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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EDGEWATER OAKS CONDOMINIUMS
SAVANNAH, CHATHAM COUNTY, GEORGIA

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Edgewater Oaks Condominiums, Savannah, Chatham County, Georgia, is made and entered into this 16th day of January, 1997 by R S A Enterprises (the "Declarant").

WHEREAS, Declarant is the owner of that certain tract or parcel of land described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Declarant desires to create a condominium as provided for in accordance with the provisions of the Georgia Condominium Act, O.C.G.A. § 44-3-70, et seq.

WHEREAS, a plat of survey of the condominium made by J. Whitley Reynolds, Land Surveyor (the "Condominium Plat"), pursuant to Section 74 of the Georgia Condominium Act, will have been filed for record in the Office of the Clerk of the Superior Court of Chatham County, Georgia, prior to the first conveyance of a condominium unit;

NOW, THEREFORE, Declarant does 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.

ARTICLE I

Definitions

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 will have the meanings therein specified, unless the context otherwise requires.

ARTICLE II

Name

The name of the condominium shall be EDGEWATER OAKS CONDOMINIUMS, Savannah, Chatham County, Georgia. The name of the Association shall be EDGEWATER OAKS CONDOMINIUM OWNERS ASSOCIATION, INC.

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 this Declaration. Each owner shall be entitled to the exclusive ownership and possession of his unit 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 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 within the condominium are set forth on Exhibit C attached hereto and made part hereof.

ARTICLE VII

Recreational Facilities

The facilities being comprised of the landscaped areas, parking areas and open spaces 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.

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 or owner's agent of his unit for residential purposes shall not be prohibited, regardless of the term of occupancy.

The Declarant and his 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 Declarant owns any condominium unit for the purpose of a 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.

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, with the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in his 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, satellite dish, or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof, patios, or balconies, or any part thereof, or exposed on or at any window, without the prior written consent of the Board of Directors.

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, his family, servants, guests, tenants, or lessees, nor do or permit anything by any of such persons that will interfere with the rights, comforts, or convenience 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 eighteen (18") inches by twenty-four (24") inches. No other window displays or advertising shall be maintained or permitted on any part of the condominium or in any unit therein. Provided, however, that Declarant and its duly authorized agents, representatives and employees shall have the right to maintain advertising and for sale signs on the Property so long as Declarant owns any condominium unit for the purpose of sale.

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, his 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 purposes.

Each unit shall be entitled to two assigned parking spaces. The initial Board of Directors shall have the right to assign 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 or facade of a unit exterior, including the color, unless and until approved by the Board of Directors.

Section 11. Common Elements Use. 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 ensure 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 and for each failure to comply with said rules or with any condominium instruments, and to suspend temporarily the right to use certain of the common elements.

ARTICLE IX

Procedures Regarding Common Expense

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 January 1 through December 31 (the "Assessment Year") and shall estimate the amount of common expenses to be paid for such period. The amount of common expenses so determined shall be allocated and assessed by the Board of Directors among the unit owners in proportion to the respective shares of common expenses as set forth on Exhibit D 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;

(b) Expenses of landscaping and maintenance of common areas, roadways, lighting, signs and recreational 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) The cost 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;

(f) 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;

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

(h) Fees for services rendered under contracts with any third parties for miscellaneous hotel/motel services and/or maintenance and housekeeping services.

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 such estimate is based and, upon request, shall furnish a copy of such budget to the mortgagees of such unit. If said estimated amount proves inadequate for any such year for any reason, including non-payment of any unit owner's assessment, the Board of Directors may, at any inadequacy.

The assessments provided for in this Article shall be established on the Assessment Year basis unless and until the Board of Directors elects to establish a different and/or more frequent assessment period. The assessment obligation shall commence as to each unit at such time as a Chatham County Building Official issues a Certificate of Occupancy for it, a Chatham County Building Official issues a Certificate of Occupancy for it, transfer of the unit by sale is consummated and closed, or the unit is occupied, whichever first occurs. 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 Declarant, 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 4. Liabilities for Common Expenses. In addition to the allocations for shares of liability for the normal common expenses as provided in Section 80 of the Act and in Section 2 of this Article:

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

(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 units shall be specially assessed against the condominium unit or units, the conduct of any occupant, licensee, or invitee of which occasioned any such common expenses;

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

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 any new improvement or new amenity within the common elements, including the cost of any fixtures or personal property relating thereto; provided that the construction of such new improvement or new amenity shall have been approved by members of the Association holding at least two-thirds of the votes of the Association at a meeting duly called for this purpose, written notice of which shall have been given in the manner specified in the By-Laws of the Association. The assessment for such new improvement or new amenity shall be specially assessed equitably among the condominium units, the owners of which desire to participate in the use and enjoyment of such new improvement or new amenity.

