limitation, the requirement of heating Units to certain temperatures and/or of draining water pipes in the event of a vacancy of a Unit and; (ii) limiting the ability of Owners to use, store, or keep on the Property flammable materials to include, by way of example and not limitation, propane or other gasoline grills and/or petroleum gasoline, propane or other gasoline; (iii) requiring Owners to install smoke detectors; and (iv) requiring Owners to take such other measures as the Board may reasonably require. In the event that an Owner does not comply with any requirement made by the Board of Directors pursuant to this Section, the Association may perform such work at the Owner’s cost and expense, which cost and expense shall be added to and become an assessment and lien against the Unit collectible as provided for other assessments. The Association shall have all rights necessary to implement the requirements of this Section, including, but not limited to, the right to adopt reasonable Rules and Regulations and the right of reasonable entry.”

7. ARTICLE X, Section 3 is hereby deleted and the following is inserted in lieu thereof:

“Section 3. Annual Assessments. The amount of all Common Expenses not specially or specifically assessed pursuant to the provisions of this Declaration, less the amount of all undistributed and unreserved common profits, pursuant to Section 44-3-80 of the Act, shall be allocated among and between all Units existing in the Condominium in accordance with each Unit’s Percentage Interest. The Board of Directors shall prepare and submit in writing to the Owners an estimated budget of the Common Expenses for each fiscal year, together with notice of the amount of the annual assessment based on such budget payable by each Owner. If the estimated budget proves inadequate for any reason, the Board of Directors may levy at any time a further assessment against the Owners and notify the Owners accordingly. The Board may permit Owners to pay the annual assessment to the Association in equal monthly installments in advance on or before the first (1st) day of each month, or in such other reasonable manner as the Board of Directors shall designate.

In any year in which collected assessments and other income exceed expenditures, such excess shall appertain to the Units in proportion to the Unit's Percentage Interest and the Board of Directors, by resolution and without necessity of a vote of the Owners, shall determine either to apply such excesses or any portion thereof against and reduce the subsequent year's assessments or to allocate the same to one or more reserve accounts of the Association."

8. ARTICLE X, Section 5 is hereby deleted and the following is inserted in lieu thereof:

"Section 5. Special Assessments. In addition to the annual assessment authorized above, and in addition to any special assessments for reconstruction or repair of casualty damage, the Board of Directors may levy special assessments for the purpose of defraying, in whole or in part, the cost of any capital addition to, capital improvement of, or repair or replacement of a portion of the Common Elements (including, but not limited to, the necessary fixtures and personal property attached thereto) or for the cost of defraying, in whole or in part, any other lawful expense of the Association. Notwithstanding the foregoing, except as provided in Article XI, Sections 2 and 3, and Article XV, Section 2(b) hereof, any special assessment per Unit in excess of an average of Two Hundred Dollars (\$200.00) per fiscal year (or such higher amount as may be permitted by the Act) shall require the approval of a majority of the Owners. Unless the special assessment covers an expense which is charged to the Association on a "per Unit" basis, Owners shall be assessed for special assessments under this Section in the proportions as a Unit's Percentage Interest and the due dates of any such special assessments shall be as specified by the Board of Directors."

9. ARTICLE XI is hereby deleted in its entirety and the following is inserted in lieu thereof:

"Section 1. Creation of Lien and Personal Obligation. All sums lawfully assessed by the Association against any Owner or Unit pursuant to the Act or this Declaration, whether for assessments, fines or other charges, together with late charges, interest, costs of collection and expenses for sale or preservation of the Unit, and attorneys' fees as provided for herein shall from the time the same becomes due and payable, be the personal obligation of the Owner and a continuing lien in favor of the Association on the Unit against which each assessment is made. The recording of this Declaration shall constitute constructive notice or record notice of the existence of the lien and no further recordation of any claims of lien for such assessments, fines, or other charges shall be required. All such amounts shall also be the personal obligation of the Owner at the time the assessment fell due. Each Owner of any Unit, by acceptance of a deed, whether or not it be expressed in such deed, is deemed to covenant and agree to pay to the Association such assessments, fines, and other charges. No Owner may waive or otherwise escape liability for such assessments for any reason whatsoever, including, without limitation, for non-use of the Common Elements, abandonment of his or her Unit, the Association's failure to perform its duties and obligations hereunder, or any matters related to the Association's performance of its duties or obligations. Nothing contained herein shall authorize a reduction or elimination of any portion of an assessment against a Unit because such Unit

