

Legal Description

(as a Whole)

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All that certain tract or parcel of land situate, lying and being in the 1356th G.M. District of Liberty County, Georgia, containing 182 acres, more or less, and being bounded now or formerly, on the North, on the East and on the South by the Jerico River, on the Southwest by a canal which separates the property herein conveyed from subdivided property on the Isle of Wight and on the West by the Easterly right-of-way of Interstate Highway 95 (Georgia Rte. 405).

And, also:

All that certain tract or parcel of land situate, lying and being in the 1359th G.M. District of Liberty County, Georgia, containing 0.10 of an acre, more or less, and being bounded as follows: Northerly by Lot 76, Isle of Wight Subdivision; Easterly by Marshland; southerly by Lot 75 and Westerly by First street all as shown on that certain plat of survey made and prepared by Joe P. Davis Ga.RLS #1438, dated July 17, 1993, such plat being recorded in Plat Section 1-14, page 3 in the Office of the Clerk of the Superior Court of Liberty County, Georgia, same being incorporated herein by reference thereto.

This is the same tract of land described as PARCEL 3 on that certain warranty deed from William M. Ashburn III and Thomas N. Ashburn, Jr. as Co-executors of the Estate of T. Norvel Ashburn to Leon M. Boyce and Mayo Boyce, dated August 20, 1995, and recorded in Deed Book 614, page 146, in the Office of the Clerk of the Superior Court of Liberty County, Georgia.

And, also:

All that tract or parcel of land lying and being in the 1359th G.M. District of Liberty County, Georgia, and on Isle of Wight Subdivision, known and designated as Lot No. 76, of said subdivision, said lot herein conveyed being bounded as follows: North by Lot No. 77 of said subdivision; East by the western edge of a canal on the eastern end of said lot; South by a 20 foot lot which leads a bridge onto Dolphin Island; West by First Street; the property herein conveyed fronting for a distance of 60 feet along Bluff line overlooking the canal above referred to and running back from said Bluff line in a western direction for a distance of 130 feet to First Street; it being understood that this measurement at to depth is made from a marker on the Bluff line overlooking said canal but it is agreed that the property herein conveyed shall run to the western edge of the canal, a plat of said Isle of Wight Subdivision having been made by John E. Dykes, surveyor in May 1950, which plat is recorded in the Office of the Clerk of the Superior Court of Liberty County, Georgia, in Plat Book 1, page 328-329, reference being hereby made to said plat for a more complete description as to metes, bounds and distances.

Subject, however, to all valid restrictions, easements and rights-of-way of record.

Declaration of Covenants, Conditions and Restrictions

**Including By-Laws of Dolphin Island
Homeowner's Association
and Dock Summary**

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Upon recording, please return to:
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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DOLPHIN ISLAND**

IN-MAIL DOCUMENT

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**FOR****DOLPHIN ISLAND**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR **DOLPHIN ISLAND** ("Declaration") is made as of the date set forth on the signature page hereof by **DOLPHIN ISLAND PRESERVATION, LLC**, a Georgia limited liability company ("Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY**Article I Creation of the Community****1.1. Purpose and Intent.**

Declarant, as the owner of the real property described in Exhibit "A," intends by Recording this Declaration to establish a general plan of development for the subdivision known as Dolphin Island. This Declaration provides a flexible and reasonable procedure for Dolphin Island's future expansion as Declarant deems appropriate and provides for its overall development, administration, maintenance, and preservation. An integral part of the development plan is the creation of Dolphin Island Homeowners Association, Inc., an association comprised of all owners of real property in Dolphin Island, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

This document does not and is not intended to create a condominium under Georgia law.

1.2. Binding Effect.

All property described in Exhibit "A," and any additional property which is made a part of Dolphin Island in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of Dolphin Island, their heirs, successors, successors-in-title, and assigns.

This Declaration, as it may be amended, shall remain in effect and shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of 20 years from the date this Declaration is Recorded. After such time, this Declaration shall be extended automatically for successive periods of 10 years each, unless an instrument signed by a majority of the then Owners has been Recorded within the year preceding any extension agreeing to terminate this Declaration, in which case it shall terminate as of the date

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specified in such instrument. Notwithstanding this, if any provision of this Declaration would be unlawful, void, or voidable by reason of any Georgia law restricting the period of time that covenants on land may be enforced, such provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the easement holder.

1.3. Governing Documents.

GOVERNING DOCUMENTS	
Articles of Incorporation (filed with Secretary of State of the State of Georgia)	establishes the Association as a non-profit corporation under Georgia law
By-Laws (the Board of Directors adopts)	governs the Association's internal affairs, such as voting rights, elections, meetings, officers, etc.
Declaration (Recorded)	creates obligations which are binding upon the Association and all present and future owners of property in Dolphin Island
Supplemental Declaration	adds property to Dolphin Island; (Recorded) may impose additional obligations or restrictions on such property
Architectural Guidelines (Declarant adopts)	establishes architectural standards and guidelines for improvements and modifications to Units, including structures, landscaping, and other items on Units
Restrictions and Rules	governs use of property, activities, and conduct (initial set attached as Exhibit "C") within Dolphin Island
Board Resolutions	establishes rules, policies, and procedures for internal (Board adopts) governance and Association

Diagram 1.1 - Governing Documents

The Governing Documents apply to all Owners and occupants of property within Dolphin Island, as well as to their respective tenants, guests, and invitees. Any lease on a Unit shall provide

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that the tenant and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents.

If any court should determine that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision.

Throughout the Governing Documents there are diagrams to illustrate the concepts discussed and to aid in the reader's comprehension. Such diagrams are for illustrative purposes only. In the event of a conflict between any diagram and the text of the Governing Documents, the text shall control.

Article II Concepts and Definitions

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

"Architectural Guidelines": The architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV, as they may be amended.

"Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements.

"Articles of Incorporation" or "Articles": Dolphin Island Homeowners Association, Inc.'s Articles of Incorporation, filed with the Secretary of State of the State of Georgia, as they may be amended.

"Association": Dolphin Island Homeowners Association, Inc., a Georgia non-profit corporation, its successors or assigns.

"Base Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.

"Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Georgia corporate law.

"Builder": Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within Dolphin Island for further subdivision, development, and/or resale in the ordinary course of its

business.

"By-Laws": The By-Laws of Dolphin Island Homeowners Association, Inc., as they may be amended. A copy of the initial By-Laws is attached to this Declaration as Exhibit "D."

"Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board as provided in Section 3.3 of the By-Laws. The Class "B" Control Period shall terminate on the first to occur of the following:

- (a) when Declarant no longer owns any of the property described in Exhibits "A" and "B";
- (b) December 31, 2021; or
- (c) when, in its discretion, the Class "B" Member so determines.

"Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term shall include the Limited Common Area, as defined below.

"Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development or other original construction costs unless Members representing a majority of the total Class "A" vote of the Association approve. Payments due under leases of capital improvements such as street lights shall not be considered an initial development or original construction cost. Common Expenses may include assessments levied by the Master Association pursuant to the Master Declaration, and the costs of fulfilling any other duties or obligations under the Master Declaration, in the sole discretion of the Board of Directors.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing at Dolphin Island, or the minimum standards established pursuant to the Architectural Guidelines, Restrictions and Rules, and Board resolutions, whichever is the highest standard. Initially, Declarant shall establish such standard, which may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within Dolphin Island change.

COMMUNITY-WIDE STANDARD

The higher of:

**MINIMUM STANDARDS
STANDARD**

OR

PREVAILING STANDARD

*Architectural Guidelines
Restrictions and Rules
Resolutions of Board
Example set by Declarant, Board*

Diagram 2.1. Community-Wide Standard

"Declarant": Dolphin Island Preservation, LLC, a Georgia limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument the immediately preceding Declarant executes.

"Limited Common Area": A portion of the Common Area primarily benefiting one or more, but less than all, Neighborhoods or Owners, as more particularly described in Article XII.

"Member": A Person subject to membership in the Association pursuant to Section 6.2.

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. The term **"Mortgagee"** shall refer to a beneficiary or holder of a Mortgage.

"Neighborhood": A group of Units designated as a separate Neighborhood for purposes of sharing Limited Common Areas, and/or receiving other benefits or services from the Association which are not provided to all Units.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association, if any, having concurrent jurisdiction over the property within the Neighborhood.

"Neighborhood Assessments": Assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

"Neighborhood Expenses": The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners within a particular Neighborhood or Neighborhoods,

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which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s).

"Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

"Properties" or "Dolphin Island": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

"Record," "Recording," or "Recorded": The filing of a legal instrument in the Office of the Clerk of the Superior Court of Liberty County, Georgia, or such other place as may be designated as the official location for recording documents affecting title to real estate.

"Restrictions and Rules": The initial restrictions and rules set forth in Exhibit "C," as they may be supplemented, modified, and repealed pursuant to Article III.

"Special Assessment": Assessments levied in accordance with Section 8.3.

"Specific Assessment": Assessments levied in accordance with Section 8.4.

"Supplemental Declaration": An instrument Recorded pursuant to Article IX which subjects additional property to this Declaration, designates Neighborhoods, and/or imposes additional restrictions and obligations on the land described in such instrument.

"Unit": A portion of Dolphin Island, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. In the case of a structure containing multiple dwellings for independent ownership, each dwelling shall be deemed to be a separate Unit.

A parcel shall be deemed to be a single Unit until such time as a plat subdivides all or a portion of the parcel. Thereafter, the subdivided portion shall contain the number of Units shown on the plat. Any portion not subdivided shall continue to be a single Unit.

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PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

Article III Use and Conduct

3.1. Framework for Regulation.

The Governing Documents establish, as part of the general plan of development for Dolphin Island, a framework of affirmative and negative covenants, easements, and restrictions which govern the Properties. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology. Therefore, this Article establishes procedures for modifying and expanding the initial Restrictions and Rules set forth in Exhibit "C."

3.2. Rule Making Authority.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Restrictions and Rules. The Board shall mail notice to all Owners concerning any proposed action at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective, after compliance with subsection (c) below, unless Members representing more than 50% of the total Class "A" votes in the Association and the Class "B" Member, if any, disapprove. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition as required for special meetings in the By-Laws. If the Board receives such petition prior to the effective date of any action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of such meeting.

(b) Alternatively, Members representing more than 50% of the total Class "A" votes in the Association, at an Association meeting duly called for such purpose, may vote to modify, cancel, limit, create exceptions to, or expand the Restrictions and Rules then in effect. Such action shall require the approval of the Class "B" Member, if any.

(c) Prior to any action taken under this Section becoming effective, the Board shall send a copy of the new rule or explanation of any changes to the Restrictions and Rules to each Owner. The effective date shall be not less than 30 days following distribution to Owners. The Association shall provide, without cost, one copy of the Restrictions and Rules then in effect to any requesting Member or Mortgagee.

(d) No action taken under this Article shall have the effect of modifying, repealing, or expanding the Architectural Guidelines or any provision of this Declaration other than the initial

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Restrictions and Rules set forth in Exhibit "C." In the event of a conflict between the Architectural Guidelines and the Restrictions and Rules, the Architectural Guidelines shall control.

(e) The procedures set forth in this Section 3.2 do not apply to the Board's enactment by resolution of rules and regulations governing use and operation of the Common Area; provided, the Board may choose, in its discretion, to submit to such procedures.

3.3. Owners' Acknowledgment and Notice to Purchasers.

All Owners are given notice that use of their Units and the Common Area is limited by the Restrictions and Rules as amended, expanded, and otherwise modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that the Restrictions and Rules may change from time to time. All purchasers of Units are on notice that the Association may have adopted changes and that such changes may not be reflected in a Recorded instrument. Copies of the current Restrictions and Rules may be obtained from the Association.

3.4. Protection of Owners and Others.

Except as may be set forth in this Declaration (either initially or by amendment), the Architectural Guidelines (as amended from time to time), or in the initial Restrictions and Rules set forth in Exhibit "C," all Restrictions and Rules shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Owners shall be treated similarly; however, the Restrictions and Rules may vary by Neighborhood.

(b) Signs and Displays. The Board shall not interfere with Owners' rights to display religious and holiday signs, symbols, and decorations inside structures on their Units, except that it may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling.

Except as otherwise provided in this Declaration or approved by the Board of Directors, signs (including "for sale" or "for rent" signs), banners, posters, placards, billboards, advertisements, bulletins, announcements, symbols, displays, or any other manifestation of a message, slogan, or symbol of any kind shall not be displayed upon or visible from the outside of a Unit or placed or displayed anywhere within the Properties; provided those signs installed or authorized during the initial construction of the Properties by Declarant and those signs required by Georgia law shall be permitted. In addition, one "builder identification" sign shall be permitted to be placed by the Builder on a Unit indicating the name of the building company constructing the residential dwelling on the Unit so long as such sign is placed in the area designated by the Board and the design, quality and size of the sign is approved in accordance with Article IV.

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(c) Household Composition. The Board shall not interfere with the freedom of Owners to determine the composition of their households, except that it may require that all occupants be members of a single housekeeping unit and limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

(d) Activities Within Dwellings. The Board may not interfere with the activities carried on within the confines of dwellings, except that it may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of others, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(e) Allocation of Burdens and Benefits. The Board shall not alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's written objection. Nothing in this provision shall prevent the Board from changing the Common Area available, from adopting generally applicable rules for use of the Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(f) Alienation. The Board shall not prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit; provided, the Board may require a minimum lease term of up to 12 months. The Association may require that Owners use Board-approved lease forms, but shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the Association's administrative costs relating to that lease or transfer.

