

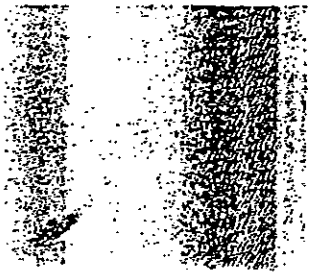
DECLARATION OF CONDOMINIUM
FOR
THE BOTTLEWORKS ON PRINCE, A CONDOMINIUM
TABLE OF CONTENTS

ARTICLE 1: NAME	1
ARTICLE 2: DEFINITIONS	1
2.1. "Act"	1
2.2. "Additional Property"	2
2.3. "ARB"	2
2.4. "Articles of Incorporation" or "Articles"	2
2.5. "Association"	2
2.6. "Board of Directors" or "Board":	2
2.7. "By-Laws"	2
2.8. "Commercial Unit"	2
2.9. "Common Element(s)"	2
2.10. "Common Expense(s)"	2
2.11. "Community-Wide Standard"	2
2.12. "Condominium"	2
2.13. "Condominium Instruments"	2
2.14. "Development Period"	3
2.15. "Eligible Mortgagee(s)"	3
2.16. "Limited Common Element(s)"	3
2.17. "Live/Work Unit"	3
2.18. "Majority"	3
2.19. "Mortgage"	3
2.20. "Mortgagee"	3
2.21. "Occupant"	3
2.22. "Owner" or "Unit Owner"	3
2.23. "Person"	3
2.24. "Residential Unit"	3
2.25. "Unit"	3
ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS	4
ARTICLE 4: UNITS AND BOUNDARIES	4
4.1. <u>Horizontal (Upper and Lower) Boundaries</u>	4
4.2. <u>Vertical Boundaries</u>	4
4.3. <u>Additional Information to Interpret Unit Boundaries</u>	4
ARTICLE 5: COMMON ELEMENTS	5



ARTICLE 6: LIMITED COMMON ELEMENTS	6
6.1. <u>Designation</u>	6
6.2. <u>Assignment and Reassignment</u>	7
ARTICLE 7: ASSOCIATION MEMBERSHIP AND ALLOCATIONS	7
7.1. <u>Membership</u>	7
7.2. <u>Votes</u>	7
7.3. <u>Allocation of Liability for Common Expenses</u>	7
ARTICLE 8: ASSOCIATION RIGHTS AND RESTRICTIONS	8
8.1. <u>Right of Entry</u>	8
8.2. <u>Rules and Regulations</u>	8
8.3. <u>Right of Enforcement</u>	8
8.4. <u>Permits, Licenses, Easements, etc.</u>	9
8.5. <u>Right of Maintenance</u>	9
8.6. <u>Property Rights</u>	9
8.7. <u>Casualty Loss</u>	10
8.8. <u>Governmental Entities</u>	10
8.9. <u>Common Elements</u>	10
ARTICLE 9: ASSESSMENTS	10
9.1. <u>Purpose of Assessment</u>	10
9.2. <u>Creation of the Lien and Personal Obligation For Assessments</u>	10
9.3. <u>Delinquent Assessments</u>	11
9.4. <u>Computation of Operating Budget and Assessment</u>	12
9.5. <u>Special Assessments</u>	13
9.6. <u>Specific Assessments</u>	13
9.7. <u>Capital Budget and Contribution</u>	13
9.8. <u>Statement of Account</u>	13
9.9. <u>Capitalization of Association</u>	14
9.10. <u>Surplus Funds and Common Profits</u>	14
ARTICLE 10: INSURANCE	14
10.1. <u>Insurance</u>	14
ARTICLE 11: REPAIR AND RECONSTRUCTION	18
11.1. <u>Cost Estimates</u>	18
11.2. <u>Source and Allocation of Proceeds</u>	18
11.3. <u>Plans and Specifications</u>	18
11.4. <u>Encroachments</u>	18
11.5. <u>Construction Fund</u>	18
ARTICLE 12: ARCHITECTURAL CONTROL	19
12.1. <u>Architectural Standards</u>	19
12.2. <u>Architectural Review Board</u>	19
12.3. <u>Condition of Approval</u>	20
12.4. <u>Limitation of Liability</u>	20
12.5. <u>No Waiver of Future Approvals</u>	20
12.6. <u>Enforcement</u>	20

ARTICLE 13: USE RESTRICTIONS	21
13.1. <u>Residential Units</u>	21
13.2. <u>Live/Work Units</u>	22
13.3. <u>Commercial Units</u>	23
13.4. <u>Alteration of Units</u>	23
13.5. <u>Outbuildings</u>	24
13.6. <u>Use of Common Elements</u>	24
13.7. <u>Use of Limited Common Elements</u>	24
13.8. <u>Prohibition of Damage, Nuisance and Noise</u>	25
13.9. <u>Firearms and Fireworks</u>	25
13.10. <u>Pets</u>	25
13.11. <u>Parking</u>	26
13.12. <u>Abandoned Personal Property</u>	27
13.13. <u>Heating of Units in Colder Months</u>	28
13.14. <u>Signs</u>	28
13.15. <u>Rubbish, Trash, and Garbage</u>	29
13.16. <u>Impairment of Units and Easements</u>	29
13.17. <u>Unightly or Unkempt Conditions</u>	29
13.18. <u>Garage Sales</u>	29
13.19. <u>Window Treatments</u>	29
13.20. <u>Antennas and Satellite Equipment</u>	29
13.21. <u>Elevators</u>	29
ARTICLE 14: LEASING	29
14.1. <u>Definition</u>	29
14.2. <u>Leasing Provisions</u>	30
14.3. <u>Applicability</u>	31
ARTICLE 15: SALE OF UNITS	31
ARTICLE 16: MAINTENANCE RESPONSIBILITY	32
16.1. <u>By the Owner</u>	32
16.2. <u>By the Association</u>	33
16.3. <u>Failure to Maintain</u>	34
16.4. <u>Maintenance Standards and Interpretation</u>	34
16.5. <u>Measures Related to Insurance Coverage</u>	35
ARTICLE 17: PARTY WALLS	35
17.1. <u>General Rules of Law to Apply</u>	35
17.2. <u>Sharing of Repair and Maintenance</u>	35
17.3. <u>Damage and Destruction</u>	35
17.4. <u>Right to Contribution Runs With Land</u>	36
ARTICLE 18: EMINENT DOMAIN	36



ARTICLE 19: MORTGAGEE RIGHTS	36
19.1. <u>Amendments to Documents</u>	36
19.2. <u>Mortgagee Consent</u>	37
19.3. <u>Liability of First Mortgagees</u>	37
19.4. <u>Mortgagee Notice</u>	38
19.5. <u>Financial Statements</u>	38
19.6. <u>Additional Mortgagee Rights</u>	38
19.7. <u>Notice to Association</u>	38
19.8. <u>Failure of Mortgagees to Respond</u>	38
19.9. <u>Construction of Article</u>	39
ARTICLE 20: DECLARANT RIGHTS	39
20.1. <u>Right to Appoint and Remove Directors</u>	39
20.2. <u>Number and Terms of Directors Appointed by Declarant</u>	39
20.3. <u>Sale and Leasing of Units</u>	39
20.4. <u>Construction and Sale Period</u>	39
ARTICLE 21: EASEMENTS	40
21.1. <u>Use and Enjoyment</u>	40
21.2. <u>Utilities</u>	40
21.3. <u>Pest Control</u>	40
21.4. <u>Declarant Easements</u>	41
ARTICLE 22: GENERAL PROVISIONS	41
22.1. <u>Security</u>	41
22.2. <u>Implied Rights</u>	41
22.3. <u>Amendment</u>	42
22.4. <u>Compliance</u>	42
22.5. <u>Severability</u>	42
22.6. <u>Captions</u>	43
22.7. <u>Notices</u>	43
22.8. <u>Perpetuities</u>	43
22.9. <u>Indemnification</u>	43
22.10. <u>Use and Conveyance of Commercial Unit(s) by Declarant to Association</u>	43
22.11. <u>Storage Spaces</u>	44
ARTICLE 23: EXPANSION OF THE CONDOMINIUM	44
ARTICLE 24: RIGHT TO RELOCATE CERTAIN EQUIPMENT SERVING UNIT	45
ARTICLE 25: PREPARER	45

TABLE OF EXHIBITS

LEGAL DESCRIPTION	EXHIBIT "A"
PERMITTED EXCEPTIONS	EXHIBIT "B"
UNDIVIDED INTEREST IN THE COMMON ELEMENTS AND LIABILITY FOR EXPENSES	EXHIBIT "C"
ADDITIONAL PROPERTY	EXHIBIT "D"
BY-LAWS OF THE BOTTLEWORKS ON PRINCE CONDOMINIUM ASSOCIATION, INC.	EXHIBIT "E"



DECLARATION OF CONDOMINIUM

FOR

THE BOTTLEWORKS ON PRINCE, A CONDOMINIUM

THIS DECLARATION is made by 297 PRINCE, L.L.C., a Georgia limited liability company (hereinafter called the "Declarant"), having its principal place of business located at 480 East Broad Street, Suite 001, Athens, Athens-Clarke County, Georgia 30601.

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in the 216th District, G.M., Athens-Clarke County, Georgia, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter called the "Property"), subject to the matters set forth on Exhibit "B" attached hereto (the "Permitted Exceptions"); and

WHEREAS, Declarant is in the process of planning and constructing certain improvements on the Property as shown on the Plat and the Plans which are referenced in Article 3 hereof; and

WHEREAS, Declarant has duly incorporated The Bottleworks on Prince Condominium Association, Inc., as a nonprofit membership corporation under the laws of the State of Georgia; and

WHEREAS, the Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, O.C.G.A. Section 44-3-70, et seq., as amended, (the "Act"), as the same is in effect on the date hereof and the terms and conditions hereinafter set out.

NOW, THEREFORE, the Declarant does hereby submit the Property to the condominium form of ownership pursuant to, subject to and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth and subject to the Permitted Exceptions.

ARTICLE 1: NAME

The name of the condominium is The Bottleworks on Prince, a Condominium (hereinafter referred to as the "Condominium").

ARTICLE 2: DEFINITIONS

The terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code. Certain terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall be defined as follows:

- 2.1. "Act": The Georgia Condominium Act, O.C.G.A. Section 44-3-70, et seq., as amended from time to time.

BOOK 2072 PAGE 007

- 2.2. "Additional Property": That property described on Exhibit "D" attached hereto and incorporated herein which may be submitted to the Condominium as provided in this Declaration.
- 2.3. "ARB": The Architectural Review Board, as described in Article 12.
- 2.4. "Articles of Incorporation" or "Articles": The Articles of Incorporation of The Bottleworks on Prince Condominium Association, Inc., filed with the Secretary of State of Georgia, as amended from time to time.
- 2.5. "Association": The Bottleworks on Prince Condominium Association, Inc., a Georgia nonprofit corporation, its successors and assigns.
- 2.6. "Board of Directors" or "Board": The elected body responsible for management and operation of the Association as further described in the By-Laws.
- 2.7. "By-Laws": The By-Laws of The Bottleworks on Prince Condominium Association, Inc., attached to this Declaration as Exhibit "E" and incorporated herein by this reference.
- 2.8. "Commercial Unit": Those Units designated on the Plans for the Condominium recorded in the Athens-Clarke County, Georgia land records as Commercial Units, as such Plans may from time to time be supplemented to or amended and as such Units may be altered pursuant to Section 13.4.
- 2.9. "Common Element(s)": That portion of the property subject to this Declaration which is not included within the boundaries of a Unit, as more particularly described in this Declaration.
- 2.10. "Common Expense(s)": The expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including, but not limited to, (a) those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, including the Limited Common Elements; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Act or Condominium Instruments; and (d) reasonable reserves established for the payment of any of the foregoing.
- 2.11. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board of Directors and the ARB.
- 2.12. "Condominium": All that property described in Exhibit "A," attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration, and such other property as may hereafter be submitted to the provisions of the Act by supplement or amendment to this Declaration, together with all buildings and improvements thereon.
- 2.13. "Condominium Instruments": This Declaration and all exhibits to this Declaration, including the By-Laws, the Articles of Incorporation, the rules and regulations of the

Association, and the Plat and Plans, all as may be supplemented or amended from time to time.