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

ARTICLE X

Lien for Assessments

Section 1. Non-Payment of Assessment. Any assessment made in compliance with the provisions of Article IX shall constitute a lien in favor of the Association against the units and may be enforced as provided in Section 109 of the Act or as provided by any other law.

Section 2. Late Charges, Interest and Costs. With respect to the lien for assessments provided in Section 109 of the Act in favor of the Association against any unit owner or condominium unit, said lien may, at the option of the Board of Directors, also include:

(a) a late or delinquency charge (not in excess of the greater of $25.00 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 12% per annum;

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

(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 judgment 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 unit (or such notice has been given to the Association by the mortgagee), the Association shall give notice of delinquency in payment of assessments or of lien to such mortgagee if requested in writing by it.

Section 4. Fee for Lien Certificate. Payment of a fee to the Association in the amount of $25.00 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.

ARTICLE XI

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 XII

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 76 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, his family, 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. Recordkeeping. The Board of Directors shall make available to members of the Association and to lenders, holders, insurers, or guarantors of any first deed to secure debt, current copies of this Declaration, By-Laws and other rules and regulations concerning the Association and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any member, holder, insurer, or guarantor of a first deed to secure debt on any unit shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year, prepared at the expense of the party requesting same if one is not otherwise available. Said financial statement shall be furnished within a reasonable time following such request.

ARTICLE XIII

Control of the Association

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

(a) the expiration of seven (7) years after the recording of this Declaration; or

(b) 120 days after 75% of the units shall have been conveyed by Declarant to the unit owners other than Declarant, unless at such time the Declarant's option to add additional property has not expired; or

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

ARTICLE XIV

Insurance

Section 1. Insurance Guidelines. The Association shall be required to obtain and maintain casualty and liability insurance policies as required by Section 107 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 "B:Class IV" or better by Best's Insurance Reports; and must not have deductibles in excess of $1,000.00.

(b) All policies, including such additional unit insurance as unit owners may obtain, shall be for the benefit of the Association, unit owners and his mortgagees as their interests may appear.

(c) Provision shall be made for the issuance of a Certificate of Insurance to each unit owner and his 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) 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.

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

(g) 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 his mortgagees.

(h) Each unit owner may obtain additional unit insurance at his 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 right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all 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.

(i) Any unit owner who obtains an individual insurance policy covering his unit other than for coverage attributable to improvements made by such owner at his 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.

(j) 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 the exception of improvements made by the respective owners at his 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.

(k) 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 his respective servants, agents and guests; (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 two-thirds (2/3) 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 his undivided interests in 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 his 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 damaged 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 XV

Expandable Condominium

Section 1. Additional Property. The condominium plat depicts both the Submitted Property and certain other property contiguous thereto (the Phases II and III properties).

Section 2. Option to Expand Condominium. Declarant, for itself and its successors and 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. This option shall expire seven (7) years from the date of recording this Declaration; provided, however, the unit owners of the condominium units to which two-thirds (2/3) of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any condominium unit or units owned by the

Declarant, may consent to the extension of this option period within one (1) year prior 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 additional property is sixty-four (64). The units shall be restricted as to use to the provisions of this Declaration and shall be otherwise subject to the provision of the condominium instruments and By-Laws and the rules and regulations of the Association. The buildings on the additional property shall be compatible in appearance, design and architectural style to and shall be compatible 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 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 property. As to those units to be added, Declarant reserves the right to create and establish common elements within any portion of the additional property 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 by 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. Upon expansion of the condominium to include any or all of the additional property, the undivided interest 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 property 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 (1) and the denominator which shall be the total number of units in the condominium including the units in the additional property submitted under the provisions of this Article.

