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DECLARATION OF CONDOMINIUM
FOR
MERCHANTS WHARF CONDOMINIUM

Liberty County, Georgia

Published

By

Terra Firma Development, LLC, a Georgia Limited Liability Company

Dated as of April 11, 2003

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DECLARATION OF CONDOMINIUM

FOR

MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC.

Liberty County, Georgia

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STATE OF GEORGIA
COUNTY OF LIBERTY

DECLARATION OF CONDOMINIUM
FOR
MERCHANTS WHARF CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM is made and published as of the 11th day of APRIL, 2003, by TERRA FIRMA DEVELOPMENT, LLC, a Georgia Limited Liability Company, organized and existing under the laws of the State of Georgia (hereinafter referred to as the "Declarant").

WITNESSETH

WHEREAS, the Declarant is the fee simple owner of that certain tract or parcel of land lying and being in the 1359th G.M. District of Liberty County, Georgia, containing 3.8 acres, more or less, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this specific reference, hereinafter referred to as the "Property," subject to the matters set forth on Exhibit "B" attached hereto; and

WHEREAS, certain improvements have been constructed on the Property as shown on the Plat and the Plans which are referenced in Section 4.01(a) and (b) hereof and attached hereto as Exhibit "C" and "D" respectively; and

WHEREAS, the Declarant has duly incorporated Merchants Wharf Condominium Association, Inc. as a nonprofit membership corporation under the laws of the State of Georgia, copies of the Articles of Incorporation, By-Laws and Minutes of its Organizational Meeting being attached hereto as Exhibit "E;" and

WHEREAS, the Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-70 through Section 44-3-116, as amended, hereinafter referred to as the "Act"), the terms, conditions and provisions of which are incorporated herein by express reference, and the terms and conditions hereinafter set out.

NOW THEREFORE, incorporating the foregoing, the Declarant does hereby make, declare and publish its intention and desire to submit, and 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.

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ARTICLE I
Name

The name of the condominium shall be MERCHANTS WHARF CONDOMINIUM (hereinafter referred to as the "Condominium").

ARTICLE II
Definitions and Other Provisions of General Application

Section 2.01. Definitions. The terms defined in Official Code of Georgia Annotated Section 44-3-71 shall have the meanings specified therein and wherever they appear in the Condominium Instruments unless the context otherwise requires. In addition to the definitions contained in the Act, the following capitalized words and terms shall apply to this Declaration and all other Condominium Instruments:

- (a) "Act" shall mean the Georgia Condominium Act, O.C.G.A. § 44-3-70 et seq., as the same may be amended from time to time.
- (b) "Association" shall mean MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC., a non-profit corporation organized under the laws of the State of Georgia, whose members shall be Unit owners, and which Unit owners will automatically become members of the Association upon becoming a unit owner.
- (c) "Board" or "Board of Directors" shall mean the Board of Directors of the Association, which is a non-profit corporation of the Unit owners established pursuant to the Act, to this Declaration and to the bylaws of the Association.
- (d) "Building" shall mean the composite of all units comprising the single structure. The unit or building is identified and located on plats and plans attached hereto and as hereafter provided by amendment, if any, to this Declaration.
- (e) "Common Elements" shall mean the common areas and facilities as defined in the Act and in the Condominium Instruments.
- (f) "Common Expenses" shall mean the common expenses as defined in the Act and Condominium Instruments.
- (g) "Condominium" is that form of ownership established by the provisions of the Act, and unless the context otherwise refers shall refer to the condominium which is the subject of this Declaration.
- (h) "Condominium Instruments" shall mean this Declaration, the Articles of Incorporation of the Association and the bylaws of the Association, all other exhibits attached hereto and all other documents, rules, and regulations promulgated pursuant to

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the authority created herein and by the Act, as said documents shall be amended from time to time.

(i) "Declarant" shall mean Terra Firma Development, LLC, a Georgia Limited Liability Company, organized and existing under the laws of the State of Georgia.

(j) "Declaration" shall mean this Declaration of Condominium for Merchants Wharf Condominium, as amended, supplemented, or otherwise modified from time to time.

(k) "Limited Common Elements" shall mean a portion of the Common Elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the Units.

(l) "Mortgage" means a mortgage deed to secure debt or other instrument conveying security title to a Unit.

(m) "Mortgagee" means the holder of a mortgage.

(n) "Owner" or "Unit Owner" shall mean one or more persons, including the Declarant, who own a condominium Unit.

(o) "Plans" shall mean the plans of the Buildings and other structures located on the Property referred to in Official Code of Georgia Annotated Section 44-3-83 and described in Section 4.01(b) of this Declaration, which plans are described on Exhibit "D" incorporated herein, and which bears the statement of a registered architect.

(p) "Plat" shall mean the plat of the Property and improvements thereon referred to in Official Code of Georgia Annotated Section 44-3-83 and described in Section 4.01(a) of this Declaration, which plat is described on Exhibit "C", incorporated herein, and which bears the statement of a registered surveyor.

(q) "Property" shall mean the lands described in Exhibit "A" attached hereto and the four (4) Buildings and all other improvements thereon which are or may hereafter be used in connection with the ownership and use of said land improvements as condominium property.

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

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Section 2.02. Rules of Construction. For all purposes of this Declaration, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Declaration and not solely to the particular portion thereof in which any such word is used;

(b) the use of masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate;

(c) the terms defined in this Article shall have the meanings assigned to them and include the plural as well as the singular, and the corporations, partnerships, individuals, or other legal entities described herein shall in all instances be assumed as though each is fully expressed;

(d) all references herein to particular "Articles," "Sections," and other subdivisions are references to the designated articles, sections, and other subdivisions of this Declaration; and

(e) the table of contents, the titles of Articles, and the headings of Sections of this Declaration are solely for convenience of reference, are not a part of this Declaration, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

ARTICLE III

Description of Submitted Property

Section 3.01. General Description. The Property is located in the 1359th G.M. District of Liberty County, Georgia, contains 3.8 acres, more or less, and is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

Section 3.02. Title Exceptions. In addition to those liens, rights, obligations, easements, and other encumbrances created or arising by virtue of this Declaration and the other condominium instruments, the Property is subject to the easements and other matters which are set forth on Exhibit "B" attached hereto and by reference made a part hereof.

ARTICLE IV

Unit Information and Boundaries

Section 4.01. Condominium Improvements. The Buildings and other structures situated upon the Property are:

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(a) located thereon as shown on that certain plat of Merchants Wharf Condominium, dated July 7, 2001, prepared by Richard Maskevich, which plat has been prepared in accordance with Official Code of Georgia Annotated Section 44-3-83 and has been filed contemporaneously herewith in Plat Section M-59, Page 2, in the Office of the Clerk of Superior Court, Liberty County, Georgia, a copy of which is attached hereto as Exhibit "C" (said condominium plat as recorded hereafter referred to as the "Plat" or the "Condominium Plat");

(b) divided into thirty-six (36) residential units intended for independent ownership and use and as substantially shown upon those certain Plans for Merchants Wharf Condominium, dated December 17, 2002, by Anne K. Smith, Kolman & Smith Architects, which plans have been prepared in accordance with Official Code of Georgia Annotated Section 44-3-83 and has been filed contemporaneously herewith in Plat Section M-59, Page 2, in the Office of the Clerk of Superior Court, Liberty County, Georgia, a copy of which is attached hereto as Exhibit "D" (said plans hereafter referred to as the "Plans" or the "Condominium Plans").

Section 4.02. Unit Identification. Each unit shall have the identifying number allocated to it in accordance with the Plat and the Plans.