allegedly does not benefit from some of the expenses relating to the Common Elements. Each Owner shall be liable for each assessment coming due while he is the Owner of the Unit and any subsequent Owner of a Unit shall be jointly and severally liable for any assessment or portion thereof as may be due and payable at the time of conveyance to the subsequent Owner, provided that the rights of any subsequent Owner to recover from the prior Owner any amounts due by the prior Owner and paid by the subsequent Owner shall not be prejudiced thereby. Notwithstanding the foregoing, in the event that the holder of a First Mortgage or a secondary purchase money Mortgage (provided that neither the grantee nor any successor grantee on the secondary purchase money Mortgage is the seller of the Unit) or any other person acquires title to any Unit as a result of foreclosure of any such Mortgage or by deed in lieu thereof, such holder or other person and his or its successors, successors-in-title, and assigns, shall not be liable for, nor shall such Unit be subject to a lien for, any assessment or charge hereunder chargeable to such Unit on account of any period prior to such acquisition of title; provided, however, that such unpaid share of an assessment or assessments shall be deemed to be Common Expenses collectable from the Owners of all Units, including the Unit acquired at the foreclosure sale or by deed in lieu of foreclosure. In the event that the Association acquires title to a Unit, the Association shall be exempt from all assessments during the period of its ownership thereof.

Section 2. Non-Payment of Assessments; Remedies of Association. In the event that an Owner or Owners fails to pay any assessment, or portion thereof, when due, all such assessments, together with all late charges, interest, costs, and reasonable attorneys' fees in the maximum amount permitted by the Act shall be the personal obligation of the Owner and a charge against and continuing lien on the Unit. If any assessment, or portion thereof, is not paid within ten (10) days after the due date, then a late charge, not in excess of the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount of each delinquent assessment or installment shall also be included in the lien and shall be due and payable to the Association. The personal obligation of the Owner and lien for assessments shall also include interest at a rate of ten percent (10%) per annum (or such higher amount as may be permitted by the Act from time to time) on any assessment, installment, delinquency, or late charge from the date such sum was first due and payable. The personal obligation of the Owner and lien for assessments shall further include costs of collection, including court costs, the expenses of sale, any expenses required for the retention or preservation of the Unit, and reasonable attorneys' fees actually incurred. The personal obligation of the Owner and lien for assessments shall also include the fair rental value of the Unit from the time of the institution of suit until the sale of the Unit at foreclosure or until the judgment rendered in such suit is otherwise satisfied. If any delinquent assessment or portion thereof is not paid within ten (10) days after written notice is given to the Owner to make such payment, the entire unpaid balance of the assessment may be accelerated at the option of the Board of Directors and may be declared immediately due and payable in full, and legal proceedings may be instituted to enforce such personal obligation and lien. Such notice shall be sent by certified mail, return receipt requested, to the Owner both at the address of the Unit and at any other address or addresses the Owner may have designated to the Association in writing, specifying the amount of the assessments then due and payable, together with authorized late charges and interest accrued thereon. The lien for such assessments may be foreclosed by the Association by an action, suit, judgment and foreclosure in the same manner as other liens for the improvement of real property. The Board of Directors, acting on behalf of the

Association, shall have the power to bid on the Unit in any foreclosure sale and to acquire, hold, lease, encumber, and convey the same. Nothing in this Section 2 shall be construed to prohibit actions pursuant to Section 44-3-76 of the Act to recover sums for which this Article XI creates a lien.

Section 3. Suspension of Voting Rights. If assessments or any part thereof remain unpaid more than thirty (30) days after the assessment payment first becomes delinquent, the Association may suspend the voting rights of the defaulting Unit Owner. In the event the voting rights of a defaulting Unit Owner have been suspended, the defaulting Unit Owner's vote shall not count for the purposes of establishing a quorum or taking any action which requires the vote of the Owners.

Section 4. Suspension of Utilities. The Board may also suspend a utility paid for as a Common Expense but only after: (a) the Association obtains a final judgment or judgments from a court of competent jurisdiction, in excess of a total of \$750.00, or such other amount as required by the Act; (b) the Association provides the notice required to be provided by the institutional provider of such utility prior to suspension of such utility; and (c) the Association complies with any other requirements of Georgia law. A Unit Owner whose utility or service has been suspended shall not be entitled to use any such utility or service paid for as a Common Expense from any source and any such unauthorized use shall be considered a theft of services under O.C.G.A. § 16-8-5. The utility or service shall not be required to be restored until all judgments are paid in full, at which time the Association shall direct the utility or service provider to restore the utility or service. Enforcement under this subsection is not dependent upon or related to other restrictions and/or other actions.