ARTICLE XVI

Rights of First Mortgagees

Section 1. Rights of the First Mortgagees. Notwithstanding any of the foregoing provisions of this Declaration, the following provisions are hereby adopted for the protection of mortgagees of individual condominium units within the project and, to the extent that they conflict with the foregoing provisions, shall control.

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

(b) The Association shall give written notice to any first mortgagees of individual condominium units of any loss to, or taking of, the common elements of the condominium project if such loss or taking exceeds $10,000.00 or damage to a condominium unit covered by a mortgagee exceeds $10,000.00.

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

(d) Any first mortgagee of any individual condominium unit within the project who obtains title to a condominium pursuant to the provisions of the mortgage or foreclosure of the mortgage shall not be liable for the unpaid dues or charges attributable to such

unit which have accrued prior to the acquisition of title to such unit by the first mortgagee.

ARTICLE XVII

Condemnation, Loss, or Destruction; Termination of the Development

Section 1. Condemnation. The Association shall represent the unit owners in any condemnation proceeding or in negotiations, settlements and agreements with any condemning authority for acquisition of the common areas, or any part thereof. For such purpose, the unit owners hereby appoint the Association as attorney-in-fact. In the event of such a taking, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the unit owners and their mortgagees as their interests may appear.

Section 2. Partial Loss or Destruction. The Association shall represent the unit owners in any proceedings, claims, or negotiations in connection with partial loss or destruction of the common areas. For such purpose, the Association is named by the unit owners as attorney-in-fact. In the event of such partial loss or destruction, any award or proceeds of settlement shall be payable to the Association for the use and benefit of the unit owners and their mortgagees as their interests may appear.

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 mortgagee or lien against his unit; (b) of every suit or other proceeding which may affect the title to his unit; (c) of any notice, demand, or other communication from a mortgagee holding a mortgage on such unit demanding payment of the debt secured by such mortgage, accelerating or proposing to accelerate the maturity of such debt, or in any manner informing such owner of an actual, pending, or alleged default by owner under such mortgage.

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 of the date and hour of the ostmark thereon. The address of unit owners shown on the records maintained by the Secretary of the Association shall be the address of such owner for mailing of all notices required from the Board of Directors or the Association, and it shall be the responsibility of each owner to furnish the Secretary with written notice of any error in such records or change of address.

Section 5. Notice of Action to Lenders. Upon written request to the Association identifying the name and address of the holder, insurer, or guarantor of any deed to secure debts securing a unit and the unit number or address, any such eligible lender or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any unit on which there is a first deed to secure debt held, insured, or guaranteed by such eligible lender or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first deed to secure debt held, insured, or guaranteed by such lender or eligible

insurer or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of eligible holders of unit deeds to secure debt.

Section 6. Other Rights of Lenders. To the extent permitted by law, lenders shall be afforded the following rights:

(a) Any restoration or repair of damaged units, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration and the original plans and specifications, unless other action is approved by lenders holding deeds to secure debt on units which have at lease fifty-one (51%) percent of the votes of units subject to deeds to secure debt.

(b) Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project must require the approval of the lenders holding deeds to secure debt on units which have at least fifty-one (51%) percent of the votes of units subject to deeds to secure debt.

(c) Unless the formula for reallocation of interest in the common areas after a partial condemnation or partial destruction of the project is fixed in advance by applicable law, no reallocation of interest in the common areas resulting from a partial condemnation or partial destruction of the project may be effective without the prior approval of lenders holding deeds to secure debt on all

remaining units whether existing in whole or in part, and which have at least fifty-one (51%) percent of the votes of such remaining units subject to deeds to secure debt.

(d) In the event professional management has been previously required by any lender or insurer or guarantor, any decision to establish self-management by the Association shall require the prior consent of owners of units to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of lenders holding deeds to secure debt on units which have at least fifty-one (51%) percent of the votes of units subject to deeds to secure debt.

ARTICLE XIX

Modification

By recorded supplement, this Declaration may be modified:

(a) By Declarant until such time as Declarant shall have relinquished control of the Association under the provisions of Article XIII hereof, except that any modification concerning termination of the legal status of the project as a condominium or adding or amending material provisions as described in Section (b) hereof shall require the requisite consent described in Section (b) hereof; and, thereafter

(b) By the affirmative action of sixty-seven (67%) percent of the votes in the Association at a meeting called and held in the manner prescribed in the By-Laws for amendments thereof; provided, however, that the consent of owners to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of the lenders holding deeds to secure debt on units which

have at least sixty-seven (67%) percent of the votes of units subject to deeds to secure debt shall be required to terminate the legal status of the project as a condominium. Provided further, however, the consent of the owners to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of lenders holding deeds to secure debt on units which have at least fifty-one (51%) percent of the votes of units subject to deeds to secure debt shall be required to add or amend any material provisions to this Declaration which establish, provide for, govern, or regulate any of the following:

(i) Voting.