Section 4.03. Unit Boundaries. Pursuant to Official Code of Georgia Section 44-3-75(a)(2), the boundaries of each Unit forming a part of the Condominium shall be the floors, ceilings and walls of such Unit delineated in the Plans, and shall specifically include all doors and windows therein, and all lath, wallboard, plasterboard, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof. Subject to Section 5.04 hereof, all space, interior partitions, and other fixtures and improvements within the boundaries of a Unit shall be deemed a part of said Unit.

Section 4.04. Appurtenant Surfaces. Pursuant to Official Code of Georgia Section 44-3-75(a)(3) if any chute, flue, duct, conduit, wire, bearing wall, bearing column or any other apparatus lies partially within and partially outside the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit, and any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

Section 4.05. Subdivision and Partition of Units; Relocation of Boundaries. Subject to the provisions of Official Code of Georgia Annotated Section 44-3-91 and the By-Laws of the Association, the boundaries between adjoining Units may be relocated from time to time, but no Unit may be subdivided for the purpose of creating two or more Units therefrom and no Owner shall have the right of partition of a Unit.

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ARTICLE V
Limited Common Elements

Section 5.01. Generally. Any shutter, awning, window box, doorstep, porch, balcony, patio and any other apparatus described in Official Code of Georgia Annotated Section 44-3-75(a)(5) designed to serve a single unit shall be deemed to be a limited common element appertaining to that unit exclusively.

Section 5.02. Reassignment of Limited Common Elements. The reassignment of limited common elements may be made pursuant to the provisions of Official Code of Georgia Annotated Section 44-3-82.

Section 5.03. Subsequent Assignment of Common Elements as Limited Common Elements. In the event that the Association's Board of Directors should authorize the assignment of parking spaces and deck spaces as limited common elements, an amendment to this Declaration making such assignment shall be prepared, executed, and recorded pursuant to the provisions of Official Code of Georgia Annotated 44-3-82.

ARTICLE VI
Common Elements

Section 6.01. Description of Common Elements. The Common Elements shall consist of all portions of the Property other than the Units, and shall be for the use of all Unit Owners.

Section 6.02. Allocation of Undivided Interest in Common Elements. An equal undivided interest in the Common Elements is hereby allocated to each Unit, and, except as expressly permitted by the Act, such equal undivided interest in the Common Elements shall not be altered. Pursuant to Official Code of Georgia Annotated Section 44-3-78(a), an exhibit listing the Units serially and their respective undivided interest in the Common Elements is not made a part of this Declaration.

Section 6.03. No Transfer. Each undivided interest in the Common Elements is to be conveyed with the Unit to which it is assigned and cannot be separately conveyed, transferred, encumbered, or otherwise disposed of without the Unit to which it pertains. Pursuant to Official Code of Georgia Annotated Section 44-3-78(d), any such transfer of an undivided interest without the Unit to which it pertains shall be void.

Section 6.04. No Partition. Pursuant to Official Code of Georgia Annotated Section 44-3-78(e), the Common Elements shall not be subject to any action for partition except as provided in Code Sections 44-3-98 and 44-3-99.

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ARTICLE VII
 Condominium Association; Allocation of Votes

Section 7.01. Creation of Association. Pursuant to Official Code of Georgia Annotated Section 44-3-100, the Declarant has caused MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC. to be duly incorporated as a nonprofit membership corporation under the laws of the State of Georgia. True and accurate copies of the Association's Articles of Incorporation, By-Laws, and minutes of its organizational meeting are attached hereto as Exhibit "E."

Section 7.02. Membership in Association. Each Unit Owner shall automatically be a member of the Association, and shall continue as a member during the period of ownership by such Owner.

Section 7.03. Allocation of Votes. Pursuant to Official Code of Georgia Annotated Section 44-3-100, an equal vote in the Association is hereby allocated to each Unit.

Section 7.04. Method of Voting. The persons entitled to exercise such votes at meetings of the Association, the method by which such votes may be exercised and the rights and obligations generally of members of the Association with regard to voting shall be in accordance with Official Code of Georgia Annotated Section 44-3-79 and the By-Laws of the Association.

Section 7.05. Powers Generally. Except to the extent prohibited by the Condominium Instruments and subject to any restrictions and limitations specified therein, the Association shall have those powers enumerated in the Act, to include, without limitation, Section 44-3-106 thereof.

Section 7.06. Enforcement. Pursuant to Official Code of Georgia Annotated Section 44-3-76, the Association shall be empowered, in order to enforce compliance with the lawful provisions of the Condominium Instruments, including, without limitation, any rules or regulations contained in or promulgated in accordance with the By-Laws of the Association, to impose and assess fines and to suspend temporarily voting rights and the right of use of certain of the Common Elements.

Section 7.07. Initial Control of Association by Declarant. Subject to any limitations contained in the Condominium Documents or the Act, the Declarant is authorized to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association. No formal or written proxy or power of attorney need be required of the Unit Owners to vest such authority in the Declarant, and the acceptance of a conveyance of a Unit is wholly sufficient for such purpose. Notwithstanding the foregoing, the Declarant's authority to appoint and remove members of the Board of Directors and officers of the Association shall in no event extend

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beyond and shall in all cases expire immediately upon the occurrence of any of those events enumerated in Official Code of Georgia Annotated Section 44-3-101(a)(1) through (4).

ARTICLE VIII

Allocation of Liabilities, Common Expenses and Utility Fees

Section 8.01. Derivation of Amount. The share of liability for each Unit of the Common Expenses of the Association shall be allocated and assessed among the Unit Owners in proportion to their respective percentages of ownership of the Common Elements as provided in Section 6.02.

Section 8.02. Liability for Assessments. The Owner of each Unit shall, by acceptance of a deed from the Declarant or any direct or remote successor-in-interest to Declarant in any Unit, be personally liable for and shall pay to the Association:

(a) any assessment with respect to all expenditures made or incurred by or on behalf of the Association in the operation, management and maintenance of the Property, including but not limited to: fees for management and supervision; printing, mailing, office equipment, all legal and accounting fees as required, secretarial and other expenses related to the conduct of the affairs of the Association and the Board of Directors; insurance; all utility charges in connection with the common elements, including gas, electric, water, sewerage and telephone charges; all expenses in connection with maintenance and repair of all Common Elements; security; and water, sewer, sanitary, gas and electric services and other similar charges for all Units.

(b) any assessment, payable monthly or as otherwise billed, for utility fees chargeable to each Unit for the providing of electricity, gas and such other utility service as may from time to time be provided to or for the Unit.

(c) pursuant to Official Code of Georgia Annotated Section 44-3-80(c), and in conjunction with the By-Laws of the Association, assessments may be made more often than annually, may be made for the purpose of defraying, in whole or in part, utilities, operating expenses, the cost of any construction or reconstruction, or unexpected repair or replacement of capital improvements in respect to the Common Elements.

Section 8.03. Equitable Assessment for Limited Common Area Expenses.
Any common expenses which:

(a) are incurred through or occasioned by the use or enjoyment of any Limited Common Elements shall not be assessed against all the Units pursuant to Section 8.01

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hereof, but shall be specifically assessed equitably among those Units which are so benefitted or intended to be benefitted; and

(b) are incurred by the conduct of less than all of those entitled to occupy all of the Units or by the licensees or invitees of any such Unit or Units shall be especially assessed against the Condominium Unit or Units, the conduct of any occupant, licensee or invitee of which occasioned any such common expenses.

Section 8.04. Assessment for Exclusive Benefit of Particular Units. Any common expenses which relate to Limited Common Elements assigned to any Unit or Units and reserved for the exclusive use of those entitled to the use of such Unit or Units shall be assessed against such Unit or Units only.