(g) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such rule if such personal property was in compliance with all rules previously in force. This exemption shall apply only during the period of such Owner's ownership of the Unit, and shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.

(h) Reasonable Rights to Develop. The Association shall not unreasonably impede Declarant's right to develop the Properties.

The limitations in subsections (a) through (h) of this Section 3.4 shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XVI.

Article IV Architecture and Landscaping

4.1. General.

No structure or thing shall be placed, erected, or installed upon any Unit and no improvements or other work (including staking, clearing, excavation, grading, and other site work; exterior alterations of existing improvements; or planting or removal of landscaping) shall take place within the Properties, except in compliance with this Article and the Architectural Guidelines.

No approval shall be required to repaint the exterior of a structure in accordance with its most recently approved color scheme or to rebuild in accordance with previously approved plans and specifications. Any Owner may remodel, paint, or redecorate the interior of his or her Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structure are subject to approval.

All dwellings shall be designed by and built in accordance with the plans and specifications of a licensed architect unless Declarant or its designee, in its sole discretion, otherwise approves.

This Article shall not apply to Declarant's activities, nor to activities of the Association during the Class "B" Control Period.

4.2. Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that Declarant has a substantial interest in ensuring that the improvements within the Properties enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article shall be commenced on such Owner's Unit unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1, unless earlier terminated in a Recorded instrument executed by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) an architectural review committee appointed by the Board of Directors (the "ARC"), or (ii) a committee comprised of architects, engineers, or other persons

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who may or may not be Members of the Association. Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as Declarant specifically delegates to it.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters. The ARC, when appointed, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(c) Reviewer. For purposes of this Article, the entity having jurisdiction in a particular case is referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget.

(e) Conformance and Compliance Bond. Prior to review of any plans, the Reviewer may require that the Owner post with the Reviewer, in such forms and amounts as the Reviewer may reasonably determine:

(i) a conformance bond to insure that all work, including landscaping, is completed in accordance with the approved plans; and

(ii) a compliance bond to be drawn upon as necessary to cover costs incurred by the Reviewer or the Association in (A) repairing damage to or removing trash from any portion of the Properties necessitated by the activities for the Owner, its agents, contractors, or subcontractors; and (B) providing maintenance or exercising other self-help to cure noncompliance with the Governing Documents,

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construction rules, or breach of other obligations of the Owner, its contractors or subcontractors relating to such Owner's Unit.

(f) Approved Builder. No Builder shall be allowed to carry out any construction within the Properties until the builder has been approved by the ARC in relation to the Builder's knowledge of construction, construction experience, reputation for high quality design and construction of residences, past and present financial condition, and other factors which the ARC deems relevant to the approval or disapproval of a builder. The ARC may prepare and, on behalf of the Board of Directors, may promulgate Approved Builder Guidelines (hereinafter the "Guidelines"). The Guidelines shall be those of the Association, and the ARC shall have sole and full authority to prepare and amend them. The Guidelines shall be made available to owners and builders who seek to engage in construction upon any portion of the Properties. The ARC may also promulgate appropriate forms upon which applications for approval shall be submitted, and shall have the authority to change such forms from time to time. The approval of a builder by the ARC shall be conditional and subject to change, in the sole discretion of the ARC, if the ARC determines there has been a change in the factors upon which approval was granted.

4.3. Architectural Guidelines.

Declarant may prepare Architectural Guidelines, in its sole discretion. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions and compliance with the Architectural Guidelines does not guarantee approval of any application.

Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

The Reviewer shall make the Architectural Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In Declarant's discretion, such Architectural Guidelines may be Recorded, in which event the Recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is

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completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances.

The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based on aesthetic considerations only. The Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring Owners.

Declarant, the Association, the Board, any committee, or any member of the Board or any committee shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a builder; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Board, the ARC, and the members of each shall be defended and indemnified by the Association as provided in Section 7.6.

Article V Maintenance and Repair

5.1. Maintenance of Units.

Each Owner shall maintain his or her Unit and all landscaping and improvements comprising the Unit in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned

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to the Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit.

5.2. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Unit and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Unit and maintain it in a neat and attractive condition consistent with the Community-Wide Standard. The Owner shall pay any costs not covered by insurance proceeds.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

Article VI The Association and its Members

6.1. Function of Association.

The Association is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association also is the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Georgia law.

6.2. Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the

Association.

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6.3. Voting.

The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit. No vote shall be exercised for any property which is exempt from assessment under Sections 8.8(a) and (b). All Class "A" votes shall be cast as provided in Section 6.3(c) below.

(b) Class "B". The sole Class "B" Member shall be Declarant. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in the By-Laws. Additional rights of the Class "B" Member are specified in the relevant sections of the Governing Documents. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove Board and committee actions as provided in the By-Laws.

The Class "B" membership shall terminate upon the earlier of:

- (i) two years after expiration of the Class "B" Control Period; or
- (ii) when, in its discretion, Declarant so determines and declares in a Recorded instrument.

Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

(c) Exercise of Voting Rights. Except as otherwise specified in this Declaration or the By-Laws, the vote for each Unit owned by a Class "A" Member shall be exercised by the Member. In any situation where there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary

of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

(a) The Association may acquire, hold, lease (as lessor or lessee), operate, and dispose of tangible and intangible personal property and real property, subject to the provisions of Sections

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13.5 and 15.2 hereof. The Association may enter into leases, licenses, or operating agreements for portions of the Common Area, for such consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by others for the provision of goods or services for the general benefit or convenience of Owners, occupants, and residents of the Properties.

(b) Declarant and its designees may convey to the Association, and the Association shall accept, personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibits "A" or "B." Upon Declarant's written request, the Association shall reconvey to Declarant any unimproved portions of the Common Area Declarant originally conveyed to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

(c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

7.2. Maintenance of Area of Common Responsibility.

The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- (a) all portions of and structures situated on the Common Area;
- (b) landscaping within public rights-of-way within or abutting the Properties;
- (c) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Association;
- (d) all ponds, streams, and/or wetlands located within the Properties which serve as part of the storm water drainage system for the Properties, including improvements and equipment installed therein or used in connection therewith; and
- (e) any property and facilities which Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities shall be identified by written notice from Declarant to the Association and will remain part of the Area of Common Responsibility maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such

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maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced except with Declarant's prior written approval as long as Declarant owns any property described in Exhibits "A" or "B" of this Declaration.