- 2.14. "Development Period": The period of time during which the Declarant owns any portion of the Condominium, or has the unilateral right to subject Additional Property to this Declaration pursuant to Article 23, whichever is longer. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia.
- 2.15. "Eligible Mortgagee(s)": Those holders of first Mortgages secured by Units in the Condominium who have submitted a written request to the Association to be notified of certain items as set forth in this Declaration.
- 2.16. "Limited Common Element(s)": A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Declaration.
- 2.17. "Live/Work Unit": Those Residential Units designated on the Plans for the Condominium recorded in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia as Live/Work Units, as such Plans may from time to time be supplemented to or amended and as such Units may be altered pursuant to Section 13.4.
- 2.18. "Majority": Those eligible votes, Owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.
- 2.19. "Mortgage": Any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation.
- 2.20. "Mortgagee": The holder of any Mortgage.
- 2.21. "Occupant": The Owner or lessee of any Unit and their respective guests, family, employees, agents, tenants, independent contractors, invitees, and licensees, or any other Person who either lawfully or unlawfully occupies or comes upon such Unit.
- 2.22. "Owner" or "Unit Owner": Each record title holder of a Unit within the Condominium, but not including a Mortgagee.
- 2.23. "Person": Any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.
- 2.24. "Residential Unit": All Units except for the Commercial Units described above.
- 2.25. "Unit": That portion of the Condominium intended for individual ownership and use for which title has been conveyed by the Declarant to another party or for which a certificate of occupancy has been issued, as more particularly described in the Condominium Instruments.

BOOK 2072 PAGE 009

ARTICLE 3. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

The Condominium subject to this Declaration and the Act is located in the 216th District, G.M., Athens-Clarke County, Georgia, being more particularly described in Exhibit "A" attached to this Declaration, which exhibit is specifically incorporated herein by this reference. A plat of survey relating to the Condominium was recorded in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia (the "Plat") on August 24, 2001 in Condominium Plat Book 2, Pages 18-26. Floor plans relating to the Condominium were filed in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia (the "Plans") on August 24, 2001 in Floor Plan File 191. The Declarant shall have the right to file additional plans from time to time as necessary or appropriate to further describe the Units or to comply with the Act. The Plat and Plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

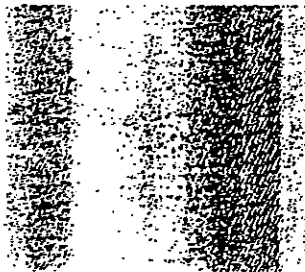
During the Development Period, Declarant reserves the right, but shall have no obligation, to make improvements and changes to all or part of the Common Elements and to any Units owned by Declarant (other than changes to the location of Unit boundaries except as expressly permitted herein), including, without limitation, addition and realignment of parking spaces, renovation and installation of changes to utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors, and extension of the drives and utility lines and pipes located on the Condominium.

ARTICLE 4: UNITS AND BOUNDARIES

The Condominium will be initially divided into thirteen (13) separate Residential Units (all of which shall be designated as Live/Work Units), nineteen (19) separate Commercial Units, the Limited Common Elements, and the Common Elements. Each Unit consists of a dwelling or commercial space. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The Units are depicted on the Plats and Plans. Each Unit includes that part of the structure which lies within the following boundaries:

- 4.1 Horizontal (Upper and Lower) Boundaries. The horizontal boundaries of each Unit shall be the unfinished interior surfaces of the floors and ceilings of the Unit as delineated in the Plats and Plans.
- 4.2 Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be unfinished interior surfaces of the outside walls of the Unit as delineated in the Plats and Plans.
- 4.3 Additional Information to Interpret Unit Boundaries. All exterior doors and exterior windows located within each Unit and all lath, wallboard, plasterboard, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of each Unit shall be deemed a part of such Unit; all other portions of the walls, floors, or ceilings shall be deemed a part of the Common Elements. Except as otherwise provided herein, all space, interior partitions, and other fixtures and improvements within the boundaries of a Unit shall be deemed a part of that Unit.

4
BOOK 2072 PAGE 010



Heating and air conditioning systems serving only a single Unit (including any part of such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit, shall be a part of the Unit.

To the extent that any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially inside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit; all portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

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 in which the Unit was located, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

ARTICLE 5: COMMON ELEMENTS

The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The percentage of undivided interest in and to the Common Elements attributable to each Unit shall be as set forth in Exhibit "C."

Such percentages of undivided interest may be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Declaration. The percentage of undivided interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit.

The Common Elements shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners. Each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit

over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

ARTICLE 6: LIMITED COMMON ELEMENTS

6.1. Designation. The Limited Common Elements and the Unit(s) to which they are assigned are:

- (a) to the extent that a deck, patio, porch, or balcony, together with any enclosure therefor, serving a Unit is not within the boundaries of the Unit, the deck, patio, porch, or balcony which is appurtenant to such Unit is assigned as Limited Common Element to the Unit having direct access to such deck, patio, porch, or balcony;
- (b) the doorsteps or stoops leading as access to a deck, patio, porch, or balcony, if any, are assigned as Limited Common Elements to the Unit to which the deck, patio, porch, or balcony is assigned;
- (c) the parking space or spaces or storage space or spaces, if any, which are assigned to a Unit and which are specified by showing such assignment on the Plat, or on a supplemental plat of survey, or on a supplemental declaration recorded in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia are assigned as Limited Common Elements to Units so designated on the plat or any supplemental plat;
- (d) the portion of the Common Elements on which there is located any portion of the mechanical, electrical, air conditioning, or heating system exclusively serving a particular Unit or Units is assigned as Limited Common Element to the Unit or Units so served;
- (e) the attic space above a Unit, if any, is assigned as Limited Common Element to such Unit;
- (f) a "roof-top balcony", if designated on the Plat, is assigned as Limited Common Element to the Unit immediately below said "balcony";
- (g) any gas or electric meter which serves only one Unit is assigned as Limited Common Element to the Unit so served; and
- (h) each Unit is assigned one (1) mailbox as Limited Common Element, which will be located in a designated area of the Condominium.

BOOK 2072 PAGE 012

The Limited Common Elements are assigned in accordance with Section 44-3-82 of the Act and with the Plans.

- 6.2. Assignment and Reassignment. The Board of Directors, without a membership vote, is hereby authorized to assign and to reassign Limited Common Elements, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 44-3-82 of the Act, as amended. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to assign or reassign the Limited Common Elements without the consent of Declarant during the Development Period.

ARTICLE 7: ASSOCIATION MEMBERSHIP AND ALLOCATIONS

- 7.1. Membership. All Owners, by virtue of their ownership of an interest in a Unit, are members of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration and the Act and in accordance with the By-Laws.
- 7.2. Votes. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one (1) equally weighted vote for each Unit in which such Owner holds the interest required for membership, which vote shall be appurtenant to such Unit.
- 7.3. Allocation of Liability for Common Expenses. Except as otherwise provided herein, each Unit is hereby allocated liability for Common Expenses apportioned as shown on Exhibit "C" attached hereto and by reference incorporated herein.
- (a) Except as provided below, or in the Act, the amount of all Common Expenses shall be assessed against all the Units in accordance with the allocation of liability for Common Expenses described above.
 - (b) The Board of Directors shall have the power to assess specifically pursuant to this section and to Section 44-3-80(b) of the Act, as amended, as in its discretion, it deems appropriate. Failure of the Board of Directors to exercise its authority under this section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this section in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this section.
 - (i) Any Common Expenses benefitting less than all of the Units or significantly disproportionately benefitting all Units may be specifically assessed equitably among all of the Units which are benefitted according to the benefit received.
 - (ii) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units.

For purposes of subsection (b) of this section, non-use of Common Elements shall constitute a benefit to less than all Units or a significant disproportionate benefit among all Units only when such non-use results in an identifiable, calculable reduction in cost to the Association.

ARTICLE 8: ASSOCIATION RIGHTS AND RESTRICTIONS

- 8.1. Right of Entry. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit.
- 8.2. Rules and Regulations. The Association shall have the right to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements.
- 8.3. Right of Enforcement. The Board, or a committee established by the Board for such purpose, may impose sanctions as provided in Section 44-3-76 of the Act, as amended, for violation of the Condominium Instruments, after compliance with the notice and hearing procedures set forth in Section 3.23 of the By-Laws. Such sanctions may include, without limitation:
- (a) imposing monetary fines which shall constitute a lien upon the Unit of the violator. (Any such fines shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments. In the event that any Occupant of a Unit violates the Condominium Instruments and a fine is imposed, the fine may first be assessed against the Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);
 - (b) suspending an Owner's right to vote;
 - (c) suspending any Person's right to use any recreational facilities within the Common Elements; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit; and
 - (d) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

In the event that any Occupant of a Unit violates the Condominium Instruments, the Board, or a committee established by the Board for such purpose, may sanction such Occupant and/or the Owner of the Unit that the violator is occupying or visiting.

In addition, the Board, or a committee established by the Board for such purpose, may elect to enforce any provision of the Condominium Instruments by exercising self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Condominium Instruments) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a specific assessment to cover all costs incurred in bringing a Unit into compliance with the terms of the Condominium Instruments.

Notwithstanding anything herein to the contrary, the Association may also take the following actions without the necessity of compliance with the procedures set forth in the By-Laws: (1) elect to enforce any provisions of the Condominium Instruments by suit at law or in equity to enjoin any violation or to recover monetary damages or both; or (2) subject to subsection 9.3(e), terminate any water, gas, electricity, heat, or air conditioning services being provided to a Unit or Unit Owner by the Association for failure to pay assessments and other amounts due pursuant to subsection (a) of Section 44-3-109 of the Act to the fullest extent allowed by the Act and in accordance with the provisions of the Act.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Condominium Instruments, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, reasonable attorneys' fees actually incurred and court costs in the same manner as an action for collection of assessments.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county, city, state, and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Condominium for the benefit of the Association and its members.

- 8.4. Permits, Licenses, Easements, etc. The Association shall have the right to grant permits, licenses, utility easements, and other easements over, through and under the Common Elements without a vote of the Owners.
- 8.5. Right of Maintenance. The Association shall have the right to control, manage, operate, maintain, improve, and replace all portions of the Condominium for which the Association is assigned maintenance responsibility under this Declaration.
- 8.6. Property Rights. The Association shall have the right to acquire, hold and dispose of tangible and intangible personal property and real property.

- 8.7. Casualty Loss. The Association shall have the right to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Act and this Declaration.
- 8.8. Governmental Entities. The Association shall have the right to represent the Owners in dealing with governmental entities.
- 8.9. Common Elements. The Association shall have the right to close permanently or temporarily any portion of the Common Elements (excluding the Limited Common Elements, any portions of the Common Elements which deny access to Units or Limited Common Elements, and any portion of the Common Elements over or upon which the Declarant or the Owners of the Commercial Units have an easement) for emergency, security or safety purposes or for any such other reasonable purpose as determined in the sole discretion of the Board, with no prior notice of such closing to the Owners, for a period not to exceed one (1) year. Furthermore, the Association shall have the right to permanently close any portion of the Common Element(s) upon thirty (30) days' prior written notice to all Owners. Any portion of the Common Elements which has been permanently closed may be reopened by the sole action of the Declarant during the Development Period, or by action of the Board or by the vote of members holding a Majority of the total Association vote. Notwithstanding the above, any action to reopen a portion of the Common Elements which will require, in the sole discretion of the Board, the levying of a special assessment, shall be approved in the manner set forth in Section 9.5 prior to becoming effective.

ARTICLE 9: ASSESSMENTS

- 9.1. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board of Directors.
- 9.2. Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs, and reasonable attorneys' fees actually incurred, and if the Board of Directors so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien may be enforced by suit, judgment and foreclosure in the same manner as Mortgages are foreclosed under Georgia law.