Section 8.05. Lien Rights of Association. Pursuant to the provisions of Official Code of Georgia Annotated Section 44-3-109(b), the Board of Directors shall have the authority to establish general rules applicable to all Units providing that the lien for assessments shall include any one or more of the following: (i) a late or delinquency charge (not in excess of \$10.00 or ten percent of the amount of each assessment or installment thereof not paid when due, whichever is greater), (ii) interest on each assessment or installment thereof, and any delinquency or late charge appertaining thereto, from the date the same was first due and payable, at a rate not in excess of ten percent per annum, (iii) the costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Unit, and reasonable attorneys' fees actually incurred, (iv) the fair rental value of the condominium Unit from the time of the institution of suit until the sale of the condominium unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied), and (v) any and all other costs, charges, fees, penalties, or other amounts of any kind specifically authorized by the Act.

Section 8.06. Priority of Lien. The Lien for assessments shall have the priority set forth in Official Code of Georgia Annotated Section 44-3-109(a). Foreclosure of a prior mortgage shall have the effect provided in Official Code of Georgia Annotated Section 44-3-80(f).

ARTICLE IX

Easements, Covenants and Use of Condominium

Section 9.01. Purposes. The Condominium is formed for residential purposes only and Units shall be occupied and used by the Owners thereof only as private residences for the Owners and the families, tenants, invitees, and guests of such Owners and for no other purposes whatsoever. Without limiting the generality of the foregoing, no business or other commercial enterprise shall be maintained or conducted in or from any Unit.

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Section 9.02. Common Elements. All occupants of Units and their guests shall have a nonexclusive right to use the Common Elements for the purposes for which they are intended, subject, however, to the following provisions:

- (a) no such use shall enter or encroach upon the lawful rights of other persons;
- (b) the right of the Association to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto, including, without limitation, the right to charge reasonable monthly fees for the use thereof by Unit Owners as the Association deems necessary or appropriate;
- (c) no such use shall create or otherwise constitute a nuisance, or cause a source of annoyance to Unit Owners or interfere with the peaceful possession and proper use by such Owners of the Units or the Common Elements; and
- (d) no such use shall violate any applicable laws, ordinances, or regulations of any governmental body having jurisdiction over the Owners or the Property.

Section 9.03. Strict Compliance. The Owners of the Units shall be entitled to all of the rights but shall be subject to all of the obligations provided for in the Act and all Owners shall comply strictly with the provisions of the Condominium Instruments including any restrictions, rules or regulations contained in or promulgated in accordance with the By-Laws of the Association.

Section 9.04. Maintenance of Offices; Sales Activities. The provisions of Section 9.01 hereof shall not affect the right of the Declarant and its duly authorized agents, representatives and employees to enjoy the easement provided for in Official Code of Georgia Annotated Section 44-3-85(c) for the maintenance of sales and leasing offices and/or model units on the submitted property, and the Declarant is hereby specifically authorized to conduct such sales activities relating to the Condominium on or about the Property as the Declarant may deem necessary.

Section 9.05. Construction Easement. The Property shall be subject to a nonexclusive easement in favor of the Declarant and its officers, employees, agents, independent contractors and invitees for entry upon and passage over the Property for purposes of constructing the Units and other improvements described herein.

Section 9.06. Utility Easements. There shall be appurtenant to each Unit a nonexclusive easement for use of all pipes, wire cables, conduits, utility lines, flues and ducts serving such Unit and situated in any other Unit. Each Unit shall be subject to an easement in favor of other Units for use of all pipes, wire, cables, conduits, utility lines, flues and ducts situated in such Unit and serving such other Units.

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Section 9.07. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a Unit or Units; (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the Association; (iii) repair or reconstruction of a Unit or Units following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

Section 9.08. Right of Access. The Association shall have the irrevocable right, to be exercised by its Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.

Section 9.09. Maintenance of Common Elements. The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Declaration and the By-Laws.

Section 9.10. Prohibited Work. No Owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement or hereditament without in every such case unanimous consent of all other Owners being first obtained.

Section 9.11. No Exterior Modifications. No Owner shall (i) change, modify or alter, in any way or manner whatsoever, the design or appearance of any surface or facade on the exterior of such Owner's Unit; (ii) paint or decorate any such exterior surface or facade; or (iii) erect, affix, or attach to any part of any such exterior surface any sign, fixture, or thing whatsoever, nor make any alterations or additions to any Unit or any part of the Limited Common Elements or Common Elements; unless such Owner shall have first obtained the written consent of the Board.

ARTICLE X Insurance and Casualty Losses

Section 10.01. Insurance Coverage. The Association shall obtain and maintain in full force and effect, at all time, the following insurance coverages:

(a) Insurance covering all of the insurable improvements on the Property (with the exception of improvements and betterments made by the respective Unit Owners or occupants) and all personal property as may be owned by the Association, against loss or damage by fire and other hazards covered by the standard extended coverage

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endorsement, and such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Units, including, but not limited to, vandalism and malicious mischief in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations), as determined annually by the Association;

(b) Comprehensive public liability insurance covering all of the Common Elements and insuring against all damage or liability caused by the acts of the Association, its officers, directors, agents and employees, all Unit Owners and other persons entitled to occupy any unit or any other portion of the Condominium, with liability limits in amounts authorized from time to time by the Association, but in no event less than the amounts required in the Act;

(c) Such other types and amounts of insurance as may from time to time be deemed necessary, desirable or proper, and be authorized by the Association by action of the Board of Directors or in its By-Laws.

Section 10.02. Payment of Insurance Premiums. Premiums for all insurance carried by the Association shall be common expenses and shall be paid by the Association.

Section 10.03. Policy Standards.

(a) All insurance coverage obtained by the Association shall be written in the name of the Association as trustee for, and for the use and benefit of, each of the Unit Owners and their mortgagees as their interest may appear, and their respective percentages of undivided interest in and to the Common Elements. Each such insurance policy shall be issued by an insurer authorized under the laws of the State of Georgia to do business in Georgia and to issue the coverage provided by the policy, and shall provide for the issuance of a certificate of insurance to each Unit Owner and its mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular Unit Owner's interest in the Property.

(b) The Association shall use its best efforts to cause all of such insurance policies to contain: (i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Unit Owners and their employees, agents, tenants and invitees, and a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured; (ii) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; (iii) a provision that the policy cannot be canceled, invalidated or suspended on account of the conduct of any Unit Owner or any employee, agent, tenant or invitee of any unit owner, or any officer, director, agent or employee of the Association, without a prior demand in writing and delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which the defect may be cured by the Association, any Unit Owner or any mortgagee; (iv) a provision that any "other insurance" clause in the policy shall exclude from its scope any policies of the individual Unit Owners; (v) a provision that the coverage may not be

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canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days written notice to any and all of the insured thereunder, including mortgagees; and (vi) a provision that the coverage will not be prejudiced by any act or neglect of the Owners of the Units when said act or neglect is not within the control of the Association, or any failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.

Section 10.04. Adjustment of Losses. Exclusive authority to adjust losses under insurance policies obtained by the Association shall be vested in the Association; provided, however, that no mortgagee shall be prohibited from participating in the settlement negotiations, if any, relating thereto.

Section 10.05. Individual Insurance by Unit Owners. It shall be the individual responsibility of each Unit Owner, at its sole cost and expense, to provide, as it sees fit any insurance coverage not required to be maintained by the Association. Any Unit Owner who obtains an individual insurance policy rejecting any risk as to which insurance is carried by the Association shall file a copy of such individual policy with the Association within thirty (30) days after the purchase thereof.