The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, a covenant to share costs, other Recorded covenants, or agreements with the owner(s) thereof. Maintenance, repair, and replacement of Limited Common Areas shall be a Neighborhood Expense assessed to the Neighborhood(s) to which such Limited Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting

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on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least two million dollars (\$2,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers' compensation insurance and employers' liability insurance, if and to the extent required by law;

(iv) Directors' and officers' liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (i) premiums for property insurance of Units within a Neighborhood shall be a Neighborhood Expense; and (ii) premiums for insurance on Limited Common Areas may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Limited Common Areas are assigned, unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Savannah area. All Association policies

shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

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All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Georgia which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and its Members.

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

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(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or the estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4. Compliance and Enforcement.

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(a) Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(iv) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(v) exercising self-help in a non-emergency situation;

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of the Governing Documents and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass; and

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Architectural Guidelines from continuing or performing any further activities in the Properties.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

(i) abating an immediate violation on the Common Area and exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); or

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action (which may be provided in lieu of the notice and hearing procedures set forth in the By-Laws).

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

- (i) the Association's position is not strong enough to justify taking any or further action;
- (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce city and county ordinances, if applicable, for the benefit of the Association and its Members, and any municipality having jurisdiction may enforce ordinances within the Properties.

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7.5. Implied Rights: Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board without a vote of the membership except where applicable law or the Governing Documents specifically require a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not create any independent legal duty to institute litigation on behalf of or in the name of the Association or the Members.

In exercising the Association's rights and powers, making decisions on behalf of the Association, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in Section 3.26 of the By-Laws.

7.6. Indemnification of Officers, Directors, and Others.

Subject to Georgia law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred 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 he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Georgia law. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

7.7. Safety and Security.

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Properties. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to enhance the level of safety or security which each person provides for himself

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or herself and his or her property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within Dolphin Island, nor shall either 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 systems or measures, including any mechanism or system for limiting access to the Properties, 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 shall be responsible for informing its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant are not insurers or guarantors of security or safety and that each Person within the Properties 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.

7.8. Provision of Services.

The Association may provide, or provide for, services and facilities for the Owners and their Units, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities provided at the option of an Owner, or may include the costs thereof in the Association's budget as a Common Expense and assess it as part of the Base Assessment if provided to all Units. By way of example, such services and facilities

might include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities.

Nothing in this Section shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing contracts for services in its discretion, unless the provision of such services is otherwise required by the Governing Documents. Non-use of services provided to all Owners or Units as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

7.9. Relationships with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring property to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance.

7.10. Facilities and Services Open to the Public.

Certain facilities and areas within the Properties may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks,

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and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Area of Common Responsibility or the Board may so designate at any time thereafter.

Article VIII Association Finances

8.1. Budgeting and Allocating Common Expenses.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units, as authorized in Section 8.5.

The Association is authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.5 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy, which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least 30 days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by Members representing at least 75% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in the By-Laws. Any such petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

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The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

8.2. Budgeting for Reserves.

The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility. The budget 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 include in the Common Expense budget adopted pursuant to Section 8.1, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Owners representing more than 50% of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Specific Assessments.

The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.8). Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests.

8.5. Time of Payment.

The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article,

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whichever is later. The first annual Base Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.6. Obligation for Assessments.

Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 15% per annum or such other rate as the Board may establish, subject to the limitations of Georgia law), late charges as determined by Board resolution, costs, and attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself or herself from liability for assessments by non-use of the Common Area, abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.7. Lien for Assessments.

The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Georgia law), and costs of collection (including attorneys' fees). 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 Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

8.8. Exempt Property.

The following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) All Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility;
- (b) Any property dedicated to and accepted by any governmental authority or public utility; and
- (c) Property owned by the Declarant for any purpose.

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the

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Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

PART FOUR: COMMUNITY DEVELOPMENT

Article IX Expansion of the Community

9.1. Expansion by Declarant.

Declarant may, from time to time, subject to the provisions of this Declaration all or any portion of the property described in Exhibit "B" by Recording a Supplemental Declaration describing the property being subjected. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to expand the Properties pursuant to this Section shall expire when all property described in Exhibit "B" has been subjected to this Declaration or 20 years after this Declaration is Recorded, whichever is earlier. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibits "A" or "B." Any such transfer shall be memorialized in a Recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2. Expansion by the Association.

The Association may also subject property to the provisions of this Declaration by a Recorded Supplemental Declaration. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 50% of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the Owner of the property, and by Declarant, if Declarant's consent is necessary.

9.3. Additional Covenants and Easements.

Declarant may subject any portion of the Properties to additional covenants and easements. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement,

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create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effect of Filing Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified. Any property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

Declarant reserves the right to amend this Declaration, so long as it has a right to annex property pursuant to Section 9.1, for the purpose of removing any portion of the Properties which has not yet been improved with structures from the coverage of this Declaration, provided such withdrawal does not reduce the total number of Units then subject to the Declaration by more than 10 percent. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

10.2. Marketing and Sales Activities.

Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area and Units which they own such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities at no charge.

10.3. Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

Every Person that acquires any interest in the Properties acknowledges that the Properties is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property, or (b) changes in the master plan.

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10.4. Right to Approve Additional Covenants.

No Person shall Record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any instrument Recorded without such consent shall be void and of no force and effect unless subsequently approved by Declarant in a Recorded consent.

10.5. Right to Approve Changes in the Properties' Standards.

No amendment to or modification of the Restrictions and Rules or the Architectural Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.6. Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a Recorded instrument signed by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record an assignment unless necessary to evidence Declarant's consent to such exercise.

10.7. Exclusive Rights To Use Name of Development.

No Person shall use the name "Dolphin Island" or any derivative of such name or in logo or depiction in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Dolphin Island" in printed or promotional matter where such term is used solely to specify that particular property is located within Dolphin Island and the Association shall be entitled to use the words "Dolphin Island" in its name.

10.8. Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Properties, including Units, and a perpetual nonexclusive easement of access throughout the Properties to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

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10.9. Right to Notice of Design or Construction Claims.

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Properties in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any Builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the Owner of the property to discuss the Owner's concerns and conduct their own inspection.

10.10. Termination of Rights.

Except as otherwise specified, the rights contained in this Article shall not terminate until the earlier of (a) 40 years from the date this Declaration is Recorded, or (b) Recording by Declarant of a statement that all sales activity has ceased.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY**Article XI Easements**11.1. Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Area," as described in Article XII; and
- (d) The Board's right to:
 - (i) adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Area (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the By-Laws;

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(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(v) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board and designate other areas and facilities within the Area of Common Responsibility as open for the use and enjoyment of the public; and

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in sections 13.5 and 15.2.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units or any Unit and any private amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout the Properties (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve the Properties, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights, and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on Recorded

plats;

(ii) inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described in Section 11.3(a)(i); and

(iii) access to read utility meters.