BOOK 2072 PAGE 016

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt such Owner from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Elements, the Association's failure to perform its obligations required under this Declaration, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

9.3. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

- (a) If any monthly installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date.
- (b) If partial payment of assessments and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:
 - (i) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due;
 - (ii) to costs of collection, including reasonable attorneys' fees actually incurred by the Association;
 - (iii) to any unpaid installments of the annual assessment or special assessments in the order of their coming due; and
 - (iv) if the Board of Directors so elects, to the fair rental value of the Unit during the pendency of suit and prior to satisfaction of any judgment which remains unpaid. The fair rental value of the Units, for purposes of this section, shall be as established from time to time by the Board of Directors.
- (c) If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of

the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

- (d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the By-Laws, the Act, and Georgia law and suspend the Owner's and/or Occupant's right to use the Common Elements; provided, however, the Board of Directors may not limit ingress or egress to or from the Unit.
- (e) In the event any assessment is delinquent for thirty (30) days or more, in addition to all other rights provided in the Act and this Declaration, and subject to the provisions of Section 44-3-76 of the Act, as amended, where applicable, the Association shall have the right upon ten (10) days written notice, to suspend any utility services, the cost of which are a Common Expense of the Association, including, but not limited to, water, electricity, heat, air conditioning, gas and cable television, to that Unit until such time as the delinquent assessments and all costs permitted pursuant to this section are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including reasonable attorneys' fees, shall be an assessment against the Unit and shall be collected as provided herein for the collection of assessments. The notice requirement of this section shall be deemed complied with if the notice is sent by certified mail to the Unit address and to any other address the Owner of the Unit has provided in writing to the Association.

9.4. Computation of Operating Budget and Assessment. It shall be the duty of the Board at least thirty (30) days prior to the beginning of the Association's fiscal year to prepare and deliver to the members a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least thirty (30) days prior to the beginning of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by members holding a Majority of the total Association vote; provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

In the event that the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the members at least thirty (30) days prior to

the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

- 9.5. Special Assessments. The Board of Directors may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners, notice of which shall be sent to all Owners. Any special assessment which would cause the average total of special assessments levied in one fiscal year to exceed the amount of the annual assessment for such year (except as provided herein regarding repair or reconstruction of casualty damage to or destruction of all or part of the Condominium) shall be approved by members holding a Majority of the total Association vote prior to becoming effective. Notwithstanding the above, during the Development Period, all special assessments must be consented to by the Declarant prior to becoming effective.
- 9.6. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Condominium that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees or guests. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing as set forth in Section 3.23 of the By-Laws.
- 9.7. Capital Budget and Contribution. The Board shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required, if any, shall be established by the Board and included within the budget and assessment as provided in Section 9.4. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.
- Notwithstanding any other provisions of this Declaration, during the time in which the Declarant appoints the directors of the Association pursuant to Article 20 of this Declaration, the Declarant (a) may collect a non-refundable contribution to the capital fund of the Association from the initial purchaser of each Unit in the amount of two (2) months of the annual assessment for the Unit (in addition to those amounts set forth in Section 9.9), and (b) shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect amounts for capital reserves. Any capital contribution collected by the Declarant shall not be collected against a Mortgagee which takes title to a Unit pursuant to foreclosure
- 9.8. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other

charges against a Unit. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee not to exceed Ten Dollars (\$10.00), or such higher amount as may be authorized by the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.

- 9.9. Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the annual assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association in a separately designated amount. The Association may not use these funds during the period that the Declarant has the right to appoint the directors of the Association. Thereafter, the Association may use the funds to cover operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws. The working capital contribution set forth herein is in addition to the required capital contribution set forth in Section 9.7 of this article.
- 9.10. Surplus Funds and Common Profits. Pursuant to Section 44-3-108 of the Act, common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's reserve account.

ARTICLE 10: INSURANCE

- 10.1. Insurance. The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by Section 44-3-107 of the Act, as amended, and as required herein. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees of Owners, if any. It shall be the duty of the Board of Directors at least every two (2) years to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association and to satisfy the requirements of this Declaration and Section 44-3-107 of the Act, as amended. Such responsibility may be performed, and shall be deemed reasonably performed, by requesting the Association's insurance agent to verify that insurance policies in existence meet the needs of the Association and satisfy the requirements of this Declaration and Section 44-3-107 of the Act, as amended. Such insurance shall run to the benefit of the Association, the respective Unit Owners, and their respective Mortgagees, as their interests may appear. The Association's policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.

(a) To the extent reasonably available at reasonable cost, the Association's insurance policy may cover any of the following types of property contained within a Unit, regardless of ownership:

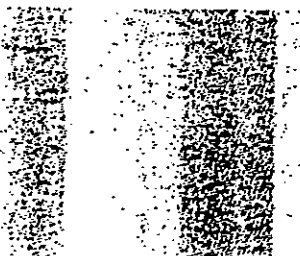
- (i) fixtures, improvements and alterations that are part of the building or structure; and
- (ii) appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security, or housekeeping.

If such insurance is not reasonably available, the Association's insurance policy may exclude improvements and betterments made by the individual Unit Owners and may also exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet, and any floor covering; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring), but each Owner shall have the right to obtain additional coverage for such improvements, betterments or personal property at his or her own expense.

(b) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of all improvements located on the Condominium that will provide the following:

- (i) that the insurer waives its rights of subrogation of any claims against the Board of Directors, officers of the Association, the individual Owners, and their respective household members;
- (ii) that the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;
- (iii) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;
- (iv) that until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;
- (v) that the master policy may not be canceled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;
- (vi) a construction code endorsement;

- (vii) an agreed value endorsement and an inflation guard endorsement; and
 - (viii) that the deductible amount per occurrence shall not exceed such amount as determined by the Board.
- (c) All policies of insurance shall be written with a company licensed to do business in the State of Georgia and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.
- (d) 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 shall be prohibited from participating in the settlement negotiations, if any, related thereto.
- (e) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of Directors of all structural improvements made by the Unit Owner to his Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is canceled.
- (f) In addition to the insurance required herein above, the Board shall obtain as a Common Expense:
- (i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;
 - (ii) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million Dollars (\$1,000,000.00) per occurrence (such insurance shall contain a cross liability endorsement);
 - (iii) fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board of Directors reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than two (2) months' aggregate assessments, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation; 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: (1) 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 the funds are deposited sends copies of the bank statements directly to the Association; (2) 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 (3) two members of the Board of Directors must sign any check written on the reserve account;

- (iv) flood insurance, to the extent that it is required by law or the Board determines it to be necessary; and
 - (v) such other insurance as the Board of Directors may determine to be necessary.
- (g) Insurance carried by the Association as a Common Expense shall not include part of a Unit not depicted on the Plats and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees, as to distribution of insurance proceeds.
- (h) Every Unit Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit to the extent not insured by policies maintained by the Association. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Unit Owner fails to obtain insurance or to provide copies of the policy or policies as required by this section, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments under Article 9 hereof.
- (i) 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 this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. 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 7 of this Declaration.

ARTICLE 11: REPAIR AND RECONSTRUCTION

In the event of damage to or destruction of all or any part of the Condominium insured by the Association as a result of fire or other casualty, unless Unit Owners entitled to cast eighty percent (80%) of the eligible votes of all Unit Owners and Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject to a Mortgage held by an Eligible Mortgagee appertain, 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.

- 11.1. 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 Unit) 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.
- 11.2. 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 all Owners in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board of Directors.
- 11.3. 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. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.
- 11.4. 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 Unit Owner upon whose property such encroachment exists, provided that such reconstruction 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 building shall stand.
- 11.5. Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this section to be disbursed by the Association in appropriate progress payments to such contractor(s).

supplier(s) and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

ARTICLE 12: ARCHITECTURAL CONTROL

- 12.1. Architectural Standards. Except for the Declarant, and except as provided herein, no Owner, Occupant, or any other Person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration or construction (including painting and landscaping), nor erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior of the buildings, in any windows, on any Limited Common Elements, or any other Common Elements, without first obtaining the written approval of the ARB.

The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARB may reasonably require. The ARB or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board of Directors or the ARB may publish written architectural standards for exterior and Common Elements alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography. The ARB may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

In the event that the ARB fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the ARB may reasonably require have been submitted, its approval will not be required and this section will be deemed complied with; provided, however, even if the requirements of this section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Condominium Instruments.

- 12.2. Architectural Review Board. The ARB shall have exclusive jurisdiction over all construction on any portion of the Condominium. During the Development Period, the Declarant retains the right to appoint and remove all members of the ARB, who shall serve at the Declarant's discretion. The ARB shall consist of one (1) to three (3) members, with the exact number being set from time to time by and in the sole discretion of the Declarant for so long as the Declarant retains the right to appoint and remove ARB members. There shall be no surrender of these rights prior to their expiration as provided above, except in a written instrument in recordable form executed by Declarant; provided, however, that the Declarant may delegate certain authority of the ARB to the Association for such periods of time as the Declarant in its sole discretion may decide. Upon expiration or permanent surrender of such rights, the Board shall set the number of members of the

ARB and appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

- 12.3. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance of such change, modification, addition, or alteration. In the discretion of the ARB, an Owner may be required to verify such condition of approval by written instrument in recordable form acknowledged by such Owner.
- 12.4. Limitation of Liability. Review and approval of any application pursuant to this article is made on the basis of aesthetic considerations only and neither the Declarant, the Association, the Board of Directors, nor the ARB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ARB, nor members of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Unit.
- 12.5. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the ARB will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval by either the Board of Directors or the ARB of any proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatsoever which are subsequently or additionally submitted for approval or consent.
- 12.6. Enforcement. Any construction, alteration, or other work done in violation of this article shall be deemed to be nonconforming. Upon written request from the Board of Directors or the ARB, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration or other work. Should an Owner fail to remove and restore as required hereunder, the ARB shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorneys' fees, may be assessed against the Unit and collected as an assessment pursuant to this Declaration. In addition to the foregoing, the ARB shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce its decisions and the provisions of this article. Any exterior change, alteration, or construction (including landscaping) upon the Common Elements made by an Owner in violation of this Declaration shall be at such Owner's sole risk and expense. The Board of Directors or the ARB may require that the Owner remove the change, alteration or construction and restore the Common Elements to its original condition, or may require that the change, alteration or construction remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

ARTICLE 13: USE RESTRICTIONS

Each Owner of a Unit shall be responsible for ensuring that the Owner's family, invitees, guests, tenants, and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, invitees, guests, tenants, or Occupants, as a result of such Person's violation of the Condominium Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, invitees, guests, tenants, or Occupants. Use restrictions regarding the use of Units and the Common Elements are as follows and also as may be adopted by the Board of Directors in accordance with the terms hereof and as specified in the By-Laws.

- 13.1. Residential Units. All Residential Units shall be used for residential purposes only, except that the Owner or Occupant residing in a Residential Unit may conduct business uses ancillary to a primary residential use within the Unit so long as: (a) the existence or operation of the business activity does not cause or produce (i) noise or sound that is objectionable because of its volume, duration, frequency, or shrillness, (ii) noxious, toxic or corrosive fumes or gases, (iii) obnoxious odors, (iv) dust, dirt or flying ash, or (v) unusual fire or explosion hazards; (b) the business activity conforms to all zoning requirements for the Condominium; (c) the business activity does not involve door-to-door solicitation of residents or occupants of the Condominium; (d) the business activity is consistent with the primarily residential character of the Residential Units and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board; (e) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) there are no signs, advertisements or plaques of any nature whatsoever visible from the exterior of the Residential Unit; and (g) the business activity does not result in a materially greater use of Common Element facilities or Association services. Furthermore, anything or any activity prohibited in a Live/Work Unit shall also be prohibited in Residential Units.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Residential Unit shall not be considered a business or trade within the meaning of this section. This section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Condominium or portions thereof, or its use of any Units which it owns within the Condominium.