Section 10.06. Handling of Casualty Insurance Proceeds. All insurance policies purchased by and in the name of the Association shall provide that proceeds covered in casualty loss shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold the same in trust for the benefit of the Unit Owners and their mortgagees as follows:

- (a) Proceeds on account of damage to the Common Elements not involving a Unit shall be held to the extent of the undivided interest of each Unit Owner, for each Unit Owner, such interest to be equal to the undivided interest of each Unit Owner in and to the Common Elements.
- (b) Proceeds on account of damage to Units (or on account of damage to Common Elements involving a Unit) shall be held for the Owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Board of Directors.
- (c) In the event a mortgagee endorsement has been issued as to any Unit under the policy under which such proceeds are paid, the share of that Unit Owner shall be held in trust for the Unit Owner and the mortgagee, as their interest may appear. Unless a determination is made not to repair or reconstruct pursuant to Section 10.07(b) hereof, and such proceeds, or such portion thereof as may be required for such purpose, shall be disbursed by the Association as payment of the cost and any expenses of repair or reconstruction, as hereinafter provided. Any proceeds remaining after payment of all cost and expenses of repair or reconstruction shall be common profits.

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03 APR 15 AM 8:32**Section 10.07. Damage and Destruction.**

(a) Immediately after any damage or destruction by fire or other casualty to all or any portion of the Property covered by insurance written in the name of the Association, the Association shall proceed with the filing and adjustment of all claims and losses arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damage or destroyed Property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Property to substantially the same condition that existed prior to the fire or other casualty with each Unit and the Common Elements having the same vertical and horizontal boundaries as before the casualty.

(b) Subject to Section 11.01 hereof, any damage or destruction shall be repaired or reconstructed unless: (i) the Condominium is terminated pursuant to, subject to and in accordance with the provisions of the Act and this Declaration; (ii) the damaged or destroyed portion of the Property is withdrawn from the Condominium pursuant to, subject to and in accordance with the provisions of the Act; or (iii) the Unit Owners of the damaged or destroyed Units, if any, and their mortgagees, together with the Unit Owners of other Units to which two-thirds of the votes in the Association appertain and the mortgagees, exclusive of the votes appertaining to any damaged or destroyed units, agree not to repair or reconstruct such damage or destruction, pursuant to, subject to and in accordance with the provisions of the Act. Any such determination shall be conclusively made, if at all, not more than ninety (90) days after the date of the casualty. Should a determination be made to terminate the Condominium, as herein provided, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be common profits, to be held and disbursed pursuant to, subject to and in accordance with Section 10.06 hereof. Should a determination be made to withdraw from the Condominium the damaged portion of the Property or not to repair or reconstruct the damage or destruction, as herein provided, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be disbursed by the Association in accordance with the manner in which such proceeds are held by the Association, pursuant to Section 10.06 hereof. Any remittances with respect to Units as to which mortgagee endorsements have been issued on the policies under which the proceeds were paid shall be payable to the Unit Owner and its mortgagee jointly, as their interest may appear.

(c) If the damage or destruction for which the insurance proceeds are paid is to be repaid and such proceeds are not sufficient to defray the cost thereof, the Association may levy an additional assessment against all Unit Owners in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Further, additional assessments may be made in a like manner and any time during or following the completion of any repair or reconstruction. The proceeds from insurance and assessments, if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for in Section 10.06 hereof.

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Section 10.08. Non-Liability and Indemnity of Officers and Directors of the Association and Declarant. The officers and directors of the Association and Declarant shall not be personally liable to any Unit Owner for any mistake of judgment or for any other act or omission of any nature whatsoever in administering the Association, except for acts or omission which constitute willful misconduct. The Association shall indemnify and hold harmless each of the officers and directors of the Association and Declarant and their respective legal representatives, successors and assigns, from any liability, cost or expense arising out of any act or omission in administering the Association which is not deemed to be willful misconduct.

ARTICLE XI

Damage or Destruction

Section 11.01. Obligation to Rebuild. In the event of damage to or destruction of the whole or any part of the Property, the Association shall repair, rebuild or restore the Property or such part as has been damaged or destroyed pursuant to the provisions of Official Code of Georgia Annotated Section 44-3-94 unless the necessary agreement of Unit Owners not to restore is obtained as set forth in said Section 44-3-94.

Section 11.02. Compliance with Condominium Instruments. Such reparation, rebuilding or restoration shall be carried out in accordance with the provisions of the Act and the Condominium Instruments.

ARTICLE XII

Sale or Leasing of Units

Section 12.01. Notice Provisions. Any Owner who sells or who leases his Unit shall give notice in writing to the Board of Directors of such sale or of such lease stating the name and address of the purchaser or lessee and such other information as the Board may reasonably require. The Board of Directors shall have authority to make and to enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the Unit sold or leased, pursuant to the Act; provided, however, no rule or regulation may create a right of first refusal in the Association or any other third party, this paragraph solely creating the obligation of an Owner to give notice to sell or lease. Notice, as required herein, shall be given, in the case of a lease, not later than fifteen (15) days after commencement of the lease and, in the case of a sale, not later than the closing of the sale.

Section 12.02. Leasing Provision. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases. With the exception of a lender in possession of a Condominium Unit following a default in a first mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. All leases and lessees are subject to the provisions of the Condominium

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Units and rules and regulations adopted pursuant thereto. Any lease agreement shall be required to provide that the terms of a lease shall be subject in all respects to the provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. Other than Units owned by the Declarant and with the exception of a lender in possession of a Condominium Unit following a default in a first mortgage, a foreclosure rental must be for a term of no less than six (6) months.

Section 12.03. Notice Pursuant to Article. Any Unit Owner or person having executed a lease or a contract for the purchase of a Condominium Unit requesting a recordable statement certifying to the receipt by the Association of the notice herein specified, or the waiver of the Association's rights to receive such notice shall be furnished such a statement. Any such statement shall be binding on the Association and every Unit Owner. Payment of a fee, not exceeding \$25.00, may be required as a prerequisite to the issuance of such a statement.

ARTICLE XIII

Eminent Domain

Whenever all or any part of the Property shall be taken or otherwise acquired by any body having the power of condemnation or eminent domain, such shall be governed by the provisions of Official Code of Georgia Annotated Section 44-3-97.

ARTICLE XIV

Amendment of Condominium Instruments

Unless otherwise specifically provided for in the By-Laws of the Association, the Condominium Instruments, including this Declaration, shall be amended only by the agreement of Unit Owners to which two-thirds (2/3) of the votes in the Association appertain, as provided in Official Code of Georgia Annotated Section 44-3-93.

ARTICLE XV

Termination of Condominium

Subject to the provisions of Official Code of Georgia Annotated Section 44-3-98 with regard to the manner in which the termination of the Condominium shall be effected and to the consequences thereof, the Condominium shall be terminated only by the agreement of four-fifths (4/5) of the Owners of the Units and of all mortgagees of such Units unless, in the case of the destruction of the entire development by fire or other casualty, following which the Owners of the Units decide not to rebuild, in which case the provisions of the By-Laws and this Declaration shall apply.

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ARTICLE XVI
Miscellaneous

Section 16.01. Notices. Notices provided for in the Act or this Declaration shall be in writing, and shall be addressed to any Unit Owner at his/her or their Unit at the condominium or at such other address as hereinafter provided. Notices to the Association shall be in writing and addressed to the President of the Association at his or her Unit at the condominium, or to such other address as may hereafter be provided for and a written notice of such change of address furnished to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered three (3) business days after mailing by United States Registered or Certified Mail, or when delivered in person. Upon written request to the Association, the holder of any interest in any unit shall be given a copy of all notices to be given to the Owner whose Unit is subject to such interest.