Notwithstanding the above, Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in Exhibits "A" and "B." The Owner of any property to be burdened by any easement granted pursuant to this subsection (b) shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

11.4. Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of their respective actions in connection with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefitting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property.

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11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

11.6. Easements for Lake and Pond Maintenance and Flood Water.

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the Association, and their successors, assigns, and designees shall have an access easement over and across any of the Properties abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves for itself, the Association, and their successors, assigns, and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 100 feet of bodies of water and wetlands within the Properties, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) alter in any manner and generally maintain the bodies of water and wetlands within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural occurrences.

11.7. Easements for Docks.

(a) Access and Utility Easements. Declarant reserves for itself, the Association, and Owners entitled to utilize joint docks designated as Limited Common Areas a non-exclusive, perpetual easement, right and privilege over and across those portions of Units designated as dock access easements in the Supplemental Declaration submitting the Property to this Declaration, or on the subdivision plat relating to such Property, for the purpose of pedestrian and golf cart access, ingress and egress over and across said easement area, and for the installation, maintenance, and repair of utilities to service said joint dock. Declarant agrees that such easement shall be for the

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benefit of, appurtenant to and run with the title to said Properties entitled to utilize joint docks and that the aforementioned easements shall not be closed or relocated without the prior written consent of the owners of said Properties.

(b) Permitting, Construction, and Maintenance. Declarant and the Association shall be solely responsible for the cost of permitting and constructing the joint docks, which shall be Limited Common Areas of the Association. The Association shall maintain said joint docks as Limited Common Areas.

(c) No Other Dock Permits. Any Owner entitled to use of a joint dock as a Limited Common Area pursuant to its ownership of a Unit shall not apply for or utilize another dock permit with respect to that Unit. This restriction shall not apply with respect to joint docks that are general Common Areas or with respect to other Units owned by said Owner that are not entitled to utilize a joint dock as a Limited Common Area.

(d) Designation of Neighborhood Docks. Declarant hereby designates as Limited Common Areas the docks, when built, shown as Neighborhood Docks Numbered 1-5, inclusive, on the Master Plan and Dock Summary attached as Exhibit "E" hereto and incorporated herein by reference (the "Neighborhood Docks"). Said Limited Common Areas for each Neighborhood Dock shall include an easement for access from the street to each Neighborhood Dock as shown on any subdivision plat for Dolphin Island. All of the Units entitled to utilize a Neighborhood Dock are hereby designated as a Neighborhood for the sole purpose of utilizing and maintaining said Neighborhood Dock.

(e) Designation of Community Docks. Declarant hereby designates as Common Areas the docks, when built, shown as Community Docks 1 and 2 on the Master Plan and Dock Summary attached as Exhibit "E" hereto and incorporated herein by reference (the "Community Docks").

Article XII Limited Common Areas

12.1. Purpose.

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Limited Common Areas may include joint docks, entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes, and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be a Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Limited Common Areas are assigned.

12.2. Designation.

Initially, any Limited Common Area shall be designated as such in this Declaration, the Supplemental Declaration submitting the property to this Declaration, in the deed conveying such area to the Association, or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Units and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area and Limited Common Area may be reassigned upon approval of the Board and the vote of Voting Members representing a majority of the total Class "A" votes in the Association, including a majority of the Class "A" votes within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent.

12.3. Use by Others.

Upon approval of a majority of the Owners of Units within the Neighborhood to which any Limited Common Area is assigned, the Association may permit Owners of Units in other Neighborhoods to use all or a portion of such Limited Common Area and may charge reasonable user fees for such use to offset the Neighborhood Expenses attributable to such Limited Common Area.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

Article XIII Dispute Resolution and Limitation on Litigation

13.1. Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (each being a "Bound Party"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Properties without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 12.2 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to

- (i) the interpretation, application, or enforcement of the Governing Documents;
- (ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of improvements within the Properties, other than matters of aesthetic judgment under Article IV, which shall not be subject to review; except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 12.2:

(a) any suit by the Association to collect assessments or other amounts due from any Owner;

(b) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);

(c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 12.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

13.2. Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

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(c) Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in Section 12.2(a) (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Liberty County area.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each party shall bear its own costs of the mediation, including attorneys' fees, and each party shall share equally all fees charged by the mediator.

Alternative Dispute Resolution Process

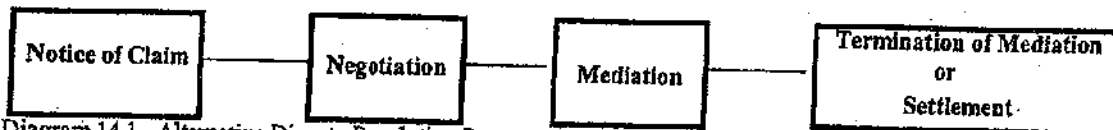


Diagram 14.1 - Alternative Dispute Resolution Process

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

13.3. Initiation of Litigation by Association

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Members entitled to cast 75% of the total Class "A" votes in the Association, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the Class "B" Control Period;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;

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- (c) initiated to challenge ad valorem taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

Article XIV Mortgage Provisions

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

14.1. Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or Occupant which is not cured within 60 days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

14.2. No Priority.

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

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14.3. 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.

14.4. 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 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.

14.5. HUD/VA Approval.

As long as there is a Class "B" membership, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the Mortgage on any Unit: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B;" dedication, conveyance, or mortgaging of Common Area; or material amendment of this Declaration or the By-Laws. The granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a conveyance within the meaning of this Section.

PART SEVEN: CHANGES IN THE COMMUNITY**Article XV Changes in Ownership of Units**

Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

Article XVI Changes in Common Area**16.1. Transfer or Dedication of Common Area.**

The Association may dedicate portions of the Common Area to Liberty County, Georgia, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Sections 14.5 and 16.2.

16.2. Actions Requiring Owner Approval.

If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs insures or guarantees the Mortgage on any Unit, then the following actions shall require the prior approval of Members representing not less than two-thirds (2/3) of the total Class "A" votes in the Association and the consent of the Class "B" Member, if such exists: merger,

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consolidation, or dissolution of the Association, annexation of additional property other than that described in Exhibit "B;" and dedication, conveyance, or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 16.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

Article XVII Amendment of Declaration

17.1. By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the first Unit to a Person other than a Builder, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

In addition, so long as Declarant owns property described in Exhibits "A" or "B" for development as part of the Properties, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon the rights of more than 2% of the Owners.

17.2. By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total Class "A" votes in the Association, including 75% of the Class "A" votes held by Members other than Declarant, and Declarant's consent, so long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Article XIII shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

17.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

17.4. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Article XVI. Exhibit "C" is incorporated by reference and may be amended in accordance with Article III or Article XVI. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration on this 28 day of April, 2005.