(ii) Assessments, assessment liens or subordination of such liens.

(iii) Reserves for maintenance, repair and replacement of common areas or units.

(iv) Insurance or fidelity bonds.

(v) Rights to use of the common areas.

(vi) Responsibility for maintenance and repairs.

(vii) Expansion or contraction of the condominium or the addition, annexation or withdrawal of property to or from the condominium.

(viii) Boundaries of any unit.

(ix) The interest of the general or limited common areas.

(x) Convertability of units into common areas or of common areas into units.

(xi) Leasing of units.

(xii) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his or her unit.

(xiii) Any provisions which are for the express benefit of lenders, holders, insurers, or guarantors of first deeds to secure debt.

(c) Any addition or amendment to this Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any lender who receives a written request to approve additions or amendments and who does not deliver or post to the requesting party the negative response within thirty (30) days shall be deemed to have approved such request.

ARTICLE XX

Preparer

This Declaration was prepared by William W. Shearouse, Jr., Attorney at Law, 14 East State Street, Savannah, Georgia 31401.

IN WITNESS WHEREOF, the undersigned has executed these presents, under seal, the day and year first above written.

R S A ENTERPRISES, a Georgia General Partnership

By: _____
Title: General Partner

246

By: _____
Title: General Partner

By: _____
Title: General Partner

Executed in the presence of:

_____
Witness

_____
Notary Public

MD-1997)C:\WP61\BILL\covenants\edgewater.dec

EXHIBIT "A"

PROPERTY DESCRIPTION

All that certain portion of a lot, tract, or parcel of land situate, lying and being in the State of Georgia, County of Chatham and being the western portion of that tract of land known and designated as a portion of Lot 5, Rose Farm Subdivision, containing 3.71 acres, more or less, as shown on that certain map or plat of said portion of Lot 5, Rose Farm Subdivision, as prepared by Roy Hussey, Georgia Registered Land Surveyor, and recorded in Plat Record Book 3-P, Folio 36, of the records of the Office of the Clerk of the Superior Court of Chatham County, Georgia, to which map reference is hereby made for a more particular description of the property herein described.

EXHIBIT "B"

THE PHASE I SUBMITTED PROPERTY

All that certain lot, tract, or parcel of land situate, lying and being 1.66 acres of a portion of Lot 5, Rose Farm Subdivision, Savannah, Chatham County, Georgia, being designated as Phase I upon a plat of said property prepared for R S A Enterprises by J. Whitley Reynolds on January 24, 1996.

EXHIBIT "C"

Phase I of the condominium shall consist of buildings lettered A and D. Each building shall contain ten (10) units, five (5) units on the first floor and five (5) units on the second floor. Building lettered A shall contain Units 51 through 55 conclusively, numbered consecutively beginning with Unit 51 on the western end of the building and continuing eastwardly through Unit 55 on the eastern end. On the second floor, the units shall be numbered consecutively beginning with Unit 56 on the western end and continuing through Unit 60 on the eastern end.

Phase I of the condominium shall consist of buildings lettered A and D. Each building shall contain ten (10) units, five (5) units on the first floor and five (5) units on the second floor. Building lettered D shall contain Units 41 through 45 conclusively, numbered consecutively beginning with Unit 41 on the western end of the building and continuing eastwardly through Unit 45 on the eastern end. On the second floor, the units shall be numbered consecutively beginning with Unit 46 on the western end and continuing through Unit 50 on the eastern end.

The total number of votes in Phase I of the Association shall be twenty (20). Each Unit shall be entitled to one (1) vote.

Each Unit's undivided interest in the common elements shall be one-twentieth (1/20).

The percentage share of liability for common expenses for each Unit shall be 5%.