13.2. Live/Work Units. Each Live/Work Unit shall be used for residential purposes and may also be used for limited business purposes ancillary to a primary residential use (hereinafter referred to as a "home occupation"), notwithstanding anything to the contrary in Section 13.1. No home occupation shall be engaged in before 7:00 a.m. or after 10:00 p.m. Monday through Friday and before 8:00 a.m. or after 6:00 p.m. on Saturday and Sunday. The Live/Work Units are subject to all applicable zoning and other legal requirements and, in addition thereto, the following:

- (a) each home occupation may have up to two (2) on-site employees;
- (b) a maximum of thirty-three percent (33%) of the square footage of the Unit may be used for the home occupation;
- (c) no home occupation may involve or be used for the following:
 - (i) retail sales, display or distribution of consumer goods;
 - (ii) pet breeding, sales or grooming;
 - (iii) any activity which requires a laboratory on the premises;
 - (iv) any activity which involves the storage of food on the premises;
 - (v) an amusement gallery, amusement arcade, video game room, pool hall, child care facility, hair, nail or waxing salon, adult book store, adult video store, or a business which sells pornographic materials; or
 - (vi) any activity prohibited for a Commercial Unit, as set forth in this Declaration;
- (d) each Live/Work Unit may have one (1) professionally lettered sign no larger than two feet by two feet (2' x 2') on such Live/Work Unit, which sign identifies the home occupation being conducted in such Live/Work Unit, in a specific location as determined by the Board, or, during the Development Period, subject to the sole approval and regulation of the Declarant as set forth in Section 13.14;
- (e) no home occupation can create a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents in the Condominium, as may be determined in the sole discretion of the Board of Directors, and, during the Development Period, the Declarant;
- (f) no home occupation shall cause or produce any of the following:
 - (i) noise or sound that is objectionable because of its volume, duration, frequency, or shrillness;
 - (ii) noxious, toxic or corrosive fumes or gases;
 - (iii) obnoxious odors;



- (iv) dust, dirt or flying ash; or
- (v) unusual fire or explosion hazards.

13.3. Commercial Units. Each Commercial Unit shall be used only for such commercial office or retail purposes permitted by applicable zoning ordinance and use restrictions, provided such commercial office or retail activity does not constitute a nuisance or hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the reasonable discretion of the Board. Notwithstanding the foregoing, no Commercial Unit shall be used for any of the following: medical facility or any facility performing medical procedures, cinema/movie theater, bowling alley, skating rink, amusement gallery, pool hall, massage parlor (except those that are certified by the National Massage Therapy Certification Board or are providing massage within the context of a full service health spa or beauty salon), adult book store or adult video store, business which sells pornographic material, or any lewd purpose, video game room, industrial or manufacturing use, or amusement arcade. Commercial Units may be owned and operated by the Declarant and may be subdivided or have the boundaries of the Commercial Units relocated by the Declarant pursuant to Section 13.4. Animals shall not be kept or maintained in the Commercial Units.

13.4. Alteration of Units. Subject to the other provisions of this Declaration, Unit Owners may make alterations to the interiors of their Units, relocate the boundaries between adjoining Units, and subdivide their Units as follows:

- (a) Alterations of the Interiors of the Units. If any Owner acquires an adjoining Unit, such Owner may (subject to the prior written approval of the Mortgagees of the Units involved, the prior written approval of the Board, and, during the Development Period, the prior written approval of the Declarant) remove all or any part of any intervening partition or create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. The alterations permitted by this subsection shall not be deemed an alteration or relocation of boundaries between adjoining Units, as defined by Section 44-3-91 of the Act, as amended.
- (b) Relocation of Boundaries. Boundaries between adjoining Units may be relocated only in accordance with the provisions of Section 44-3-91 of the Act, as amended, and, during the Development Period, only with the prior written consent of the Declarant. The Declarant shall have the right to relocate boundaries between Units owned by the Declarant or its affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Declaration on the Association's behalf pertaining thereto.

- (c) Subdivision of Units. An Owner may subdivide his or her Unit only in accordance with the provisions of Section 44-3-92 of the Act, as amended, and this Declaration. During the Development Period, the Owner of a Residential Unit or a Live/Work Unit must obtain the prior written consent of the Declarant in order to subdivide his or her Residential Unit or Live/Work Unit. After the Development Period is terminated, an Owner must obtain the prior written consent of the Board of Directors in order to subdivide his or her Residential Unit or Live/Work Unit. Notwithstanding the above, the Declarant and Owners of Commercial Units shall have the right to subdivide Commercial Units owned by them, respectively, or by their affiliates without the approval of the Association, and the Declarant, without the need for further Owner approval, may execute any required amendment to the Declaration on the Association's behalf pertaining thereto.
- (d) Conversion of Commercial Units. An Owner of a Commercial Unit may convert the Commercial Unit into one (1) or more Residential Units, pursuant to the provisions regarding subdivision of Units in this Section 13.4 and subject to the prior written approval of the Declarant during the Development Period and, thereafter, subject to the prior written approval of the Board.
- (e) Conversion of Residential Units. One (1) or more Owners of Residential Units may convert their Residential Units into a Commercial Unit, pursuant to the provisions regarding relocation of boundaries of Units in this Section 13.4 and subject to the prior written approval of the Declarant during the Development Period and, thereafter, subject to the prior written approval of the Board.

13.5. Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium, other than by Declarant, at any time, either temporarily or permanently, without the prior written approval of the ARB.

13.6. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on, or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. This prohibition shall not apply to the Declarant.

With the prior written approval of the Board, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their guests, Occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

13.7. Use of Limited Common Elements. Use of the Limited Common Elements is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, invitees, and Occupants. The



Limited Common Elements are reserved for exclusive use, but are a part of the Common Elements, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

- 13.8. Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. Notwithstanding anything to the contrary herein, no Owner or Occupant of a Residential Unit may use or allow the use of the Unit, the Common Elements or the Limited Common Elements in any manner which creates noises between the hours of 10:00 p.m. and 7:00 a.m. which can be heard by persons in another Unit that will, in the sole discretion of the Board, interfere with the rights, comfort or convenience of the other Owners or Occupants.

No Owner shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgagees. No damage to or waste of the Common Elements, or any part thereof, or of the exterior of any building shall be permitted by any Owner or member of his or her family or any invitee or guest of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit.

- 13.9. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.
- 13.10. Pets. No Owner or Occupant may keep any pets other than generally recognized household pets on any portion of the Condominium, and no Owner or Occupant may keep any pet that weighs more than thirty-five (35) pounds or more than two (2) generally recognized household pets per Unit. Notwithstanding the above, a reasonable number of generally recognized household pets, as determined in the sole discretion of the Board of

Directors, weighing less than two (2) pounds each may be kept in Units. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose.

Pets may not be left unattended outdoors or kept outdoors in fenced areas. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including the Limited Common Elements without the prior written approval of the ARB as provided in Article 12 hereof. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors and shall be kept in such manner as to not become a nuisance by barking or other acts. Feces left upon the Common Elements by dogs must be removed by the owner of the dog or the person responsible for the dog.

No pit bull dogs or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Condominium at any time by any Unit Owner, Occupant, or guest of an Owner or Occupant. Any pet which endangers the health or safety of any Owner or Occupant of any Unit or which creates a nuisance or unreasonable disturbance, as may be determined in the sole discretion of the Board of Directors, must be permanently removed from the Condominium upon seven (7) days' written notice by the Board of Directors. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet. Any pet which, in the sole discretion of the Board, presents an immediate danger to the health, safety or property of any member of the community may be removed by the Board without prior notice to the pet's owner.

- 13.11. Parking. The Board of Directors may promulgate rules and regulations restricting parking on the Condominium, including restricting the number of vehicles which any Owner or Occupant may bring onto the Condominium by designating or assigning parking spaces and requiring that all Owners and Occupants register their vehicles with the Association. This Section 13.11 shall not prohibit an Owner or Occupant from having service vehicles park temporarily on the property if otherwise in compliance with this Section 13.11 and the rules and regulations adopted by the Board.

Disabled and stored vehicles are prohibited from being parked on the Condominium. Boats, boat trailers, trucks with a load capacity of one (1) ton or more, full-size vans (excluding mini-vans used as passenger vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium, except in garages or other areas designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, that no such vehicle shall be authorized to remain on the Common Elements overnight or for any purpose except serving a Commercial Unit or the Common Elements, without the written consent of the Board.

For purposes of this section, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium for fourteen (14) consecutive days or longer without the prior written permission of the Board of Directors.

If any vehicle is parked on any portion of the Condominium in violation of this Section 13.11 or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity which will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If, twenty-four (24) hours after such notice is placed on the vehicle, the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked other than in a parking space, is parked in a space which has been assigned as a Limited Common Element exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this section, neither the Declarant, the Association, nor any officer or agent of either shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

- 13.12. Abandoned Personal Property. Personal property, other than vehicles as provided for in this article, shall not be kept or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on Limited Common Elements, without the prior written permission of the Board.

If the Board or its designee, in its sole discretion, determines that property is kept, stored, or allowed to remain on the Common Elements or Limited Common Elements in violation of this section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. Prior to taking any such action, the Board shall place a notice on the personal property and/or on the front door of the Unit of the owner of such property, if known, specifying the nature of the violation and stating that after two (2) days the property may be removed and either discarded or stored. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

If two (2) days after such notice is placed on the personal property and/or the front door of the Unit, the violation continues or thereafter occurs again within six (6) months of such notice, the personal property may be removed in accordance with the original notice, without further notice to the owner or user of the personal property.

Notwithstanding anything to the contrary, the Board, in its discretion, may determine that an emergency situation exists, and the personal property abandoned or stored in violation of this section may, without prior notice to the owner or user of the personal property, be removed and either discarded or stored by the Board in a location which the Board may determine; provided, however, the Board shall give to the owner, if known, notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

If personal property is removed in accordance with this section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to remove abandoned or improperly stored personal property, as set forth herein.

- 13.13. Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. Owners and Occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the months specified above when the heating equipment is not working properly, the Unit Owner or Occupant shall immediately inform the Association of this failure of the equipment and of the time needed to repair the equipment. The Board of Directors may fine any Owner or Occupant and/or may cause the water service to the violator's Unit to be discontinued for violation of this section, in addition to any other remedies of the Association. Any fine imposed pursuant to this section shall be deemed an assessment against the Unit and may be collected in the same manner as provided herein for collection of assessments.
- 13.14. Signs. Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six inches by six inches (6" x 6") in size may be displayed from within the Unit, and one (1) professionally lettered "For Rent" or "For Sale" sign not to exceed two feet by two feet (2' x 2') in size may be displayed from within a Unit being offered for sale or for lease. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to enact reasonable rules and regulations governing the general placement of signs on the Condominium.

Notwithstanding the restrictions contained in this section, (a) the Declarant may approve and erect signs for the purpose of carrying on business related to the development, improvement and sale of Units in the Condominium, and such signs shall not be subject to approval or regulation by the Association or by the Board; and (b) signs related to business activities in Commercial Units and Live/Work Units shall be permitted, subject to the prior written consent of the Board or its designee and provided said signs comply with local laws and other provisions of the Declaration regulating same; provided, however, that during the Development Period, the Declarant may exercise sole authority over approval and regulation of signs related to business activities in Commercial Units and Live/Work Units, and such signs shall not be subject to approval or regulation by the Association or by the Board.

- 13.15. Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except as provided herein. Rubbish, trash and garbage shall be disposed of in closed plastic bags and placed in proper receptacles designated by the Board for collection or shall be removed from the Condominium.
- 13.16. Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or Occupants.
- 13.17. Unsanitary or Unkempt Conditions. The pursuit of hobbies or other activities, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.
- 13.18. Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited.
- 13.19. Window Treatments. Unless otherwise approved in writing by the Board, all windows which are part of a Residential Unit shall have window treatments and any portion thereof visible from outside the Residential Unit shall be white or off-white in color. Notwithstanding the above, skylights and "clear story windows" shall not be required to have window treatments.
- 13.20. Antennas and Satellite Equipment. Unless otherwise approved in writing by the Board, no Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite-equipment on the Condominium. This provision shall not, however, prohibit the Association from constructing or maintaining a central antenna or communications system on the Condominium for the benefit of its members. Notwithstanding the foregoing, the Association shall regulate antennas, satellite dishes or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind only in strict compliance with all federal laws and regulations.
- 13.21. Elevators. The Board shall have the right to promulgate rules and regulations regarding use of the elevators.