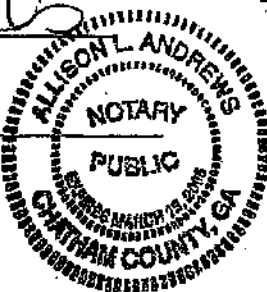
Signed, sealed and delivered
in the presence of:

[Signature]
Unofficial Witness

[Signature]
Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]



DOLPHIN ISLAND PRESERVATION,
LLC, a Georgia limited liability company

By: [Signature]
Its: Manager

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Land Initially Submitted

Lots 7-28 and Lots 53-62, Dolphin Island Subdivision

ALL THOSE certain, lots, tracts, or parcels of land situate, lying and being in the 1359th G.M. District, Liberty County, Georgia, and shown as **LOTS 7 THROUGH 28, INCLUSIVE, AND LOTS 53-62, INCLUSIVE, DOLPHIN ISLAND SUBDIVISION** on that plat entitled "Dolphin Island Subdivision, 1359th G.M. District, Liberty County, Georgia", prepared by Quillie E. Kinard, Jr., Georgia Registered Land Surveyor Number 1572, dated December 30, 2004, and recorded in Plat Section N-72, pages 2A, B, C, and D, Liberty County, Georgia records, said plat being incorporated herein and made a part hereof by this reference.

Said property is a portion of the property containing 182.00 acres, more or less, conveyed to Dolphin Island Preservation, LLC, by Warranty Deed from Spivey Logging, Inc. and David H. Fritts also known as David Fritts, dated October 2, 2003, and recorded in Deed Book 1185, page 73, Liberty County, Georgia records.

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EXHIBIT "B"

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Land Subject to Annexation

EXPANSION PROPERTY

Lots 1-6 and Lots 29-52, Dolphin Island Subdivision

ALL THOSE certain, lots, tracts, or parcels of land situate, lying and being in the 1359th G.M. District, Liberty County, Georgia, and shown as **LOTS 1 THROUGH 6, INCLUSIVE, AND LOTS 29-52, INCLUSIVE, DOLPHIN ISLAND SUBDIVISION** on that plat entitled "Dolphin Island Subdivision, 1359th G.M. District, Liberty County, Georgia", prepared by Quillie E. Kinard, Jr., Georgia Registered Land Surveyor Number 1572, dated December 30, 2004, and recorded in Plat Section N-72, pages 2A, B, C, and D, Liberty County, Georgia records, said plat being incorporated herein and made a part hereof by this reference.

Said property is a portion of the property containing 182.00 acres, more or less, conveyed to Dolphin Island Preservation, LLC, by Warranty Deed from Spivey Logging, Inc. and David H. Fritts also known as David Fritts, dated October 2, 2003, and recorded in Deed Book 1185, page 73, Liberty County, Georgia records.

Initial Restrictions and Rules

The following restrictions shall apply to all of the Properties until such time as they are amended, modified, repealed, or limited pursuant to Article III of the Declaration.

1. **General.** The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibits "A" or "B," offices for any property manager retained by the Association, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration. Each Unit shall only be used for private residential purposes for a single family. Only one building shall be erected on each Unit, except for such accessory buildings as may be approved by the Board or the architectural review committee.

2. **Restricted Activities.** The following activities are prohibited within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

2.1 **Parking.** Parking any vehicles on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages, the driveway area or required parking pads; provided, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area;

2.2 **Animals and Pets.** Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law;

2.3 **Odors and Noise.** Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

2.4 **Laws.** Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

2.5 **Hobbies.** Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

2.6 **Offensive Activities.** Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or

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nuisance to persons using the Common Area or to the occupants of other Units;

2.7 Burning. Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit;

2.8 Loud Noises. Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;

2.9 Fireworks. Use and discharge of firecrackers and other fireworks;

2.10 Dumping. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site;

2.11 Trash. Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;

2.12 Drainage Interference. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

2.13 Subdivision. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Units which it owns;

2.14 Use of Lakes. Swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams, or other bodies of water within the Properties, except that fishing from the shore shall be permitted with appropriate licenses and Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to draw water from lakes, ponds, and streams within the Properties for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams, or other bodies of water within or adjacent to the Properties;

2.15 Timeshares. Use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Units which it owns;

2.16 Firearms. Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

2.17 Fuel Storage. On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of

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lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment;

2.18 Home Occupations. Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Properties; (iii) the business activity does not involve door-to-door solicitation of residents of the Properties; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Properties which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

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: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program.

"Leasing," for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term, which is currently not less than 12 months. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within seven days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the Restrictions and Rules;

2.19 Wildlife. Capturing, trapping, or killing of wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons using the Properties;

2.20 Nature. Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Properties or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

2.21 Garage Conversions. Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Article IV;

2.22 Motorized Vehicles. Operation of motorized vehicles on pathways or trails

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maintained by the Association, except that golf carts may be operated on cart paths intended for such purposes; and

2.23 Construction. Any construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IV of the Declaration. This shall include, without limitation, signs, basketball hoops, swing sets, and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; docks, piers, and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind.

2.24 Irrigation. Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties, except that Declarant and the Association shall have the right to draw water from such sources.

2.25 Antennas. Satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that Declarant and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Properties; and (i) satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennas designed to receive television broadcast signals (i), (ii), and (iii), collectively, "Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Unit (generally being the rear yard) at which an acceptable quality signal can be received and is not visible from the street, Common Area, or neighboring property or is screened from the view of adjacent Units and the street in a manner consistent with the Community-Wide Standard and the standards, unless such screening unreasonably interferes with the use of such Permitted Device.

2.26 Signs. No signs shall be displayed upon a Unit other than: (i) a sign identifying the name of the contractor, lender or architect during the construction of a Unit; provided that said sign does not exceed five (5) square feet in area; or (ii) a professionally made sign identifying a Unit "For Sale"; provided said sign is placed only on the subject Unit, does not exceed five (5) square feet in area and is suspended on a wooden sign post, all as approved by the Board or architectural review committee. The provisions of this paragraph shall not apply to Declarant.

2.27 Mailboxes. No mailboxes or receptacles for the delivery of newspapers or mail shall be allowed on a Unit unless the mailbox or receptacle has been approved by the Board or architectural review committee.

2.28 Yard Decorations. No yard ornaments, fountains, statues, lights, artificial plants or other permanent outdoor decorations, unless approved pursuant to Article IV.

2.29 Dwelling Size. No dwelling shall be constructed upon any Unit within the Properties unless the minimum living area of such dwelling shall contain not less than 2,000 square feet for a one-story dwelling, and not less than 2,500 square feet for dwellings of more than one story.