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EXHIBIT "B"

ESTIMATED OPERATING BUDGET

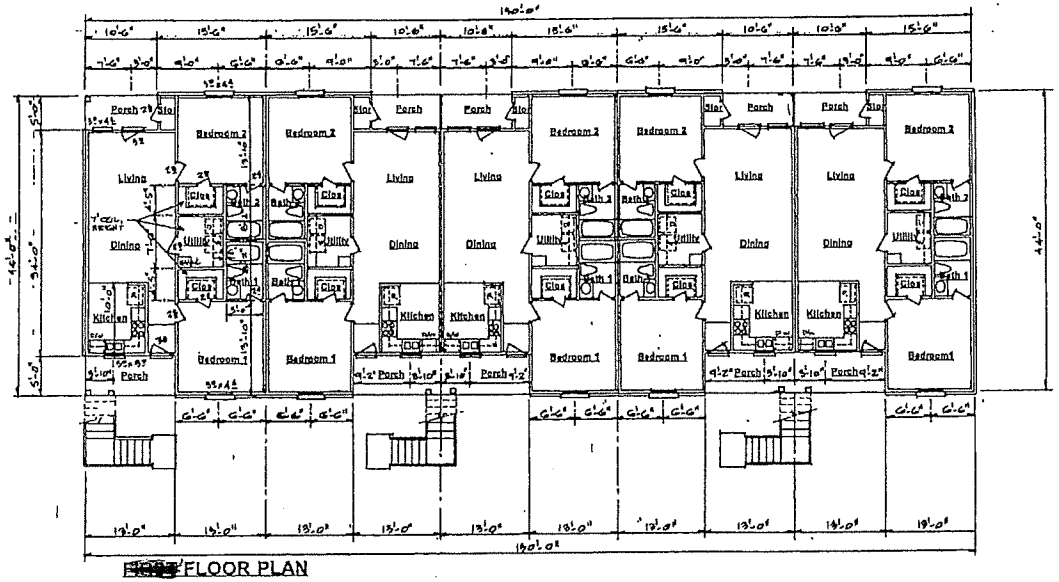
Operating Budget for Edgewater Oaks:

Home Owner's Association		
Gross Revenue 60 @ $40.00 per month		**28,800.00**
Operating Expenses:		
Management Fees	**6,000.00**	
Insurance on Commons Areas	**2,500.00**	
Utilities and Trash Pickup	**5,000.00**	
Yard Maintenance	**6,400.00**	
Office Supplies and Expenses	**500.00**	
Legal and Accounting Fees	**3,600.00**	
Total Expenses		**24,000.00**
Balance from Operations		**4,800.00**

Exterior List for Maintenance and Upkeep	**4,800.00**
Roof	
Stairs, Porches, and Rails	
Front Doors	
Shutters	

Forty-eight hundred dollars per year or the balance that remains from operating budget shall be kept in interest bearing account to be used as needed for exterior maintenance to units.

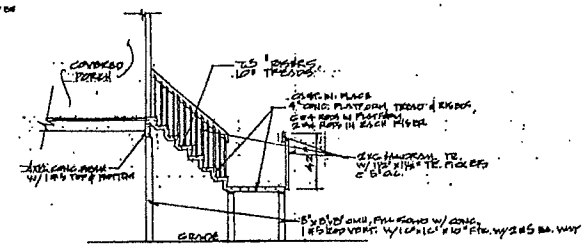
EXHIBIT "B"



FLOOR PLAN

SCALE 1/8"=1'-0"

-------- INDICATES 1 HR. RATED SEPARATION WALL
2x4 @ 16" O.C. W/1 LAYER OF 5/8" "X" TYPE GYP. BD. EACH SIDE
ALL CEILINGS ON FIRST FLOOR TO BE 2 LAYERS OF 5/8" "X" GYP. BD. FOR 1 HR. SEPARATION



SECTION THRU STAIRS
SCALE: 1/4"=1'-0"