ARTICLE 14: LEASING

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this article.

- 14.1. Definition. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any Person or Persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

14.2. Leasing Provisions. Leasing of Residential Units shall be governed by the following provisions:

- (a) General. Residential Units may be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board. All rentals must be for an initial term of no less than one (1) year. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form which is deemed acceptable. There shall be no subleasing of Residential Units or assignment of leases unless prior written approval is obtained from the Board of Directors. Within seven (7) days after executing a lease agreement for the lease of a Residential Unit, the Unit Owner shall provide the Board of Directors with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Unit Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations;
- (b) Compliance With Declaration, By-Laws, and Rules and Regulations, Use of Common Elements, and Liability for Assessments. Any lease of a Residential Unit shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Residential Unit, covenants and agrees that any lease of a Residential Unit shall 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 on the Unit;
- (i) Compliance With Declaration, By-Laws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Residential Unit in order to ensure compliance with the foregoing. The Owner shall cause all Occupants of his or her Residential Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Residential Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Declaration, By-Laws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine shall be assessed against the lessee in accordance with Article 3, Section 3.23 of the By-Laws. If the fine is not paid by the lessee within the time period set by the Board, the Board may assess the fine against the Owner and the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Residential Unit.

Any violation of the Declaration, By-Laws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any person living with the lessee, 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 lessee in accordance with Georgia law. The Owner of a Residential Unit hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorneys' fees and court costs, associated with the eviction shall be an assessment and lien against the Residential Unit.

- (ii) Use of Common Elements. Except where the Owner also occupies the Residential Unit, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium, including, but not limited to, the use of any and all recreational facilities.
- (iii) Liability for Assessments. When a Residential Unit Owner who is leasing his or her Residential Unit fails to pay any annual special, or specific assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual, special and specific assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under this Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

- 14.3. Applicability. This Article 14 shall not apply to any leasing transaction entered into by the Declarant, any Owner of a Commercial Unit, the Association, or the holder of any first Mortgage on a Residential Unit who becomes the Owner of a Residential Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

ARTICLE 15: SALE OF UNITS

A Unit Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention within seven (7) days after execution of the transfer

or sales documents. The Unit Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require. This article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of his or her ownership of the Unit. Upon failure of a Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

ARTICLE 16: MAINTENANCE RESPONSIBILITY

16.1. By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit, except any portion of the Unit which is expressly made the maintenance obligation of the Association as set forth in Section 16.2 below. This maintenance responsibility shall include, but not be limited to, the following: all glass surfaces (excluding exterior cleaning); windows, window frames, casings, and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting or staining of the exterior surface of exterior doors and entry doors and door frames facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all gas, electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit).

- (a) Some Units may contain interior support beams which are load bearing beams. No Owner or Occupant shall do any act which jeopardizes or impairs the integrity of such beams.
- (b) In addition, each Unit Owner shall have the responsibility:
 - (i) to keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit including, without limitation, patios, terraces and balconies;
 - (ii) to perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units;
 - (iii) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and
 - (iv) to pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of

the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, invitees, tenants, or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

16.2. By the Association.

- (a) The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes the following:
 - (i) all Common Elements, including any Limited Common Elements (except as otherwise expressly provided for herein);
 - (ii) periodic cleaning and/or painting and/or staining of exterior surfaces of the Condominium building and of exterior doors and door frames and entry doors and door frames facing the hallway of the Condominium, as determined appropriate by the Board; and
 - (iii) periodic cleaning of exterior window surfaces, as determined appropriate by the Board.
- (b) Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to, landscaping of Common Elements) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.
- (c) The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance, or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, invitee, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest, invitee, or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declarations, or for inconvenience or discomfort arising from the action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(d) The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Unit Owner or Occupant. Removal, storage or other protective measures of personal items are also the responsibility of the Unit Owner or Occupant. If the removal, storage, or other protective measures are not taken by the Unit Owner or Occupant and damage occurs due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs the Association will perform cursory cleaning, but shall not be responsible for a detailed cleaning. The Board has sole discretion in defining the reasonable level, quality and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such Persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

16.3. Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly such Owner's obligation with regard to the maintenance, repair, or replacement of items of which such Owner is responsible hereunder, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board of Directors determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, and shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

If the Board determines that the need for maintenance, repair or replacement is in the Area of Common Responsibility and is caused through the willful or negligent act of an Owner or Occupant, or their family, guests, lessees, or invitees, then the Association may access the cost of any such maintenance, repair or replacement against the Owner or Occupant, which shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

16.4. Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declarations may vary from one term of the Board of Directors to another. These variances shall not constitute a waiver by the Board of Directors of the right to adopt and enforce maintenance standards under this section. No decision or interpretation by the Board of Directors shall constitute a binding precedent with respect to subsequent decisions



or interpretations of the Board of Directors. All maintenance of a Unit shall be in conformance with the Community-Wide Standard of the Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Unit without the prior written approval of the ARB as provided in Article 12 hereof.

- 16.5. Measures Related to Insurance Coverage. The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring all Owners to turn off cut-off valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install smoke detectors; requiring Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Five Hundred Dollars (\$500.00) per Unit in any twelve (12) month period.

In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any reasonable requirement made by the Board pursuant to this Section 16.5 above, the Association, upon ten (10) days' written notice (during which period the Unit Owner may perform the required act or work without further liability), may perform such required act or work at the Unit Owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Section 16.5, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

ARTICLE 17: PARTY WALLS

- 17.1. General Rules of Law to Apply. Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.
- 17.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.
- 17.3. Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it, and the Association shall reimburse said Owner(s) for the cost incurred, without prejudice, however, to the Association's right to seek reimbursement from or withhold payment to the Owners or others under any rule of law or provision in this Declaration regarding liability for negligent or willful acts or omissions.

- 17.4. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this article shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 18: EMINENT DOMAIN

In the event of a taking by eminent domain of any portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five percent (75 %) of the total Association vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor. The provisions of Article 11, applicable to Common Elements improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE 19: MORTGAGEE RIGHTS

- 19.1. Amendments to Documents. The consent of (a) members holding at least sixty-seven percent (67 %) of the total eligible voting power of the Association, (b) the Declarant, for so long as the Declarant has the right to appoint the directors of the Association as provided in Article 20, and (c) Eligible Mortgagees representing at least fifty-one percent (51 %) of the total voting power attributable to Units subject to a Mortgage held by an Eligible Mortgagee, shall be required to materially amend any provisions of this Declaration, the By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (a) voting;
- (b) assessments (including any increase in the annual assessment by more than twenty-five percent (25%) of the previous year's assessment), assessment liens, or subordination of such liens;
- (c) reductions in reserves for maintenance, repair and replacement of the Common Elements;
- (d) responsibility for maintenance and repair of the Condominium;
- (e) reallocation of interests in Common Elements;
- (f) redefinition of Unit boundaries;
- (g) convertibility of Units into Common Elements or vice versa;
- (h) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium in a manner other than as provided herein;

- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer or otherwise convey his or her Unit;
- (l) establishment of self-management by the Association where professional management has been required by an Eligible Mortgagee;
- (m) repair or restoration of the Condominium (after damage or partial condemnation) in a manner other than as provided herein; or
- (n) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors or insurers of first Mortgages on Units.

19.2. Mortgagee Consent. Unless at least sixty-seven percent (67%) of the first Mortgagees and Unit Owners other than Declarant, and the Declarant during the Development Period, give their consent, the Association or the membership shall not:

- (a) by act or omission seek to abandon or terminate the Condominium;
- (b) except as provided herein and in the Act for condemnation, substantial damage and destruction, and annexation of additional property to the Condominium, change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;
- (c) partition or subdivide any Unit in any manner inconsistent with the provisions of this Declaration;
- (d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or
- (e) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such portion of the Condominium.

The provisions of this section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this section.

19.3. Liability of First Mortgagees. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or non-judicial foreclosure

of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be a Common Expense collectible from Owners of all the Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

- 19.4. Mortgage Notice. Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Eligible Mortgagee will be entitled to timely written notice of:
- (a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held by such Eligible Mortgagee;
 - (b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first Mortgage held by such Eligible Mortgagee which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;
 - (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
 - (d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagee, as specified herein.
- 19.5. Financial Statements. Pursuant to the terms of Section 6.6 of the By-Laws, any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.
- 19.6. Additional Mortgagee Rights. Notwithstanding anything to the contrary herein contained, the provisions of Articles 14 and 15 governing sales and leases shall not apply to impair the right of any first Mortgagee to:
- (a) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; or
 - (b) take a deed or assignment in lieu of foreclosure; or
 - (c) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.
- 19.7. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.
- 19.8. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such



action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

- 19.9. Construction of Article. Nothing contained in this article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Georgia law for any of the acts set out in this article.

ARTICLE 20: DECLARANT RIGHTS

- 20.1. Right to Appoint and Remove Directors. The Declarant shall have the right to appoint and remove any member or members of the Board of Directors of the Association subject to such limitations as set forth below. The Declarant's authority to appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following:
- (a) four (4) months after seventy-five percent (75%) of the Units in the Condominium have been transferred by the Declarant to Unit Owners other than a Person or Persons constituting the Declarant;
 - (b) the expiration of five (5) years after the date upon which this Declaration is recorded in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia; or
 - (c) the date on which the Declarant voluntarily relinquishes such right by executing and recording an amendment to this Declaration, which shall become effective as specified in such amendment.
- 20.2. Number and Terms of Directors Appointed by Declarant. The Board of Directors of the Association shall be comprised initially of no more than three (3) directors, who shall be appointed, removed, and/or reappointed by the Declarant, and whose terms shall expire at the time of expiration of the rights of the Declarant as set forth above.
- 20.3. Sale and Leasing of Units. Notwithstanding anything to the contrary contained herein, the Declarant shall have the right to sell or lease Units and to erect and maintain signs to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Declaration regarding signs and sales and leases.
- 20.4. Construction and Sale Period. Notwithstanding any provisions in the Condominium Instruments and any related documents, during the Development Period, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction and sales activities related to property described on Exhibit "A" to this Declaration, including, but without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on, or in the Condominium; the right to tie

into any portion of the Condominium with streets, driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain, and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines, and facilities constructed or installed in, on, under, and/or over the Condominium; the right to carry on sales and promotional activities in the Condominium; and the right to construct and operate business offices, signs, construction trailers, model Units, and sales offices. Declarant and any such builder or developer may use Units or offices owned or leased by Declarant or such builder or developer as model Units and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

ARTICLE 21: EASEMENTS

- 21.1. Use and Enjoyment. Each Unit Owner and Occupant shall have a right and non-exclusive easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.
- 21.2. Utilities. To the extent that the sprinkler system or any utility line, pipe, wire, or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, maintenance, repair, and replacement of such sprinkler system, utility line, pipe, wire, or conduit, such easement to be in favor of the Unit, Units or Common Elements served by the same and the Association. It shall be the obligation of the benefitted Owner to maintain, replace and repair any pipe, line, conduit, duct, or wire owned by such Owner, even if such pipe, line, conduit, duct, or wire is located in the Unit of another Owner. In such circumstance, the benefitted Owner shall repair all incidental damage to any Unit or the Common Elements resulting from performance of any such work. All Unit Owners hereby covenant and agree that as finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile or trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board.
- 21.3. Pest Control. The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units

for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Each Unit Owner shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage or injury caused by the dispensing of these chemicals for this purpose.