Section 16.02. Right to Notice, Attend Meetings and Inspection of Records. The Owner of any interest in any Unit, including any mortgagee, and any insurer or grantor of such mortgage, in addition to the rights set forth in the Act, shall have the right to inspect the books and records of the Association, including financial records, upon reasonable notice, and the right to attend and speak at any meeting of the Association, provided, however, no person other than a member as such shall have any voting rights. If the Owner of any such interest files with the Association a written request, the Association shall have the right to notify such party of any violation by the Owner of such Unit, provided, however, that in no event shall the Association agree with any such party to furnish such notice unless such party agrees in writing that in no event shall the Association be liable for any claim or damages as a result of any failure to give such notice. Upon written request, any mortgagee shall have the right to receive a financial statement for the immediately preceding fiscal year.

Section 16.03. Severability of Provisions. If any provision of this Declaration or the application of any such provision to any person or circumstance is held unenforceable or invalid for any reason, such provision or portion thereof shall be modified or deleted in such manner as to render this Declaration legal and enforceable to the fullest extent permitted under applicable law.

Section 16.04. Successors Bound; Covenants Running with Land. Each successor in title of the Declarant with respect to any part of the Property, by the acceptance of a Deed of Conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges created or reserved by this Declaration. All rights, benefits and privileges hereby imposed shall be deemed and taken to be covenants running with the land, and shall be binding inure to the benefit of any person having any interest or estate in the property, or any portion thereof.

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Section 16.05. No Waiver. Any failure of the Association to seek redress for the violation of, or to insist upon the strict and prompt performance of, any covenants or conditions of this Declaration shall not operate as a waiver of any such violation or the Association's right to insist on prompt compliance in the future with such covenant or condition, and shall not prevent a subsequent action by the Association for any such violation. No provision, covenant or condition of this Declaration may be waived by the Association unless such waiver is in writing and approved by the Board of Directors.

Section 16.06. Governing Law: Venue. THIS DECLARATION SHALL BE CONSTRUED UNDER AND ACCORDING TO THE LAWS OF THE STATE OF GEORGIA, AND THE UNIT OWNERS, BY ACCEPTANCE OF A DEED FROM DECLARANT OR ITS SUCCESSOR-IN-TITLE, AGREE THAT ANY ACTION RELATING TO, OR ARISING OUT OF, THIS DECLARATION, THE ACT, OR THE PROPERTY SHALL BE INSTITUTED AND PROSECUTED IN THE COURTS OF THE COUNTY OF LIBERTY, STATE OF GEORGIA, AND THE UNIT OWNERS AGREE TO SUBMIT, AND DO HEREBY SUBMIT, TO THE PERSONAL JURISDICTION AND VENUE OF THE SAID COURTS OF THE COUNTY OF LIBERTY, STATE OF GEORGIA.

Section 16.07. Remedies Cumulative. No remedy herein conferred upon or reserved to the Association under this Declaration, or any other document delivered hereunder or in connection herewith, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy so given or reserved or now or hereafter existing at law or in equity or by the Act.

Section 16.08. Effective Date. This Declaration shall take effect when recorded.

ARTICLE XVII
Preparer

Pursuant to Official Code of Georgia Annotated Section 44-3-77(a)(11), this confirms that the foregoing Declaration was prepared by John D. Harvey, Esq., Henderson & Harvey, LLC, with offices located at 10221 Ford Avenue, Suite 1, Richmond Hill, Georgia 31324.

[Signature of Declarant Appears on Following Page]

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[Declaration of Condominium for Merchants Wharf Condominium - Signature Page]

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal in the manner prescribed by law as of the 11th day of APRIL, 2003.

DECLARANT:

Terra Firma Development, LLC, a Georgia Limited Liability Company

(CORPORATE SEAL)

By: *Robert W. VanDeGeuchte*
Robert W. VanDeGeuchte

Attest: *Stephanie V. Wakelin*
Stephanie V. Wakelin

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EXHIBIT "A"

Description of Submitted Property

Declaration of Condominium for Merchants Wharf Condominium
Published by
Terra Firma Development, LLC, a Georgia Limited Liability Company

THIS EXHIBIT "A" is made a part of that certain Declaration of Condominium for Merchants Wharf Condominium Association, Inc. which this Exhibit "A" is attached, and provides for all purposes a description of the Property described therein, to wit:

All those certain lots, tracts or parcels of lands situate lying and being in the 1359th G.M. District of Liberty County, Georgia consisting of 3.8 Acres and being shown and designated as Lot 1, Lot 2 and Lot 1-A upon a plat prepared by Gardner, Williams and Associates., Inc. dated December 13, 2002 and recorded in the Office of the Clerk of Superior Court of Liberty County, Georgia in Plat Slide N-5, Page 3AB. Said plat is incorporated by reference for a more particular description of said property.

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EXHIBIT "B"

Matters Affecting Title

Declaration of Condominium for Merchants Wharf Condominium
Published By
Terra Firma Development, LLC, a Georgia Limited Liability Company

THIS EXHIBIT "B" is made a part of that certain Declaration of Condominium for Merchants Wharf Condominium Association, Inc. to which this Exhibit "B" is attached, and provides for all purposes a further description of certain matters affecting title to the Property described therein, to wit:

1. A copy of that certain Agreement for Sewage and Drainage Easement, dated March 8, 2002, and recorded in Deed Book 1071, Page 0092, in the Office of the Clerk of Superior Court of Liberty County, Georgia.
2. A copy of that certain corrected Agreement for Sewage and Drainage Easement, dated April 23, 2002, and recorded in Deed Book 1075, Page 0001, in the Office of the Clerk of Superior Court of Liberty County, Georgia.
3. A copy of that certain Amended and Restated Agreement to Provide Water Service, dated March 11, 2003, by and between Terra Firma Development, LLC and Sunbelt Utilities, Inc.
4. A copy of that Marina Lease dated October 30, 2002, by and between the State of Georgia and Danny Goodman.
5. That certain Declaration of Condominium for Merchants Wharf Condominium, dated APRIL 11, 2003, published by Terra Firma Development, LLC, to which this Exhibit "B" is attached.
6. All local, state, and federal statutes, laws, ordinances, or regulations, including building and zoning regulations of Liberty County, Georgia.
7. General utility easements of record serving the Property and/or the Condominium and such other general utility easements not of record made necessary by virtue of the construction contemplated in the Declaration of Condominium of Merchants Wharf Condominium to which this Exhibit "B" is attached.
8. Such other easements, liens and other encumbrances authorized by the Declaration of Condominium of Merchants Wharf Condominium to which this Exhibit "B" is attached.
9. A copy of the Corps of Engineers Permit with Permit No. 200202100.
10. March 27, 2003 letter from the Department of Natural Resources.

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EXHIBIT "C"

As-Built Plat and Surveyor's Certificate

Declaration of Condominium for Merchants Wharf Condominium
Published By
Terra Firma Development, LLC, a Georgia Limited Liability Company

THIS EXHIBIT "C" is made a part of that certain Declaration of Condominium for Merchants Wharf Condominium to which this Exhibit "C" is attached, and consists of a copy of the As-Built plat for the Property and the Surveyor's Certificate required by the Georgia Condominium Act, to wit:

[SEE ATTACHMENTS]

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EXHIBIT C
TO
DECLARATION OF CONDOMINIUM

Merchants Wharf (A Condominium)
Liberty County, Georgia

DECLARANT: TERRA FIRMA DEVELOPMENT, LLC

DECLARATION OF CONDOMINIUM DATED the 11th day of April, 2003.