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2.30 Building Height. No dwelling shall be erected, altered or placed upon any Unit, which dwelling is more than thirty-five (35) feet in height as measured from the lowest livable floor to the highest point of the roof line.

2.31 Setback. No dwelling shall be located on any Unit closer than 10 feet to any side Unit line, nor closer than 25 to any rear Unit line. In addition, no dwelling shall be located on any Unit which transgresses the front setback line, side setback line or rear setback line as shown on any recorded plat of the Properties.

3. Dock Facilities.

3.1 Definitions. All capitalized terms contained herein shall have the meaning defined in the Declaration except as specifically provided below.

3.1.1. "Dock" or "Docks" shall refer individually or collectively as the context requires to all Individual Docks, Neighborhood Docks and Community Docks.

3.1.2. "Individual Docks" shall mean docks constructed and utilized by a single Owner for the benefit of a single Unit. Nothing contained in the Declaration or herein shall be construed to give Owners other than the Owner of the Unit to which the dock is attached the right to utilize said Individual Dock. The Owner of each Unit entitled to construct an Individual Dock shall be solely responsible for obtaining the appropriate permits and constructing the Individual Dock at their sole cost and expense. The Owner of each Individual Dock shall be solely responsible for the maintenance and repair of each Individual Dock pursuant to the rules and regulations contained herein.

3.1.3 "Neighborhood Docks" shall mean docks designated as Limited Common Areas for the use of individual Neighborhoods consisting of more than one Unit. Nothing contained in the Declaration or herein shall be construed to give Owners other than the Owners of Units in the Neighborhood the right to utilize said Neighborhood Dock. The Declarant (or the Association after termination of the Class B Control Period) shall be solely responsible for obtaining the necessary permits and constructing each Neighborhood Dock at its sole cost and expense, at such time as it may contractually agree. The Association shall be responsible for the maintenance and repair of each Neighborhood Dock, except as provided herein. All costs of reconstruction, maintenance, and repairs to the Neighborhood Dock shall be a Neighborhood Expense, chargeable by the Association to the Owners within the Neighborhood entitled to utilize said Neighborhood Dock.

3.1.4 "Community Docks" shall mean docks designated as Common Areas for the use of all Owners. The Declarant (or the Association after termination of the Class B Control Period) shall be solely responsible for obtaining the necessary permits and constructing each Community Dock at its sole cost and expense, at such time as it may contractually agree. The Association shall be responsible for the maintenance and repair of each Community Dock, except as provided herein to the rules and regulations contained herein. All costs of

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reconstruction, maintenance, and repairs to each Community Dock shall be a Common Expense, chargeable to all Owners in the Association.

3.2 Appearance.

- 3.2.1 Owners of Individual Docks and Neighborhood Docks shall keep the Dock space neat, clean, orderly, and free from all flammable substances and shall refrain from any noxious or offensive activity on the Dock.
- 3.2.2 Owners of Individual Docks only may install and maintain a boat hoist, subject to approval of the Architectural Review Committee (the "ARC"). Boat hoists on Individual Docks shall not be covered.
- 3.2.3 No alteration or addition shall be allowed to any Neighborhood Dock. No alterations or additions to Individual Docks shall be made without the approval of the ARC. No Individual or Neighborhood Dock shall be covered.
- 3.2.4 No vessel either designed or constructed by an individual or organization not principally engaged in the business of yacht design or construction shall be berthed at the Docks without the prior written consent of the Association, which may require the submission of plans and photographs to assist in the determination of the vessel's compatibility with the aesthetic standards of Dolphin Island.
- 3.2.5 All vessels must be maintained in a seaworthy condition at all times.
- 3.2.6 No unpainted, exposed plywood or building paper surfaces will be permitted on any vessel.
- 3.2.7 No vessel with areas of peeled or peeling exterior paint or exposed rust exceeding a total of two (2) square feet and revealing a different color from the outermost layer of paint will be permitted.
- 3.2.8 Only marine-grade windows will be permitted in vessels berthed the Docks.
- 3.2.9 Neither wood nor asphalt roofing shingles nor clapboard shingle siding may be located on exposed areas of a vessel berthed at the Docks. All exposed materials shall be marine-grade and in ordinary use aboard sea-going vessels.
- 3.2.10 Vessels damaged through collision, storm, fire or other accident shall be removed within ten (10) days after the occurrence of such damage.
- 3.2.11 Engines and other pieces of vessel machinery weighing more than 100 pounds or exceeding two (2) cubic feet shall not be removed from their normal location on the vessels and moved onto the deck of a vessel for periods exceeding one (1) week.

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3.2.12 Except for localized touch-up work, sanding and painting of vessels are not permitted.

3.2.13 All passageways on Community Docks shall be maintained in a manner permitting free and unobstructed passage, of persons or authorized carts.

3.2.14 All dinghies will be stored on boats and no dinghies may be stored on the Docks or finger piers at any time.

3.2.15 The use of Docks to perform maintenance activities or for storage of any article overnight is prohibited.

3.2.16 The drying of laundry in exposed locations of a boat is prohibited.

3.2.17 No vehicles are to be driven on the Neighborhood Docks or Community Docks.

3.2.18 No vessel occupying a Neighborhood Dock or Community Dock may discharge overboard any sewage (whether treated or not), petroleum-based products or bilge water containing petroleum-based products. The Association and its agent may inspect boats to determine their compliance with such laws and regulations. In the event that a boat causes water pollution, the Association may arrange for the clean-up of such pollution at the Owner's expense and without prior consultation with the Owner, but the Association shall have no responsibility to do so.

3.2.19 All engines and boats shall be maintained in sufficiently good operating condition to maintain discharge of smoke at minimal levels.

3.3. Safety

3.3.1 All Owners of boats docked shall carry comprehensive and public liability insurance in reasonable amounts acceptable to the Association, and such Owner further agrees that such policy or policies will provide that in the event of a claim or loss to the insured, the insurer will waive any subrogation rights it may have or claim against the Association or the Declarant.

3.3.2 The Association reserves the right to refuse Neighborhood Dock space or Community Dock space to any vessel deemed by it or its agent to be in an unsafe condition. Failure to maintain a vessel in acceptable condition will, after ten (10) days' written notice, be cause for removal of the boat at the Owner's expense and time the boat is berthed at a Dock, and such removal shall not be deemed a trespass or a violation of the Owner's property rights. The Association shall have no obligation to remove any such boat.

3.3.3 Barges and other vessels lacking their own mode of power are specifically excluded from berthing without the prior written consent of the Association.