- 21.4. Declarant Easements. During the Development Period, the Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (a) an easement for the placement and maintenance of signs, a sales office, a business office, promotional facilities, and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, or sale of the Unit; and (2) a transferable non-exclusive easement on, over, through, under, and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium, and for the purpose of doing all things reasonably necessary and proper in connection therewith. In addition, Declarant shall have an easement as necessary for conducting all activities and for exercising all rights set forth in Article 20 of this Declaration.

ARTICLE 22: GENERAL PROVISIONS

- 22.1. Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees, and invitees, of the Unit acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in and to the Condominium. It shall be the responsibility of each Owner to protect such Owner's persons and property and all responsibility to provide security shall lie solely with each Unit Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measures cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Association, its Board of Directors and committees, and Declarant are not insurers and that each Person using the Condominium assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

- 22.2. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the By-Laws, the Articles of Incorporation, any use restriction or rule,

and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

- 22.3. Amendment. Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding sixty-seven percent (67%) of the total Association vote. As long as the Declarant has the right to appoint the directors of the Association as provided in Article 20, any amendment to this Declaration or the By-Laws shall also require the written consent of the Declarant. In addition, no amendment to this Declaration shall alter (i) the permissible uses of the Commercial Units absent the consent of the Owners thereof, or (ii) the easement rights contained in Section 21.4 without the consent of the Person(s) holding such easement rights. Notice of any meeting at which a proposed amendment will be considered shall state the facts of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the president and secretary of the Association and recorded in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia.

In addition to the above, material amendments to this Declaration, as set forth in Section 19.1, must be approved by Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units that are subject to Mortgages held by Eligible Mortgagees. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgagee shall be deemed implied and consented to if the Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after the Eligible Mortgagee receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

Notwithstanding the foregoing, the Declarant or the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration or the By-Laws to comply with any applicable state, city or federal law, and/or to bring the Condominium into compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

Any action to challenge the validity of an amendment adopted under this section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

- 22.4. Compliance. Every Owner and Occupant of any Unit shall comply with this Declaration, the By-Laws, and the rules of the Association. Failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 8.3.
- 22.5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such

prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Declaration are declared to be severable.

- 22.6. Captions. The captions of each article and section hereof, as to the contents of each article and section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular article or section to which they refer.
- 22.7. Notices. Notices provided for in this Declaration or the Articles or By-Laws shall be in writing, and shall be addressed to any Owner or Occupant at the address of the Unit and to the Declarant or the Association at the address of their respective registered agents in the State of Georgia. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three business days after mailing by United States registered or certified mail, postpaid, or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.
- 22.8. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.
- 22.9. Indemnification. To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorneys' fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.
- 22.10. Use and Conveyance of Commercial Unit(s) by Declarant to Association.
- (a) Declarant may, but is not required to, give the Association the right to use one or more Commercial Units. The duration, terms, and conditions of such usage are at the discretion of the Declarant and may be unilaterally changed by Declarant from time to time. If Unit Owners and/or Association are given the right by

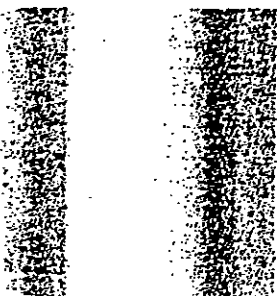
Declarant to use any Commercial Unit(s) owned by Declarant, then the Association shall be responsible for paying for insurance, property taxes and the cost of maintaining and repairing such Commercial Units; and

- (b) The Declarant may, but shall not be obligated to, offer to transfer or convey to the Association one (1) or more of the Commercial Units which are subject to the terms of this Declaration. Any such offer shall be after the period during which the Declarant has the authority to appoint and remove directors (as set forth in Article 20) and shall be subject to a vote of the Association. If accepted by the Association, the Commercial Units shall thereafter be maintained by the Association. Declarant shall not be required to make any improvements whatsoever to the Commercial Units to be conveyed and accepted pursuant to this section, and the assessment provided for in Article 9 shall not be charged to or due from said Commercial Units while owned by the Association.

22.11. Storage Spaces. Neither the Declarant nor the Association shall be held liable for loss or damage to any property placed or kept in a storage space in the Condominium. Each Owner or Occupant with use of a storage space who places or keeps property in such storage space does so at his or her own risk.

ARTICLE 23: EXPANSION OF THE CONDOMINIUM

Declarant reserves the option to expand the Condominium by adding to the Condominium all or any part of the Additional Property on one or more occasions. Except as set forth herein, there are no limitations on this option. Except for zoning and other governmental requirements, there are no limitations as to the location of improvements on the Additional Property. The Additional Property may be added as a whole at one time or portions may be added at different times. There are no limitations fixing the boundaries of any portion of the Additional Property which may be submitted to the Declaration, and there are no limitations regulating the order in which portions of the Additional Property may be submitted to this Declaration. This option shall expire seven (7) years from the date of recording of this Declaration; provided, however, that Owners of Units to which sixty-seven percent (67%) of the total vote in the Association appertain, excluding any votes appurtenant to any Unit or Units then owned by the Declarant, may consent to the extension of this expansion option within one (1) year prior to the date upon which the option would have otherwise expired. The maximum number of Units that may be created on the Additional Property and added to the Condominium is fifty (50). The maximum average number of Units per acre that may be created on any portion of property added to the Condominium is forty-two (42). No assurances are made that any improvements will be made on all or any of the Additional Property which may be submitted to this Declaration. No assurances are made that any structures erected on any portion of the Additional Property which may be added to this Declaration will be compatible with structures on the submitted property in terms of quality of construction, the principal materials to be used, and architectural style. The Additional Property shall be subject to the use restrictions set forth herein when it is added to the Condominium. No assurances are made that the Units which may be built on all or any portion of the Additional Property will be substantially identical to the Units on the submitted property. Units created on any portion of the Additional Property submitted to this Declaration may not be restricted exclusively to residential use, and there are no limitations as to what the extent of such nonresidential use may be except as otherwise set forth in this Declaration. All improvements to be located on each portion of the



Additional Property which is being submitted to the Condominium shall be substantially complete prior to its submission to the Condominium. The Declarant shall have the right to assign Limited Common Elements on the Additional Property in accordance with the provisions hereof. The undivided interests in the Common Elements are allocated among the Units on the submitted property on the basis of the square footage of each Unit (including any Limited Common Elements assigned to such Unit) in comparison to the square footage (including Limited Common Elements) of all Units and, upon the expansion of the Condominium to include any portion of the Additional Property, shall be reallocated among the Units on the submitted property and the Additional Property on the same basis. Liability for Common Expenses is allocated among the Units on the basis of a fraction determined by taking the square footage of each Unit (including any Limited Common Elements assigned to that Unit) as the numerator and the total square footage of all Units (including Limited Common Elements) as the denominator, and multiplying said fraction by a Common Element Usage factor determined in the sole discretion of the Declarant as set forth on Exhibit "C". Upon the expansion of the Condominium to include any portion of the Additional Property, liability for Common Expenses shall be reallocated among the Units on the submitted property and the Additional Property on the same basis. Each vote in the Association is equally weighted and, upon expansion of the Condominium to include any portion of the Additional Property, will continue to be equally weighted. Any expansion under this article shall be effected by Declarant's executing and recording the amendments to this Declaration, and the plats and plans required by the Act, at Declarant's sole expense. The Units thereby created and added shall be owned by Declarant until conveyed, but the Common Elements shall be owned by all of the Unit Owners.

ARTICLE 24: RIGHT TO RELOCATE CERTAIN EQUIPMENT SERVING UNIT

Notwithstanding any provision to the contrary contained herein, the Association's Board of Directors, at the sole expense of the Association, shall have the right, without need for a membership vote and without the consent of any affected Unit Owner, to relocate any portion of the air conditioning, heating, plumbing, ventilating, exhaust, or electrical system serving a particular Unit, provided that, after such relocation, the system serving the Unit is of equal or better quality than existed prior to the relocation.

ARTICLE 25: PREPARER

This Declaration was prepared by M. Maxine Hicks and W. Burrell Ellis, Jr. of Epstein Becker & Green, P.C., Attorneys at Law, The Lenox Building, 3399 Peachtree Road N.E., Suite 1400, Atlanta, Georgia 30326.

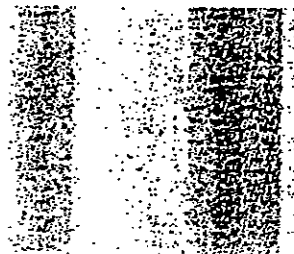
[SIGNATURES ON NEXT PAGE]

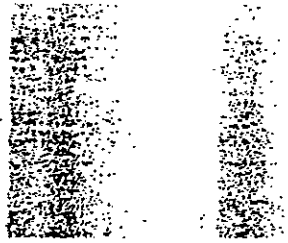
IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal, this 24th
day of August, 2001.

DECLARANT: 297 Prince, L.L.C.,
a Georgia limited liability company
By: [Signature] (SEAL)
Smith W. Wilson, IV, Member
By: [Signature] (SEAL)
Pamela S. Nesmith, Member

Signed, sealed, and delivered
in the presence of:
[Signature]

WITNESS
[Signature]
NOTARY PUBLIC
LUNA V. FERRELL
MADISON COUNTY, GEORGIA
EXP. SEPT. 6, 2004





MORTGAGEE CONSENT

ATHENS FIRST BANK & TRUST COMPANY (the "Lender"), grantee under a Commercial Deed to Secure Debt and Security Agreement dated as of April 19, 2000, executed by 297 Prince, L.L.C., in Deed Book 1901, page 268, Assignment of Rents and Profits dated April 19, 2000 executed by 297 Prince, L.L.C. recorded in Deed Book 1901, page 281 in said Clerk's Office and pursuant to a Modification Agreement dated August 25, 2000, in Deed Book 1939, page 165, and pursuant to Modification Agreement dated August 17, 2001, in Deed Book 2069, page 128 in the Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia, and as the Secured Party as set forth in UCC-2 recorded in Deed Book 1905, page 117 in said Clerk's Office and UCC Financing Statement and Addendum recorded in Deed Book 2069, page 130 in said Clerk's Office (as amended from time to time, collectively the "Deed to Secure Debt"), for itself and its successors and assigns, approves the foregoing Declaration of Condominium for The Bottleworks on Prince, a Condominium (the "Declaration"), and the filing of the Plat and Plans described in the Declaration and Lender agrees and acknowledges that any foreclosure or enforcement of any other remedy available to Lender under Deed to Secure Debt will not render or void or otherwise impair the validity of the covenants running with the Condominium described in the Declaration.

Executed under seal.

Dated: 8/24, 2001.

ATHENS FIRST BANK & TRUST COMPANY

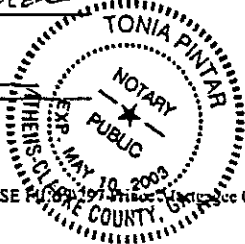
By: [Signature]
Title: Vice President

(Bank Seal)

Signed, sealed and delivered in the presence of:

[Signature]
Witness

[Signature]
Notary Public



F:\Users\sec5\MyFiles\CORP CASE FILES\297 Prince\Athens-Clarke County\Athens-Clarke County Mortgagee Consent 8-20-01.wpd

EXHIBIT A

All that tract or parcel of land, together with all improvements thereon, located in the 216th G.M.D., Athens-Clarke County, Georgia and being more particularly described as follows:

Beginning at an iron pin at the southeasterly intersection of the rights-of-way of Finley Street and Prince Avenue, running thence along the southerly right-of-way of Prince Avenue south 79 degrees 34 minutes 26 seconds east 451.44 feet to a point at the southwesterly intersection of the rights-of-way of Prince Avenue and Newton Street; running thence along the westerly right-of-way of Newton Street south 10 degrees 25 minutes 34 seconds west 1.02 feet to a point on the westerly right-of-way of Newton Street; running thence along the westerly right-of-way of Newton Street south 14 degrees 28 minutes 28 seconds east 82.57 feet to a point at the northwesterly intersection of the rights-of-way of Newton Street and Meigs Street; running thence along the northerly right-of-way of Meigs Street south 75 degrees 17 minutes 46 seconds west 236.37 feet to a point on the northerly right-of-way of Meigs Street; running thence along the northerly right-of-way of Meigs Street south 85 degrees 17 minutes 59 seconds west 27.29 feet to a point on the northerly right-of-way of Meigs Street; running thence along the northerly right-of-way of Meigs Street south 74 degrees 45 minutes 17 seconds west 146.07 feet to a point at the northeasterly intersection of the rights-of-way of Meigs Street and Finley Street; running thence along the easterly right-of-way of Finley Street north 14 degrees 24 minutes 58 seconds west 271.85 feet to the beginning iron pin.