DECLARATION RECORDED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF LIBERTY COUNTY, GEORGIA IN DEED BOOK 1142, FOLIO 1.

SURVEY PLAT RECORDED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF LIBERTY COUNTY, GEORGIA IN N-7 PAGE 1 048.


PLANS RECORDED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF LIBERTY COUNTY, GEORGIA IN N-7, PAGE 1-049.

N-7 20 to 28, N-7 3048

CERTIFICATE OF REGISTERED LAND SURVEYOR

The undersigned, MICHAEL S. WILLIAMS, Georgia Registered Land Surveyor No. 2712, hereby certifies that that certain survey plat prepared by GARDNER, WILLIAMS & ASSOCIATES, INC., dated April 10, 2003, entitled "MERCHANTS WHARF (A CONDOMINIUM)", filed and recorded of record as hereinabove captioned is an accurate survey of the property shown and is compliance with the provisions of Section 44-3-83(a) of the Official Code of Georgia.

This 11 day of April, 2003.


MICHAEL S. WILLIAMS

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EXHIBIT "D"

Architect's Certificate

Declaration of Condominium for Merchants Wharf Condominium
Published By
Terra Firma Development, LLC, a Georgia Limited Liability Company

THIS EXHIBIT "D" is made a part of that certain Declaration of Condominium for Merchants Wharf Condominium to which this Exhibit "D" is attached, and consists of a copy of the Architect's Certificate for the Property as required by the Georgia Condominium Act, to wit:

[SEE ATTACHMENT]

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Architect's Certification

December 17, 2002

RE: Merchant's Wharf Condominiums
Constructed by:
Half Moon Builders, Inc.
695 Drum Point Way
Midway, Georgia 31320

This will certify that exterior walls and roof of each structure are in place as shown on plans, and such walls, partitions, floors, and ceilings, to the extent shown on said plans, as constitute the horizontal boundaries, if any, and vertical boundaries of each unit, including convertible space, have been sufficiently constructed so as to establish clearly the physical boundaries of such unit.

I have visited the site and viewed the property and to the best of my knowledge, information, and belief, the project has been properly constructed in accordance with plans and specifications, which accompany this certification.

Sincerely,

A handwritten signature in cursive script that reads 'Anne K. Smith'.

Anne K. Smith, AIA

CC: Bob Van Degejuchte



Post Office Box 1587 | Savannah, Georgia 31402

219 West Bryan Street, Suite 301 | Savannah, Georgia 31401 | [912] 232 5561 | fax [912] 232 5562

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EXHIBIT "E"

Organizational Documents of Association

Declaration of Condominium for Merchants Wharf Condominium
Published By
Terra Firma Development, LLC, a Georgia Limited Liability Company

THIS EXHIBIT "E" is made a part of that certain Declaration of Condominium for Merchants Wharf Condominium to which this Exhibit "E" is attached, and consists of a copy of the Minutes of the Organizational Meeting of Merchants Wharf Condominium Association, Inc., as well as copies of the Association's Articles of Incorporation and Bylaws, to wit:

[SEE ATTACHMENTS]

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BYLAWS

OF

MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC.

A Georgia Nonprofit Corporation

Liberty County, Georgia

April 11, 2003

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 BYLAWS

OF

MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC.

Liberty County, Georgia

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BY-LAWS

OF

MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC.
A Domestic Nonprofit Corporation

ARTICLE I

Definition of By-Laws; Name and Location

Section 1.01. By-Laws. These Bylaws constitute the rules and policies adopted by MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC. for the regulation and management of its affairs, as authorized by its Articles of Incorporation. These Bylaws are adopted in order to fulfill the objectives of the Association as stated in said Articles of Incorporation and these Bylaws, and to exercise all powers conferred upon the Association under such Articles of Incorporation, the Georgia Nonprofit Corporation Code (the "Code"), and the Georgia Condominium Act.

Section 1.02. Name. The name of the association is MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC., a Georgia nonprofit membership corporation (hereinafter referred to as the "Association").

Section 1.03. Location of Principal Office. The principal office of the Association shall be located in Liberty County, Georgia. Meetings of members and directors may be held at such places within the State of Georgia, County of Liberty as may be designated from time to time by the Board of Directors.

Section 1.04. Registered Office. The Association shall have and continuously maintain in the State of Georgia a registered office, and a registered agent whose office is identical with such registered office, as required by the Georgia Nonprofit Corporation Code. The registered office may be, but need not be, identical with the principal office of the Association in the State of Georgia, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Definitions

The terms used in these By-Laws, unless otherwise specified or unless the context otherwise requires, shall have the meanings specified in Official Code of Georgia Annotated Section 44-3-71

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and the Declaration for Merchants Wharf Condominium Association, Inc. (hereinafter called the "Declaration"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

ARTICLE III
Membership and Voting Rights

Section 3.01. Membership. Each Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit Owner.

Section 3.02. Voting Rights. The Association shall have one class of voting membership which shall consist of all Unit Owners. Such Owners shall be entitled to exercise voting rights as provided in the Georgia Condominium Act, the Declaration and as prescribed herein. The number of votes allocated to each Unit is as set forth in the Declaration. When a Unit is owned by other than one or more natural persons, the person entitled to cast the vote for such Unit shall be designated by a certificate signed by the record Owner of such Unit and filed with the Secretary. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such Unit. When a Unit is owned by more than one natural person, they may, without being required to do so, designate the person entitled to cast the vote for such unit as provided above. In the event they do not designate such a person, the following provisions shall apply:

(a) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the vote for the Unit, just as though he or she owned it individually, and without establishing the concurrence of the absent person or persons.

(b) If more than one of such Owners, whether or not all of them, are present at a meeting and concur, any one of the Owners may cast the vote for the Owners.

(c) If more than one of such Owners, whether or not all of them, are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

The votes of the Unit Owners shall be cast under such rules and procedures as may be prescribed in the Declaration or in these By-Laws, as amended from time to time, or by law.

Section 3.03. Suspension of Voting Rights. During any period in which a Unit Owner shall be in default in payment of any assessment, the voting rights of such Unit Owner may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Unit Owner may also be suspended, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors.

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ARTICLE IV
Meetings of Unit Owners

Section 4.01. Annual Meetings. The first annual meeting of the Unit Owners shall be called by the President upon request of the Declarant and shall be held within twelve (12) months following the incorporation of the Association. Each subsequent regular annual meeting of the Owners shall be held on the same day of the same month of each year thereafter unless otherwise provided by the Unit Owners at any previous meeting. If the day for the annual meeting of the Unit Owners is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 4.02. Special Meetings. Special meetings of the Unit Owners may be called at any time by the President or by the Board of Directors, or upon written request of the Unit Owners who are entitled to vote at least fifteen (15%) of the votes of the membership.

Section 4.03. Notice of Meetings. Pursuant to Official Code of Georgia Annotated Section 44-3-102, written notice of each meeting of the Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting, stating the time, place and purpose of such meeting. Such notice shall be delivered personally or sent by United States mail, postage prepaid, to all Unit Owners of record at such address or addresses as any of them may have designated, or, if no other address has been so designated, at the address of their respective Units. Such notice shall also be sent by United States mail, postage prepaid, to each institutional holder of a first mortgage on a Unit having theretofore expressly requested the same in a writing delivered to the Association. Each such holder shall be permitted to designate a representative to attend each such meeting without voice or vote except pursuant to Section 4.05 below or as otherwise authorized by the Declaration.