Section 5. Priority of Lien. The lien created by this Article XI shall be prior and superior to all other liens except only (i) liens for ad valorem taxes on the Unit; (ii) the lien of any First Mortgage on the Unit; (iii) the lien of any Mortgage recorded prior to the recording of this Declaration; and (iv) the lien of any secondary purchase money Mortgage covering the Unit, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Unit.

Section 6 Statement from Association. Any Owner, Mortgagee of a Unit, or person having executed a contract for the purchase of a Unit, or lender considering the loan of funds to be secured by a Unit, shall be entitled upon request to a statement from the Association or its managing agent setting forth the amount of assessments past due and unpaid (with late charges and interest applicable thereto) against the Unit. Such request and response of the Association shall meet the requirements of Section 44-3-109 of the Act. A fee in the amount of Ten Dollars (\$10.00) or such higher fee as may be permitted by the Act from time to time) shall be payable by the party requesting such statement, prior to the issuance of such a statement.

Section 7. Working Capital Fund. The Board of Directors, on behalf of the Association, shall establish and maintain a reserve working capital fund for unforeseen expenditures and the periodic maintenance, repair, and replacement of improvements to

the Common Elements which the Association may be obligated to maintain. The fund shall be established from contributions to the reserve working capital fund made at the closing of the sale and resale of each Unit by the purchaser in the amount of two (2) months of the annual assessment charged to such Unit. Notwithstanding anything to the contrary set forth herein, the contribution to the reserve working capital fund shall not be due from: (i) any grantee who is a spouse or former spouse of the grantor, (ii) any grantee to whom a Unit is conveyed by a will or through the laws of intestacy, or (iii) any grantee of a Unit who obtains title pursuant to judicial or non-judicial foreclosure proceedings.”

10. ARTICLE XV is hereby deleted in its entirety and the following is inserted in lieu thereof:

“ARTICLE XV
Insurance

Section 1. Insurance Guidelines.

(a) General. 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. At least every two (2) years the Board of Directors shall 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, as amended. Such responsibility may be performed, and shall be deemed reasonably performed, by the Board requesting the Association’s insurance agent or legal counsel to verify that the insurance policies in existence meet the needs of the Association and satisfy the requirements of Section 44-3-107 of the Act, as amended. The Board of Directors shall make available for review by the Owners, copies of the Association’s insurance policies to allow Owners to assess their personal insurance needs and each Owner shall have the right to obtain additional coverage at his own expense.

(b) Insurance shall cover the following:

(1) A property insurance policy or policies affording fire and extended coverage insurance for and in an amount consonant with the full insurable replacement cost, less deductibles, of all buildings and structures within the Condominium. Regardless of the boundaries of the Units, the insurance required by this paragraph shall include, without limitation, all portions of each building which are Common Elements including Limited Common Elements, all foundations, roofs, roof structures, and exterior walls, including windows and doors and the framing therefore, and all convertible space within the buildings. Such insurance shall cover the following items with respect to each condominium unit regardless of who is responsible for maintaining them under the condominium instruments:

(i) The HVAC system serving the Unit;

(ii) All sheetrock and plaster board comprising the walls and ceilings of the Unit; and

(iii) The following items within the Unit of the type and quality initially installed, or replacements thereof of like kind and quality in accordance with the original plans and specifications, or as they existed at the time the Unit was initially conveyed if the original plans and specifications are not available: floors and subfloors; wall, ceiling, and floor coverings; plumbing and electrical lines and fixtures; built-in cabinetry and fixtures; and appliances used for refrigeration, cooking, dishwashing, and laundry.

With respect to unfinished shell Units conveyed by the Declarant, the items in subparagraph (iii) above shall be insured by the Unit Owner and the coverage required by this paragraph shall repair or reconstruct only those portions of the shell Unit constructed by the Declarant. With respect to any Units which have not been conveyed by the Declarant at the time of an insured loss, the coverage required by this paragraph shall repair or reconstruct such units as they exist at the time of such loss. The Association may exclude from coverage required by this paragraph improvements made by the Unit Owners and structures covered by builder's risk insurance, such coverage to be in an amount consonant with the full replacement value thereof, but only during such period of time as the builder's risk insurance remains in full force and effect and only on the condition that the association is named as an additional named insured;

(2) A commercial general liability insurance policy or policies affording coverage for bodily injury and property damage in an amount not less than \$1 million for a single occurrence and \$2 million aggregate. The policy or policies shall cover the Association, the Board and the officers of the Association, all agents and employees of the Association, and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium for occurrences commonly insured against arising out of or in connection with the use, ownership, or maintenance of the Common Elements or other portion of the Condominium which the Association has the responsibility to maintain; and

(3) Worker's compensation as required by law.