This is the same property shown on plat entitled "Condominium Survey For: The Bottleworks on Prince, A Condominium" dated June 1, 2001, made by Ben McLeroy & Associates, Inc., Engineers & Surveyors recorded in Condominium Plat Book 2, pages 8-26 in the Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia, which plat is incorporated herein by express reference thereto.

FA...CORP CASE FILES:297 Prince's legal description

BOOK 2072 PAGE 054

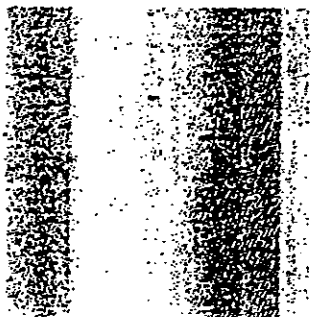


EXHIBIT "B"

PERMITTED EXCEPTIONS

1. Georgia Power Company easement dated and recorded as follows:

April 3, 1986, Deed Book 669, Page 93, Office of the Clerk of Superior Court of Athens-Clarke County, Georgia.
2. All matters shown on Tract 1, containing 1.671 acres on plat of survey entitled "Survey for Smith Wilson and Dink NeSmith Coca-Cola Enterprises, Inc., Property Athens," dated May 27, 1999, revised March 1, 2000, to show elevations, made by Ben McLeroy & Associates, Inc., Ben McLeroy, Registered Land Surveyor, recorded in Plat Book 35, Page 303, Office of the Clerk of Superior Court of Athens-Clarke County, Georgia.
3. Environmental Remediation Easement from 297 Prince, L.L.C., to Coca-Cola Enterprises, Inc., dated April 19, 2000, recorded in Deed Book 1901, page 263, aforesaid records.
4. Assignment of Rents and Profits from 297 Prince, L.L.C. to Athens First Bank & Trust Company dated April 19, 2000, recorded in Deed Book 1901, page 281, aforesaid records, as modified as set forth in 5 below.
5. Commercial Deed to Secure Debt and Security Agreement from 297 Prince, L.L.C., to Athens First Bank & Trust Company, dated April 19, 2000, recorded in Deed Book 1901, page 268, aforesaid records, as modified by Modification Agreement dated August 25, 2000, recorded in Deed Book 1939, page 165, aforesaid records, as modified by Modification Agreement dated August 17, 2001, recorded in Deed Book 2069, page 128, aforesaid records.
6. Easement dated November 17, 2000 from 297 Prince, L.L.C. to BellSouth Telecommunications, Inc., recorded in Deed Book 1962, page 125, aforesaid records.
7. UCC-2 from 297 Prince, L.L.C. to Athens First Bank & Trust Company recorded in Deed Book 1905, page 117 in said Clerk's Office, and UCC Financing Statement and Addendum from 297 Prince, L.L.C. to Athens First Bank & Trust Company recorded in Deed Book 2069, page 130 in said Clerk's Office.
8. All matters shown on the Plat and on the Plans described in Article 3 of the Declaration.

EXHIBIT "C"
UNDIVIDED INTEREST IN THE COMMON ELEMENTS
AND LIABILITY FOR EXPENSES

	Building	Unit Address	Square Footage Allotment	Interest In Common Elements	Common Element Usage Factor	Common Expense Allocation Percentage
1.	A	297 Prince Suite 10	960	1.42	1.1	1.56
2.	A	297 Prince Suite 11	1483	2.19	1.1	2.41
3.	A	297 Prince Suite 14	3600	5.31	1.1	5.84
4.	A	297 Prince Suite 15	1140	1.68	1.1	1.85
5.	A	297 Prince Suite 17	1319	1.95	1.1	2.15
6.	A	297 Prince Suite 19	1208	1.78	1.1	1.96
7.	A	297 Prince Suite 20	2791	4.12	1.1	4.53
8.	A	297 Prince Suite 24	2357	3.48	1.1	3.83
9.	A	297 Prince Suite 28	1813	2.67	1.1	2.94
10.	B	227 Prince	2030	2.99	1.1	3.29
11.	B	237 Prince	3120	5.26	1.1	5.79
12.	C	247 Prince	1910	3.47	1.1	3.82
13.	C	267 Prince	1800	3.84	0.8	3.07
14.	D	287 A Prince	2000	3.93	0.8	3.14
15.	D	287 B Prince	1912	4.22	0.8	3.38
16.	E	377 A Prince	982	1.91	0.8	1.53
17.	E	377 B Prince	1672	3.73	0.9	3.36
18.	E	377 C Prince	1672	3.33	0.9	3.00
19.	E	377 D Prince	1672	3.33	0.9	3.00
20.	E	377 E Prince	1672	3.80	0.9	3.42
21.	F	367 Prince Suite 1	1815	2.68	1.1	2.95
22.	F	367 Prince Suite 2	1788	2.64	1.1	2.90
23.	F	367 Prince Suite 3	2126	3.14	1.1	3.45
24.	F	367 Prince Suite 4	2046	3.02	1.1	3.32
25.	G	327 Prince	1680	2.49	1.1	2.74
26.	G	337 Prince	1680	2.48	1.1	2.73
27.	G	347 Prince	1086	1.61	1.1	1.77
28.	G	357 A Prince	1850	3.42	0.9	3.08
29.	G	357 B Prince	1850	3.34	0.9	3.01
30.	G	357 C Prince	1850	3.42	0.9	3.08
31.	G	357 D Prince	1850	3.42	0.9	3.08
32.	G	357 E Prince	2248	3.94	0.9	3.55

EXHIBIT D

All that tract or parcel of land, situate lying and being in the 216th G.M.D., Athens-Clarke County, Georgia and being more particularly described as follows:

Beginning at an iron pin at the intersection of the southwesterly rights-of-way of Newton Street and Meigs Street; running thence along the westerly right-of-way of Newton Street south 15 degrees 06 minutes 00 seconds east 384.92 feet to an iron pin at the intersection of the northwesterly rights-of-way of Newton Street and Hancock Avenue; running thence along the northerly right-of-way of Hancock Avenue south 75 degrees 29 minutes 38 seconds west 144.47 feet to an iron pin on the northerly right-of-way of Hancock Avenue; running thence north 20 degrees 54 minutes 21 seconds west 286.51 feet to an iron pin; running thence north 69 degrees 15 minutes 44 seconds east 34.29 feet to an iron pin; running thence south 57 degrees 55 minutes 06 seconds east 24.02 feet to an iron pin; running thence north 76 degrees 53 minutes 48 seconds east 30.37 feet to an iron pin; running thence north 30 degrees 25 minutes 48 seconds east 24.10 feet to an iron pin; running thence north 14 degrees 24 minutes 47 seconds west 97.11 feet to an iron pin on the southerly right-of-way of Meigs Street; running thence along the southerly right-of-way of Meigs Street north 75 degrees 07 minutes 00 seconds east 74.27 feet to the beginning iron pin.

This is the same property shown as TRACT 2, 1.198 acres on plat entitled "Survey for: Smith Wilson and Dink NeSmith Coca-Cola Enterprises, Inc. Property Athens" dated May 27, 1999, revised March 1, 2000, by Ben McLeroy & Associates, Inc., Engineers & Surveyors, which plat is recorded in Plat Book 35, page 303 in the Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia, which plat is incorporated herein by express reference thereto.

Subject to the following:

- (1) Georgia Power Company easements dated and recorded as follows:
 - (a) April 3rd, 1980, Deed Book 419, page 977, Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia; and,
 - (b) April 3rd, 1986, Deed Book 569, page 93, aforesaid records.
- (2) All matters shown on Tract 2, containing 1.198 acres entitled "Survey for Smith Wilson and Dink NeSmith Coca-Cola Enterprises, Inc., Property Athens," dated May 27, 1999 revised March 1, 2000, to show elevations, made by Ben McLeroy and Associates, Inc, Ben McLeroy, Registered Land Surveyor, recorded in Plat Book 35, page 303, aforesaid records.
- (3) Assignment of Rents and Profits from 297 Prince LLC to Athens First Bank & Trust Company dated April 19, 2000 recorded in the Deed Book 1901, page 251, aforesaid records, as modified in (4) below.
- (4) Commercial Deed to Secure Debt and Security Agreement from 297 Prince LLC to Athens First Bank & Trust Company dated April 19, 2000 recorded in Deed Book 1901, page 268, aforesaid records, as modified by Modification Agreement dated August 25, 2000 recorded in Deed Book 1919, page 165, in said Clerk's office, as modified by

Modification Agreement dated August 17, 2001, recorded in Deed Book 2069, page 128, in said Clerk's office.

- (5) UCC-2 from 297 Prince, L.L.C. to Athens First Bank & Trust Company recorded in Deed Book 1905, page 117 in said Clerk's office and UCC Financing Statement and Addendum from 297 Prince, L.L.C. to Athens First Bank & Trust Company recorded in Deed Book 2069, page 130 in said Clerk's office.

F:\....\CORP CASE FILES\297 Prince\Condo Add Prop

BOOK 2072 PAGE 058

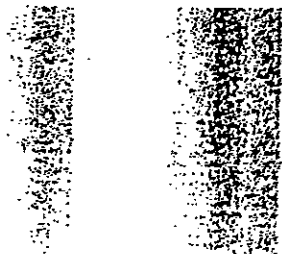


EXHIBIT "E"

**BY-LAWS
OF
THE BOTTLEWORKS ON PRINCE CONDOMINIUM ASSOCIATION, INC.**

- TABLE OF CONTENTS -

	<u>Page</u>
Article 1. General	1
1.1. <u>Applicability</u>	1
1.2. <u>Name</u>	1
1.3. <u>Principal Office</u>	1
1.4. <u>Definitions</u>	1
Article 2. Association: Membership, Meetings, Quorum, Voting, Proxies	1
2.1. <u>Membership</u>	1
2.2. <u>Place of Meetings</u>	1
2.3. <u>Annual Meetings</u>	2
2.4. <u>Special Meetings</u>	2
2.5. <u>Notice of Meetings</u>	2
2.6. <u>Waiver of Notice</u>	2
2.7. <u>Adjournment of Meetings</u>	2
2.8. <u>Voting</u>	2
2.9. <u>Proxies</u>	3
2.10. <u>Quorum</u>	3
2.11. <u>Conduct of Meetings</u>	3
Article 3. Board of Directors: Number, Powers, Meetings	4
A. <u>Composition and Selection</u>	4
3.1. <u>Governing Body: Composition</u>	4
3.2. <u>Number of Directors</u>	4
3.3. <u>Nomination and Election of Directors</u>	4
3.4. <u>Election and Term of Office</u>	4
3.5. <u>Removal of Directors and Vacancies</u>	5
B. <u>Meetings</u>	5
3.6. <u>Organizational Meetings</u>	5
3.7. <u>Regular Meetings</u>	5
3.8. <u>Special Meetings</u>	6
3.9. <u>Notice</u>	6
3.10. <u>Waiver of Notice</u>	6
3.11. <u>Telephonic Participation in Meetings</u>	6
3.12. <u>Quorum of Board of Directors</u>	6
3.13. <u>Compensation</u>	7
3.14. <u>Conduct of Meetings</u>	7
3.15. <u>Open Meetings</u>	7
3.16. <u>Action Without a Formal Meeting</u>	7





C.	<u>Powers and Duties</u>	7
	3.17. <u>Powers</u>	7
	3.18. <u>Duties</u>	8
	3.19. <u>Management</u>	9
	3.20. <u>Accounts and Reports</u>	9
	3.21. <u>Borrowing</u>	10
	3.22. <u>Right to Contract</u>	10
	3.23. <u>Enforcement</u>	10
Article 4.	<u>Officers</u>	11
	4.1. <u>Officers</u>	11
	4.2. <u>Election and Term of Office</u>	11
	4.3. <u>Removal and Vacancies</u>	11
	4.4. <u>Powers and Duties</u>	11
	4.5. <u>Resignation</u>	11
	4.6. <u>Agreements, Contracts, Deeds, Leases, Checks, Etc.</u>	12
	4.7. <u>Compensation</u>	12
Article 5.	<u>Committees</u>	12
Article 6.	<u>Miscellaneous</u>	12
	6.1. <u>Fiscal Year</u>	12
	6.2. <u>Parliamentary Rules</u>	12
	6.3. <u>Conflicts</u>	12
	6.4. <u>Severability</u>	12
	6.5. <u>Gender and Grammar</u>	12
	6.6. <u>Financial Review</u>	12
	6.7. <u>Books and Records</u>	13
	6.8. <u>Notices</u>	13
	6.9. <u>Amendment</u>	13
Certification	15

BY-LAWS
OF
THE BOTTLEWORKS ON PRINCE CONDOMINIUM ASSOCIATION, INC.