Section 4.04. Quorum. The presence at the meeting of Unit Owners and/or proxies entitled to cast more than one-third (1/3) of the votes of the membership shall constitute a quorum for any action except as otherwise expressly provided in the Georgia Condominium Act or in the Declaration; provided, however, that if such quorum shall not be present or represented at any meeting, the Unit Owners and/or proxies entitled to cast a majority of the votes thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 4.05. Proxies. Subject to the provisions of Section 3.02 hereof, at all meetings of the Unit Owners, each Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable, shall automatically cease upon conveyance by a Unit Owner of his Unit and shall be effective only for the meeting specified therein and any adjournment thereof.

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Section 4.06. Order of Business. Unless otherwise specified by the President, the order of business at all annual meetings of the Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Unfinished business.
- (g) New business.
- (h) Election of Directors.

Section 4.07. Decisions of Unit Owners. Unless otherwise expressly provided in the Georgia Condominium Act, the Declaration or these By-Laws, a majority of the votes cast on any particular issue shall be necessary to adopt decisions at any meeting of the Unit Owners. When the Georgia Condominium Act, the Declaration or these By-Laws require the approval or consent of all or a specified percentage of mortgagees and/or other lien holders, no decision or resolution duly adopted by the Unit Owners shall be effective or valid until such approval or consent shall be obtained. During such time as the Declarant has the right to control the Association pursuant to the provisions of Section 7.07 of the Declaration and Official Code of Georgia Annotated Section 44-3-101, no decision or resolution duly adopted by the Unit Owners shall be effective or valid until the Declarant's approval or consent shall have been obtained.

Section 4.08. Conduct of Meetings. It is understood that in the transaction of its business, the meetings of the Unit Owners may be conducted informally; however, this informality does not extend to procedural requirements mandated in the Articles of Incorporation, these Bylaws, or the Code or the Georgia Condominium Act. When circumstances warrant, any meeting or a portion of a meeting will be conducted according to generally understood principles of parliamentary procedure as stated in the latest edition of Roberts Rules of Order or a similarly recognized procedural reference authority.

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ARTICLE V
Board of Directors

Section 5.01. Number and Qualifications. Following expiration of the period of the Declarant's right to control the Association pursuant to the provisions of Section 7.07 of the Declaration and Official Code of Georgia Annotated Section 44-3-101, the Board of Directors of the Association shall be composed of three (3) persons. With the exception of those persons appointed as directors by the Declarant pursuant to the provisions of Official Code of Georgia Annotated Section 44-3-101, each such person shall be a member of the Association or the spouse of a member.

Section 5.02. Election and Term of Office. Upon the termination of the Declarant's right to control the Association pursuant to the provisions of Section 7.07 of the Declaration and Official Code of Georgia Annotated Section 44-3-101, the Declarant shall give at least seven (7) days' written notice to each member of a special meeting of the members, to be held not more than thirty (30) days after the date of such termination, to elect a new board of directors. At such meeting, and at each annual meeting thereafter the Unit Owners shall elect three (3) directors for a term of one (1) year each. Except in the case of death, resignation or removal, each director elected by the members shall serve until the annual meeting at which his term expires and until his successor has been duly elected and qualified. Persons receiving the largest number of votes at any election of directors shall be elected whether or not such number constitutes a majority of the votes cast. Cumulative voting shall not be permitted.

Section 5.03. Removals; Vacancies. Following expiration of the period of the Declarant's right to control the Association pursuant to the provisions of Section 7.07 Declaration and Official Code of Georgia Annotated Section 44-3-101, any director may be removed from the Board of Directors with or without cause, by a majority vote of the Unit Owners theretofore entitled to elect such director. In the event of death or resignation of a director, his or her successor shall be selected by the remaining members of the board. In the event of removal of a director, his or her successor shall be elected by the Unit Owners theretofore entitled to elect such director. Any such successor shall serve for the unexpired term of his or her predecessor.

Section 5.04. Annual Organization Meeting. The first meeting of the Board of Directors following each annual meeting of the Unit Owners shall be held as promptly thereafter as is practicable, at such time and place as shall be fixed by the newly elected directors at such annual meeting, and no notice shall be necessary in order legally to constitute such meeting.

Section 5.05. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors. Notice of the time and place of regular meetings shall be given to every director by mail or telephone at least three (3) days prior to the date of such meeting.

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Section 5.06. Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) days notice to every director given by mail or telephone and stating the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of directors entitled to cast at least two (2) votes at such meetings.

Section 5.07. Waiver of Notice; Action without Meeting. Whenever notice of a meeting of the Board of Directors is required to be given under any provision of these By-Laws, a written waiver thereof, executed by a director before or after the meeting and filed with the Secretary, shall be deemed equivalent to notice to the director executing the same. Attendance at a meeting by the director shall constitute a waiver of notice of such meeting by the director if such director attends the meeting without protesting prior thereto or at the meeting's commencement the lack of notice to him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in any written waiver of notice. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting provided that all directors consent to the action in writing and the written consents are filed with the records of the proceedings of the Board of Directors. Such consents shall be treated for all purposes as a vote at a meeting.

Section 5.08. Voting; Quorum of the Board; Adjournment of Meetings. At all meetings of the Board of Directors, each director shall be entitled to cast one (1) vote. The presence in person of directors representing at least two-thirds (2/3) of the votes of the Board of Directors shall be a quorum at any Board of Directors meeting and a majority of the votes present and voting shall bind the Board of Directors and the Association as to any matter within the powers and duties of the Board of Directors.

Section 5.09. Powers and Duties. The Board of Directors shall have the powers and duties necessary for administration of the affairs of the Association and may do all such acts and things except as by law or the Declaration may not be delegated to the Board of Directors by the Unit Owners. In exercising its powers and duties, the Board of Directors shall take as its standard the maintenance of the general character of the Condominium as a residential community of the first class in the quality of its maintenance, use and occupancy. Such powers and duties of the Board of Directors shall be exercised in accordance with and subject to all provisions of the Georgia Condominium Act, the Declaration and these By-Laws and shall include without limitation powers and duties to:

- (a) Operate, care for, maintain, repair and replace the Common Elements and employ personnel necessary or desirable therefor.
- (b) Determine common expenses of the Association.
- (c) Collect assessments from the Unit Owners.
- (d) Adopt and amend rules and regulations covering the details of the operation and use of the Condominium.

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(e) Open bank accounts on behalf of the Association and designate the signatories required therefor.

(f) Manage, control, lease as lessor, and otherwise deal with the Common Elements, including power to make shut-offs of common services and other interruptions of the normal functioning of the buildings to facilitate performance of any maintenance or repair work or the making of additions, alterations or improvements by the Association or the Unit Owners pursuant to provisions of the Declaration. The Board of Directors shall use reasonable efforts to disrupt the Unit Owners and occupants as little as possible in exercising such authority to effect shut-offs and other interruptions.

(g) Purchase, lease or otherwise acquire Units offered for sale or lease or surrendered by their Unit Owners to the Association.

(h) Own, sell, lease, encumber, and otherwise deal in, but not vote with respect to, Units owned by the Association.

(i) Obtain and maintain insurance for the Property pursuant to the provisions of the Declaration.

(j) (1) Make additions and improvements to and alterations of the Common Elements, and (2) make repairs to and restoration of the Property after damage or destruction by fire or other casualty, or as a result of condemnation.