(c) Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

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

(e) Insurance policies upon each Unit Owner's furniture, fixtures, equipment, inventory and personal property in an amount not less than the full replacement value of such property shall be purchased and maintained by each Unit Owner. Additionally, each Unit Owner shall maintain public liability insurance in amounts not less than \$500,000.00 for injury, including death, to a single person, and \$1,000,000.00 for injury or injuries,

including death, arising out of a single occurrence. The Association reserves the right to demand proof of such insurance at any time. Failure to maintain such insurance or to provide proof thereof upon reasonable notice shall constitute a breach of this Declaration subject to special assessment. The insurance purchased by the Association shall not cover claims against an owner due to accidents occurring within his, her or its Unit, nor casualty or theft losses to the contents of an Owner's Unit or Limited Common Elements. It shall be the obligation of the individual Owners, if such Owner so desires, to purchase and pay for insurance as to all such other risks not covered by the insurance carried by the Association.

(f) 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 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 the forgoing, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to his, her or its Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Section, then the Association may pay the deductible and assess the cost to the Owner or owners pursuant to Article XI of this Declaration; provided, however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than \$2,500, or such higher amount as authorized by the Act, as the cost of the deductible for any one occurrence.

(g) 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 owned to the Association under Section 10 of this Declaration hereof, 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 Owner.

(1) 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 having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(2) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees. Each Owner shall notify the Board of Directors of all structural improvements made by the Owner to his or her Unit. Any 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 cancelled.

(3) 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 Owner and the Mortgagee. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee.

(h) Other Insurance. In addition to the insurance required hereinabove, the Board may obtain as a Common Expense:

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

(2) flood insurance; and

(3) fidelity insurance, if reasonably available, covering officers, directors, employees, and other Persons who handle or are responsible for handling Association funds. Such insurance, if reasonably available, shall be in an amount consonant with the best business judgment of the Board of Directors, but in no event less than three (3) month's assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds, if any, in the custody of the Association at any time during the term of the insurance; 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 members of the Board of Directors must sign any checks written on the reserve account.

Section 2. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, unless the Owners of the damaged Units, together with Owners of other Units to which two thirds (2/3) of the total eligible votes of the Association pertain, vote not to proceed with the reconstruction and repair of the structure, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. In the event of substantial damage or destruction, each institutional holder of a First Mortgage shall be entitled to written notice of the damage, and nothing in this Declaration shall be construed to afford a priority to any Owner with respect to the distribution of proceeds to any such Unit.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Units) to substantially the condition which existed before such casualty, allowing for any changes or improvements

necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against the Owners of the Unit or Units damaged in proportion to the damage to such Unit or Units or against all Owners in the case of insufficient funds to cover damage to the Common Elements; provided, however, that in such event, each Owner shall be responsible for any betterments and improvements made by such Owner and not covered by the Association's insurance. The foregoing assessment shall not be considered a special assessment pursuant to Article V, Section 5, hereof. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors.

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

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in appropriate progress payments to such contractors, suppliers, and personnel performing the work or supplying materials or services for the repair and reconstruction and repair of the buildings as are designated by the Board of Directors."

11. ARTICLE XVII is hereby amended by inserting the following immediately after subsection (e):

"(f) Every portion of a Unit or the Common Elements which contributes to the structural support of another Unit or the Common Elements shall be burdened with an easement of structural support. No Owner shall be permitted to demolish his Unit except to the extent that such demolition may be required to repair or rebuild the Unit when the same has been partially or totally destroyed."

12. ARTICLE XIX is hereby amended by inserting the following at the end of the Section:

“The Association, by vote of the Board of Directors pursuant to Sections 44-3-106(c) and 44-3-106(f) of the Act, is hereby empowered to amend the Condominium Instruments, Articles of Incorporation, and Bylaws, or any of them, in such respects as may be required to conform with the mandatory provisions of the Act, or any applicable governmental statute, including, but not limited to, laws or statutes passed by the United States of America, the State of Georgia, Chatham County, Georgia, or the City of Thunderbolt, Georgia, or to the terms of this Declaration.”