252

REVISIONS	BY

richmond hill design center, inc.
PLANNING
ARCHITECTURE
INTERIOR

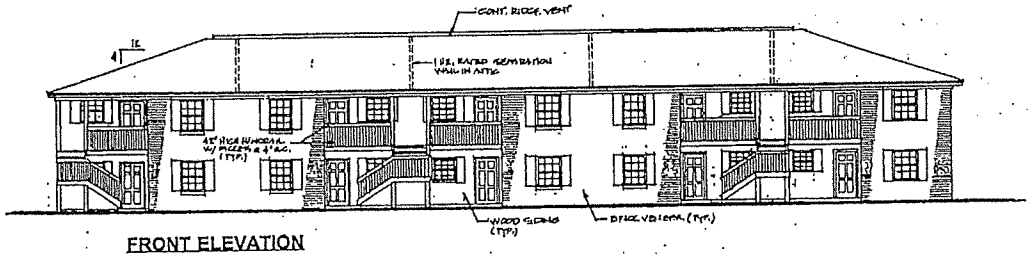
10 UNIT BLDG.
EDGEWATER OAKS
Savannah, Ga.
richmond hill design center, inc.
P. O. BOX 681 RICHMOND HILL, GEORGIA 31324-0681
912-756-2147

GEORGIA
JOHN TRUITT THOMPSON
LICENSED ARCHITECT

DRAWN	JTU
CHECKED	JTU
DATE	Nov. 1995
SCALE	AS SHOWN
JOB NO	DAVIS
SHEET	2

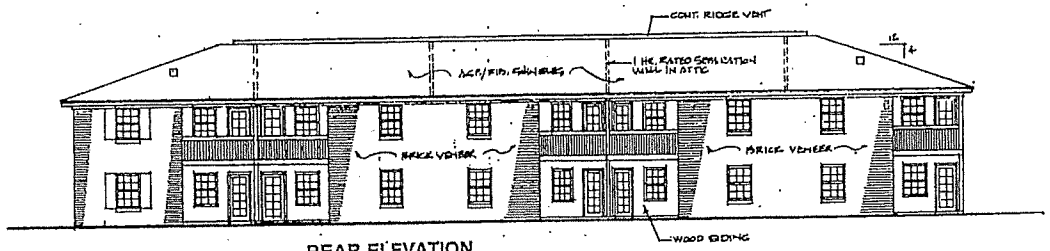
253

October - 6



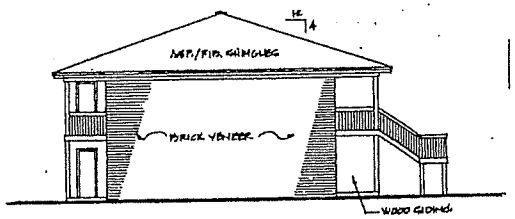
FRONT ELEVATION

SCALE 1/8"=1'-0"



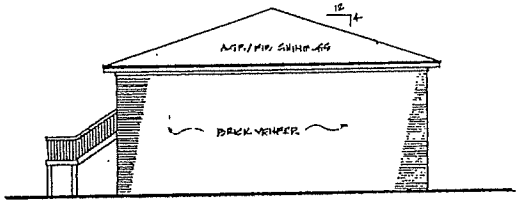
REAR ELEVATION

SCALE 1/8"=1'-0"



LEFT SIDE ELEV.

SCALE 1/8"=1'-0"



RIGHT SIDE ELEV.

SCALE 1/8"=1'-0"

REVISIONS	BY

richmond hill design center, inc.

PLANNING · ARCHITECTURE · INTERIORS

10 UNIT BLDG.

EDGEWATER OAKS

Savannah, Ga.