Article 1.
General

- 1.1. Applicability. These By-Laws provide for the self-governance of The Bottleworks on Prince Condominium Association, Inc., in accordance with the Georgia Condominium Act, the Articles of Incorporation filed with the Georgia Secretary of State, and the Declaration of Condominium for The Bottleworks on Prince, a Condominium, recorded in the Athens-Clarke County, Georgia land records (the "Declaration").
- 1.2. Name. The name of the corporation is The Bottleworks on Prince Condominium Association, Inc. (the "Association").
- 1.3. Principal Office. The principal office of the Association shall be located in the State of Georgia. The Association may have such other offices, either within or outside the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.
- 1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration, as it may be amended, unless the context indicates otherwise.

Article 2.

Association: Membership, Meetings, Quorum, Voting, Proxies

- 2.1. Membership. An Owner of a Unit shall automatically become a member of the Association as more fully set forth in the Declaration, the terms of which, pertaining to membership, are incorporated by this reference. If title to a Unit is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) equally weighted vote per Unit, which vote shall be appurtenant to such Unit. In the event an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, manager, partner, or trustee designated by the entity shall be eligible to represent such entity or entities in the affairs of the Association. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.
- 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board, either within the Condominium or as convenient as is possible and practical.

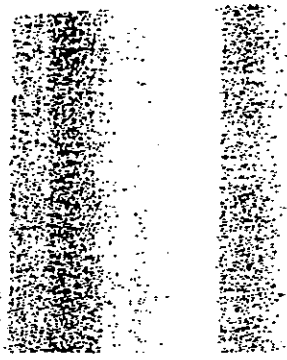
- 2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.
- 2.4. Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting if so directed by resolution of the Board or upon a petition signed by members representing at least twenty-five percent (25%) of the total Association vote.
- 2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at its address as it appears on the records of the Association, with postage prepaid.

- 2.6. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member or the member's proxy shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.
- 2.7. Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time for periods not exceeding ten (10) days by vote of members holding a Majority of the votes represented at such meeting, regardless of whether a quorum is present. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to members in the manner prescribed for regular meetings.
- 2.8. Voting. The voting rights of the members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

- 2.9. Proxies. At all meetings of members, each member may vote in person (if a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then through any officer, director, manager, partner, or trustee duly authorized to act on behalf of the member) or by proxy, subject to the limitations of Georgia law. All proxies shall be in writing specifying the Unit(s) for which it is given, signed by the member or its duly authorized attorney-in-fact, dated and filed with the secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.
- 2.10. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence, in person or by proxy, of members representing twenty percent (20%) of the total eligible votes in the Association shall constitute a quorum at all meetings of the Association. Except when a higher vote is required under the Declaration or these By-Laws, the vote of a Majority of the members present and eligible to vote shall constitute a decision of the Association. Owners whose voting rights have been suspended pursuant to the Declaration or these By-Laws shall not be counted in determining the total eligible votes or the establishment of a quorum.
- 2.11. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.
- 2.12. Action Without a Meeting. In the discretion of the Board, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written consent form or ballot to every member entitled to vote on the matter.
- (a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.
 - (b) Approval by written ballot pursuant hereto shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
 - (c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and



(iii) specify the time by which a ballot must be received by the Association in order to be counted.

(d) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Article 3.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Declarant, the directors shall be residents or eligible members; provided, however, no two (2) residents representing the same Unit may serve on the Board at the same time. No Owner or resident shall be eligible to be elected to serve as a director if any assessment for such Person's Unit is delinquent. A "resident" shall be any natural person eighteen (18) years of age or older whose principal place of residence is a Unit within the Condominium. In the case of a member which is not a natural person, any officer, director, manager, partner, employee, or trust officer of such member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such member; provided, no member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by the Declarant.

3.2. Number of Directors. The Board shall consist of up to three (3) directors, as provided in Section 3.4 below.

3.3. Nomination and Election of Directors. Except with respect to directors appointed by the Declarant, directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Each Owner may cast the entire vote assigned to his or her Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.4. Election and Term of Office.

(a) The initial Board shall consist of one (1) to three (3) directors appointed by the Declarant.

(b) Upon termination of the Declarant's right to appoint directors as provided in the Declaration, the number of directors shall be set at three (3), and the Association shall hold an election at which the members shall be entitled to elect all three (3)

directors, with the two (2) directors receiving the largest number of votes being elected for a term of two (2) years and one (1) director being elected for a term of one (1) year.

Upon the expiration of the term of office of each initial director elected by the members, a successor shall be elected to serve a term of two (2) years, and all subsequent terms shall be for two (2) years. The directors elected by the members shall hold office until their respective successors have been elected.

- 3.5. Removal of Directors and Vacancies. Any director elected by the members may be removed, with or without cause, by a Majority of the total Association vote. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the members to fill the vacancy for the remainder of the term of such director.

Any director elected by the members who has three or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the resident of a Unit that is more than thirty (30) days delinquent, or is the representative of a member who is more than thirty (30) days delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the members shall elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the members shall elect a successor for the remainder of the term.

This section shall not apply to directors appointed by the Declarant. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Declarant, during the period in which the Declarant has the right to appoint directors.

B. Meetings.

- 3.6. Organizational Meetings. Within thirty (30) days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.
- 3.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one such meeting shall be held during each quarter.
- 3.8. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president or on written request of at least two (2) directors.

- 1
- 3.9. Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) calendar days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than two (2) days prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a natural person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail ("e-mail"), using Internet accessible equipment and services, if the director has consented in writing to such method of delivery and has provided the Board with an e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, e-mailed, or given to the telegraph company.
- 3.10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.
- 3.11. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.
- 3.12. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not more than five (5) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

- 3.13. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by members representing at least a Majority of the total Association vote. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.
- 3.14. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meetings.
- 3.15. Open Meetings. Subject to the provisions of Section 3.16, all meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session, and exclude members to discuss matters of a sensitive nature.
- 3.16. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a Majority of the directors consent in writing to such action. Such written consent must describe the action taken and be filed with the minutes of the Board.

C. Powers and Duties.

- 3.17. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things as are not directed by the Declaration, the Articles, these By-Laws, or Georgia law to be done and exercised exclusively by the membership generally.
- 3.18. Duties. The duties of the Board shall include, without limitation:
- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;
 - (b) levying and collecting such assessments from the Owners, as set forth in the Declaration;



- (c) providing for the operation, care, upkeep, and maintenance of those portions of the Condominium as provided in the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the Declaration and these By-Laws;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;
- (j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the cost of all services rendered to the Association;
- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association, as provided in Article 6, Section 6.7;
- (n) permitting utility suppliers to use portions of the Common Elements reasonably necessary to the ongoing development or operation of the Condominium; and

- (o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required or permitted under Georgia law, the Articles of Incorporation or the Declaration.

3.19. Management. The Association may, but shall not be required to, hire a professional management agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract, with or without cause and without penalty, upon no more than thirty (30) days' written notice. No management contract shall have a term in excess of one (1) year.

3.20. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) cash basis accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;
- (f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on an accrual basis and may include such other reports as deemed necessary by the Board); and
- (g) an annual financial report shall be made available to all members within one hundred twenty (120) days after the close of the fiscal year and at each Association annual meeting. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, or upon request of a Majority of the total Association vote as set forth in Section 6.6, the Association shall provide an audited financial statement.

3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, however, if the proposed borrowing is for the purpose of making discretionary

capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of members representing a Majority of the total Association vote, prior to borrowing such money.

3.22. Right to Contract. The Association, acting through the Board of Directors, shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, within and outside the Condominium.

3.23. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or its delegate within ten (10) days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within ten (10) days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided, however, the Board or its delegate may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the ten (10) day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or its delegate may impose a sanction without further notice to the violator.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Condominium Instruments.

Article 4.
Officers

- 4.1. Officers. The officers of the Association shall be a president, secretary, and treasurer. The president shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more vice presidents, one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person.
- 4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the members, to serve until their successors are elected.
- 4.3. Removal and Vacancies. The Board may remove any officer, either with or without cause, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.
- 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall keep the minutes of all meetings of the Association and Board of Directors and have charge of such books and papers as the Board of Directors may direct.
- 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.
- 4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Article 3, Section 3.13.

Article 5. Committees

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

**Article 6.
Miscellaneous**

- 6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.
- 6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, or these By-Laws.
- 6.3. Conflicts. If there are conflicts between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.
- 6.4. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws or the Declaration.
- 6.5. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.
- 6.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board, and a financial statement shall be prepared and presented to the members at the annual meeting. However, after having received the Board's financial statement review at the annual meeting, the members may, by a Majority of the total Association vote, require that the accounts of the Association be audited, as a Common Expense, by an independent accountant. Such statement shall be made available to the holder, insurer, or guarantor of any first Mortgage on a Unit upon submission of a written request, and must be available within one hundred twenty (120) days after the fiscal year end of the Association.
- 6.7. Books and Records.
- (a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any member, any Person who has executed a binding contract for the purchase of a Unit, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules of the Association, books of account, the minutes of meetings of the members, the Board, and committees, and the Association's corporate books and records. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Condominium as the Board shall designate.

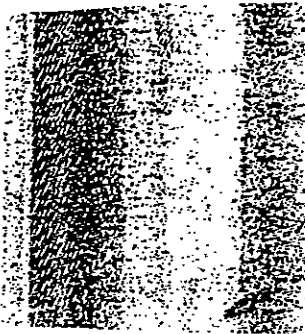
- (b) Rules for Inspection. The Board shall establish reasonable rules with respect to:
- (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when such an inspection may be made; and
 - (iii) payment of the cost of reproducing copies of documents requested.
- (c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.8. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) if to a member, at the address which the member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Unit of such member; or
- (b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the members pursuant to this section.

6.9. Amendment. Except where a higher vote is required for action under a particular provision of the Declaration or these By-Laws, in which case such higher vote shall be necessary to amend, these By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding sixty-seven percent (67%) of the total vote of the Association. As long as the Declarant has the right to appoint directors of the Association as provided in Article 20 of the Declaration, any amendment to these By-Laws shall also require the written consent of the Declarant. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the president and secretary of the Association and recorded in the Athens-Clarke County, Georgia land records. Any amendment duly certified and recorded shall be conclusively presumed to have been fully adopted in accordance with the By-Laws.

Any action to challenge the validity of an amendment adopted under this section must be brought within one (1) years of the amendment's effective date. No action to challenge any such amendment may be brought after such time.



CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of The Bottleworks on Prince Condominium Association, Inc., a Georgia nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors held on the 24th day of August, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 24th day of August, 2001.

Pamela S. de Smith
Secretary