13. The following ARTICLE XX is hereby inserted immediately following ARTICLE XIX:

“ARTICLE XX

ENFORCEMENT

Section 1. Each Owner and occupant of a Unit shall comply strictly with this Declaration, the Bylaws, and Rules and Regulations of the Association, as any of the same may be amended from time to time. Any lack of such compliance shall be grounds for an action to recover sums due, for damages, or injunctive relief, or any other remedy available at law or in equity, maintainable by the Association or, in any proper case, by one or more aggrieved Owners, on their own behalf or as a class action. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws, and Rules and Regulations is essential for the effectuation of the general plan of the Condominium and for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or threatened violation or breach.

Section 2. The Association shall have the right to suspend an Owner’s voting rights, to suspend an Owner’s right to use the Common Elements, and to terminate any services provided or paid for by the Association for any period during which any assessments or other charges owed to the Association remain unpaid, and, for any violation of any provision of this Declaration, the Bylaws, or Rules and Regulations, for the duration of the infraction and for an additional period not to exceed thirty (30) days; provided, however, that no such suspension of use or termination of service shall deny any Owner or Occupant access to the Unit owned or occupied, or cause any hazardous or unsanitary condition to exist. Notwithstanding any other provision of this Declaration, those services listed in Section 44-3-76 of the Act, including without limitation, water, gas, electricity, heat, and air conditioning services, being provided to a Unit or Owner by the Association may be terminated for failure to pay assessments and other amounts due pursuant to this Declaration and Section 44-3-109(a) of the Act, subject to the suspension standards and notice requirements imposed on the institutional providers providing such services to the Condominium, only after a final judgment or final judgments in excess of a total of Seven Hundred Fifty and No/100 Dollars (\$750.00) (or such other amount as may be specified by

the Act) are obtained in favor of the Association from a court of competent jurisdiction. The utility services shall not be required to be restored until the judgment or judgments are paid in full. All common expenses for termination of any services pursuant to this provision shall be an assessment and a lien against the Unit, collectible as provided in Section 12 ("Assessments") hereof.

Section 3. In the event of any failure to comply strictly with this Declaration, the Bylaws, or Rules and Regulations, the Board of Directors may, in addition to exercising the other remedies provided for herein, levy fines against the Owner or Occupant for such failure in an amount which the Board, in its sole discretion, determines to be reasonable under the circumstances. Each day or time a violation is continued or repeated after written notice is given to the Owner or Occupant to cease and desist shall be considered a separate violation. All fines shall be an assessment and a lien against the Unit collectible as provided in Article XI hereof.

Section 4. In addition to all other remedies set forth herein, the Association, or any duly authorized agent thereof, shall, after ten (10) days written notice, have the right to enter upon any portion of the Condominium where a violation exists and summarily abate or remove, at the expense of the violating Owner, using such force as may be reasonably necessary, any erection, thing, or condition that may be or exist contrary to the intent and meaning of the provisions hereof; provided, however, that no notice shall be required in cases of emergency. Notwithstanding the foregoing, the Association shall have the right to immediately tow, at the owner's expense, without any additional notice or period in which to correct such violation, any improperly parked or prohibited vehicle as identified herein or within the Bylaws or Rules and Regulations. Neither the Association, nor its officers, directors, employees, or agents shall be deemed guilty or liable for any manner of trespass for such entry, abatement, or removal. All costs and expenses incurred pursuant to this paragraph shall be an assessment and a lien against the Unit collectible as provided in Section 12 ("Assessments") hereof.

Section 5. Should the Association employ legal counsel to enforce this Declaration, the Bylaws, or Rules and Regulations, all costs incurred in such enforcement, including reasonable attorney's fees actually incurred, shall be paid by the violating Owner and shall be an assessment and a lien against the Unit collectible as provided in Section 12 ("Assessments") hereof.

Section 6. No delay, failure, or omission on the part of the Association or any aggrieved Owner in exercising any right, power, or remedy shall operate as a waiver, bar, or otherwise affect its right to exercise or enforce any right, power, or remedy provided for herein. No right of action shall accrue nor shall any action be brought or maintained by anyone whomsoever against the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach of the provisions of this Declaration, the Bylaws, or Rules and Regulations, however long continued, or for adopting provisions which may be deemed unenforceable."

14. Except as amended by this Amendment, all terms and conditions of the Declaration shall remain in full force and effect. The undersigned hereby ratify, confirm and reaffirm the Declaration, as hereby modified and amended. In the event of a conflict between the terms of the Declaration and the terms of this Amendment, the terms of this Amendment shall control.

15. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument. For purposes of this Amendment, signatures delivered by facsimile shall be as binding as originals upon the parties so signing.

[SIGNATURE PAGE FOLLOWS]