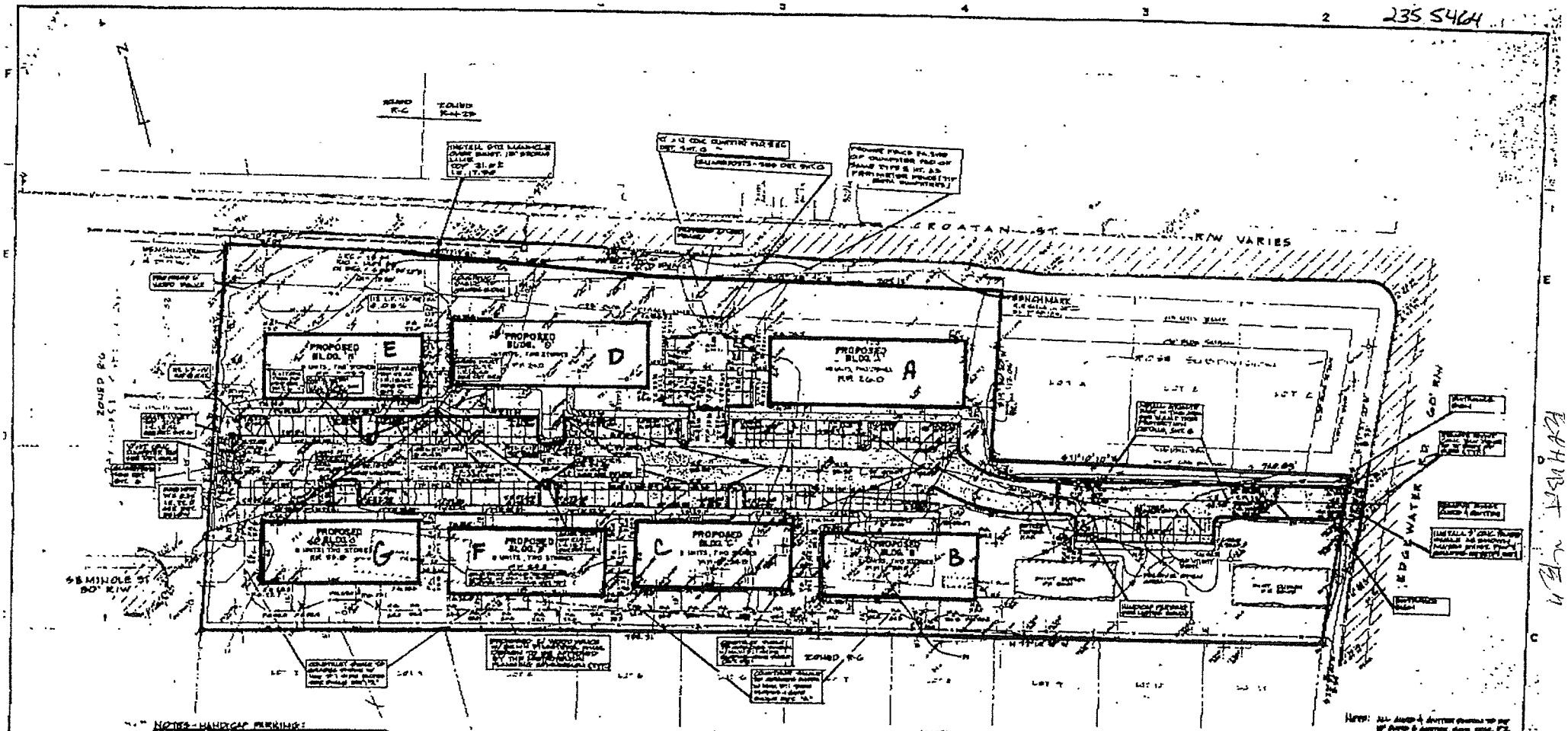
richmond hill design center, inc.

P. O. BOX 622 RICHMOND HILL, GEORGIA 31324-0622

912-727-2180

DRAWN	JTD
DESIGNED	JTD
DATE	NOV. 1995
SCALE	AS SHOWN
JOB NO.	DAVIS
SHEET	4
OF	SHEETS

235 5464

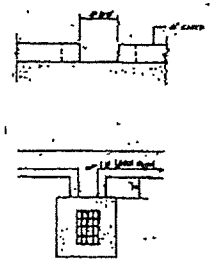


NOTES - HANDICAP PARKING:

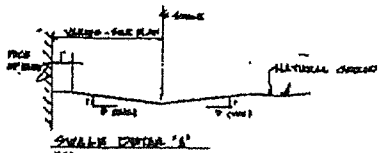
1. INDICATE HANDICAP RAMP IN ACCORDANCE W/ THE A.B.A. (AMERICAN PARKING AUTH) REQUIREMENTS
2. ALL DIMENSIONS ARE ON 4 SPACES

NOTE:

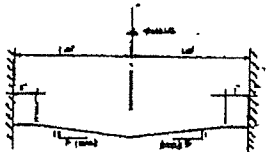
NOTE:



CURB NOTCH DETAIL



SWALE DETAIL "A"



SWALE DETAIL "B"

25

REVISED: 12/24/84

EDGEWATER OAKS

PAVING, GRADING & DRAINAGE PLAN

FOR

R.S.& A. ENTERPRISES

HILLEY & ASSOCIATES, INC.