(k) Enforce by any legal or equitable remedies available all obligations of the Unit Owners or any of them to the Association. Such enforcement power shall include, without limitation, the power to levy, as assessments, fines against unit Owners for default in the performance of said obligations in such amounts as from time to time the Board of Directors may deem proper in the circumstances, but not in excess of fifty (\$50.00) for any one violation, counting each day a violation continues after notice from the Board of Directors as a separate violation. If any Owner fails to pay a fine within ten (10) days after notification thereof, the Board of Directors may levy, as assessments, additional fines to enforce payment of the initial fine.

(l) Appoint auditors of the Association.

(m) Employ a manager or managing agent and delegate thereto any duties of the Board of Directors under subparagraphs (a), (c), (e), (i) and (o) of this Section 5.09.

(n) Conduct litigation and be subject to suit as to any cause of action involving the Common Elements or arising out of the enforcement of the provisions of the Georgia Condominium Act, the Declaration or these By-Laws.

(o) Make contracts in connection with the exercise of any of the powers and duties of the Board of Directors.

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(p) Take all other actions the Board of Directors deems necessary or proper for the sound management of the Condominium and fulfillment of the terms and provisions of the Georgia Condominium Act, the Declaration and these By-Laws.

In the case of those powers and duties specified in the foregoing clauses (d), (g), (h), (j), (l), and (m), the Board of Directors need exercise the same only to the extent, if any, it deems necessary or desirable or is required to do so by vote of the Unit Owners. The Board of Directors shall not be obligated to take any action or perform any duty imposed upon it requiring an expenditure of funds unless in its opinion it shall have funds of the Association sufficient therefor.

Section 5.10. Conduct of Meetings. It is understood that in the transaction of its business, the meetings of the Board of Directors may be conducted informally; however, this informality does not extend to procedural requirements mandated in the Articles of Incorporation, these Bylaws, or the Code or the Georgia Condominium Act. When circumstances warrant, any meeting or a portion of a meeting will be conducted according to generally understood principles of parliamentary procedure as stated in the latest edition of Roberts Rules of Order or a similarly recognized procedural reference authority.

Section 5.11. Use of Contemporaneous Communications Systems for Board Meetings. The Board of Directors, or any committee thereof, may utilize a telephonic or other contemporaneous communications system in which all participants in the meeting can hear or otherwise communicate to each other, and participation in a meeting by this system constitutes the presence of the participant at the meeting.

ARTICLE VI Officers

Section 6.01. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. One person may hold the office of Secretary and Treasurer simultaneously. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The Vice President may also hold the office of assistant secretary and perform the functions thereof in the absence of the Secretary. The President and Vice President shall be members of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors.

Section 6.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

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Section 6.03. **Removal of Officers.** Upon the affirmative vote of a majority of the votes of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 6.04. **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 6.01 hereof.

Section 6.05. **President.** The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Unit Owners and of the Board of Directors. He or she shall have all of the general powers and duties which are incident to the office of president of a corporation, including,, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he or she may, in his or her sole discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 6.06. **Vice President.** The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him or her by the Board of Directors or by the President.

Section 6.07. **Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct. He or she shall, in general, perform all the duties incident to the office of secretary of a corporation and such other duties as shall, from time to time, be imposed upon him or her by the Board of Directors or by the President.

Section 6.08. **Treasurer.** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and, accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he or she shall be responsible for the deposit of all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a corporation and such other duties as shall, from time to time, be imposed upon him or her by the Board of Directors or by the President.

Section 6.09. **Compensation.** Unless otherwise expressly provided by the Board of Directors, no officer shall receive compensation from the Association for acting as such, but shall be entitled to reimbursement from the Association as a common expense for reasonable out-of-pocket disbursements made by him or her in the performance of his or her duties; provided that no officer shall be obligated to make any such disbursements.

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ARTICLE VII
Officers and Directors; General Provisions

Section 7.01. Contracts with Interested Parties. No contract or transaction between the Association and one or more of its officers or directors, or between the Association and any other entity in which one or more of the Association's officers or directors are officers, directors, partners or trustees, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Association's officer or director is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if (a) the material facts as to his or her interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board of Directors in good faith authorized the contract or transaction by a vote sufficient for such purpose without counting the vote or votes of the interested director or directors; or (b) the material facts as to his or her interest and as to the contract or transaction are disclosed or are known to the Unit Owners entitled to vote thereon, and the contract or transaction is specifically approved or ratified in good faith by vote of such Unit Owners; or (c) the contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Directors or the Unit Owners. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transaction.

Section 7.02. Indemnification. Pursuant to the provisions of Section 10.08 of the Declaration, the Association shall indemnify its officers and directors to the extent provided in and subject to the limitations of the Declaration.

ARTICLE VIII
Books and Records; Financial Report

Section 8.01. Books and Records. The Association shall keep such books and records as by law provided and shall make same available for inspection by any Unit Owner, any institutional holder of a first mortgage on a unit, and their respective agents and attorneys, for any proper purpose at any reasonable time upon advance notice.

Section 8.02 Financial Report. The Treasurer shall, for each fiscal year maintain current and accurate financial records with full entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting practices. Based on these records, the Unit Owners shall annually approve a report of the financial activity of the Association for such year. The report shall conform to generally accepted accounting principals and shall include a statement of support, revenue, and expense and changes in fund balances, a statement of functional expense, and balance sheets for all funds.

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ARTICLE IX
Amendments
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These By-Laws may be amended only by the Owners of the Units to which two-thirds (2/3) of the votes in the Association cast their vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be delivered or sent to all Unit Owners not less than twenty-one (21) days in advance of the meeting stating the time, place and purpose of such meeting and the subject matter of the proposed amendment or, in lieu of such vote, these By-Laws may be amended by an instrument duly executed by Unit Owners having at least two-thirds (2/3) of the entire voting interest of all Unit Owners. Amendments to these By-Laws for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund or guarantee mortgages on individual Units, as such requirements may exist from time to time, may be effected by an instrument duly executed by a majority of the directors of the Association. Each such amendment shall be effective when adopted or at such later date as may be specified therein.

ARTICLE X
Miscellaneous

Section 10.01. Conflicts. In the event of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 10.02. Association Seal. The Association shall have a seal in circular form having within its circumference the words: "MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC." Alternatively, in the event it is inconvenient to use such a seal at any time, or in the event the Board of Directors shall not have determined to adopt a corporate seal, the signature of the Association accompanied by the words "Corporate Seal" or "Seal" enclosed in parentheses or scroll shall be deemed the seal of the Association.

Section 10.03. Fiscal Year. Unless otherwise specified by the Board of Directors, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date on which the Association was incorporated under the laws of the State of Georgia.

Section 10.04. Subject to All Laws. The provisions of these By-Laws shall be subject to all valid and applicable laws, including the Georgia Nonprofit Corporation Code, as now existing or hereafter amended, the Georgia Condominium Act, as now existing or hereafter amended, and the Declaration; if any provision of these Bylaws is found to be inconsistent with or contrary to any such valid laws or the provisions of the Declaration, the latter shall be deemed to control and these Bylaws shall be deemed modified accordingly and, as so modified, to continue in full force and effect.

[Signatures of Directors Appear on Following Page]

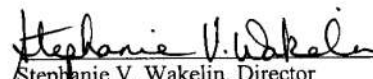
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[Bylaws - MERCHANTS WHARF CONDOMINIUM ASSOCIATION, INC. - Signature Page]

THE UNDERSIGNED, being the initial members of the Board of Directors of the Association hereby unanimously adopt and approve the foregoing Bylaws in their entirety as of the 11th day of APRIL, 2003.

(CORPORATE SEAL)

 (L.S)
Robert W. VanDeGeuzte, Director

 (L.S)
Stephanie V. Wakelin, Director

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