3.3.4 In the event that a boat shall sink while berthed in a slip, offshore mooring or

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dockside while otherwise occupying the waters and its approach channels, it shall be the sole responsibility of the Owner to raise and remove said boat. If said salvage is not begun within twenty-four (24) hours from the date notice of said sinking shall have been provided to the Owner or his agent, the Association or its agents may undertake same, but have no responsibility to do so. All costs, including attorneys' fees, will be at the Owner's sole expense.

- 3.3.5 The Owner is responsible for the proper securing of his boat at the Dock and will be held responsible for damage to Docks or any other vessel due to negligence or the use of deteriorated lines, or any other cause whatsoever.
- 3.3.6 No charcoal grills or open flame devices will be allowed on the Neighborhood Docks or Community Docks.
- 3.3.7 Fresh water on Neighborhood Docks and Community Docks may be turned off from November 1 to April 1 if, in the discretion of the Association, it appears necessary to avoid damage from frost.

3.4 Nuisance or Distracting Activities

- 3.4.1 Owners shall be held responsible for their children and guests and for their own actions while on the Docks, boats or elsewhere. Unruly guests may be asked to leave.
- 3.4.2 No welding will be permitted on vessels berthed at a Dock. The use of power tools shall be limited to the hours of 9:00 A.M. to 6:00 P.M. No motorized tool developing more than one-half brake horsepower may be used above Docks on vessels berthed at Docks.
- 3.4.3 Any and all repairmen, outside contractors or others working on the Owner's behalf shall be governed by all applicable provisions of these Regulations and Rules and the Declaration. The Owner shall be responsible for the failure of its agents to comply with these Regulations and Rules.
- 3.4.4 The operation of auxiliary generators is prohibited between the hours of 9:00 P.M. and 8:00 A.M.
- 3.4.5 Main boat engines shall be promptly shut down when a vessel is secured to the Dock. Engines shall not be operated for more than fifteen (15) minutes prior to departing from the Dock. While berthed at the Dock, engines may be operated between 9:00 A.M. and 6:00 P.M. for maintenance purposes for periods not to exceed one (1) hour daily.
- 3.4.6 The playing of music, television or other sound-generating equipment shall be limited to normal conversational levels on all Docks.
- 3.4.7 All lights used aboard vessels and visible outside the vessel shall be of moderate intensity and shall be focused in such a fashion as to prevent appreciable glare. The use of spotlights is prohibited except for periods not to exceed five (5) minutes while berthing at night. No spotlight shall be directed into another vessel or at buildings on shore.

3.5 Commercial Activity

- 3.5.1 No vessel shall be used primarily for commercial purposes without the prior authorization of the Association, which may be granted or denied on a case-by-case basis in its sole and absolute discretion. As used herein, "primarily for commercial purposes" shall include, but shall in no way be limited to, the use of such vessels as transportation for sightseeing groups, charter fishing, boat rentals, rental living accommodations (whether overnight or extended term) and as office space.

3.6 Docking Limitations

- 3.6.1 No boats or vessels in excess of twenty-five (25') feet in total length may be docked at any Neighborhood Dock or Community Dock without the written consent of the Association, in its sole discretion. Such consent may be conditioned on safety issues, the capacity of any Dock, Dock space availability, and time restrictions.
- 3.6.2 Dock space on Community Docks shall be available to Owners and their guests for a continuous period not to exceed two (2) nights, or for more than ten (10) days per calendar month.
- 3.6.3 Dock space on Neighborhood Docks shall be available to Owners and their guests for not more than ten (10) days per calendar month.
- 3.6.4 Dock space on Neighborhood Docks and Community Docks shall be available on a first come, first served basis, with no guarantee of available space.
- 3.6.5 The Association may, in its sole discretion, reserve Dock space for parties or groups.
- 3.6.6 The Association may, in its sole discretion, reserve loading and unloading zones on Neighborhood Docks and Community Docks, in its sole discretion.
- 3.6.7 No parties or group gatherings consisting of more than ten (10) persons shall be allowed on a Community Dock without the prior written consent of the Association, in its sole discretion. Said consent may be conditioned on availability, time limitations, size of group, the provision of liability insurance, or other conditions.
- 3.6.8 No party or group gatherings consisting of more than ten (10) persons shall be allowed on a Neighborhood Dock without the prior written consent of either, a majority of the Owners entitled to utilize the Neighborhood Dock or the prior written consent of the Association, in its sole discretion. Said consent may be conditioned on availability, time limitations, size of group, the provision of liability insurance, or other conditions.

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Exhibit "D"

**BY-LAWS
OF
DOLPHIN ISLAND HOMEOWNERS ASSOCIATION, INC.**

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**DOLPHIN ISLAND
HOMEOWNERS ASSOCIATION, INC.**

Article I

Name, Principal Office, and Definitions

1.1. Name.

The name of the corporation is Dolphin Island Homeowners Association, Inc. (the "Association").

1.2. Principal Office.

The principal office of the Association shall be located in Chatham County, 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.

1.3. 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 that certain Recorded Declaration of Covenants, Conditions, and Restrictions for Dolphin Island as it may be amended (the "Declaration"), unless the context indicates otherwise.

Article II

Membership: Meetings, Quorum, Voting, Proxies

2.1. Membership.

The Association shall have two classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are incorporated by this reference.

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 the Board may designate.

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2.3. Annual Meetings.

The first meeting of the Association, whether a regular or special meeting, shall be held within one year after the date of incorporation of the Association. Meetings shall be of the Members unless otherwise required by Georgia law or specified by the Board. Subsequent regular annual meetings shall be set by the Board so as to occur during the third quarter of the Association's fiscal year 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 10% of the total Class "A" votes of the Association.

2.5. Notice of Meetings.

Written or printed notice stating the place, day, and hour 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 10 nor more than 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 shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, 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 waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member 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.

If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a date not less than 5 nor more than 30 days from the date the original meeting was called. 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

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meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

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.

On any matter as to which a Member is entitled personally to cast the vote for his or her Lot, such vote may be cast in person or by proxy, subject to the limitations of Georgia law relating to the use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws.

Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the 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: (a) conveyance of any Lot for which it was given, (b) receipt by the Secretary of a written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or (c) 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

2.11. Quorum.

Except as otherwise provided in these By-Laws or in the Declaration, the presence of Members representing a majority of the total Class "A" votes in the Association shall constitute a quorum at all Association meetings.

2.12. 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.

2.13. Action Without a Meeting.

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by the Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated, and delivered to the Association. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Article III

Board of Directors: Selection, Meetings, Powers

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 vote. Except with respect to directors appointed by the Class "B" Member, directors shall be Members or residents; provided, however, no Owner and resident representing the same Lot may serve on the Board at the same time. A "resident" shall be any natural person 18 years of age or older whose principal residence is a Lot within the Properties. If a Member is not a natural person, any officer, director, partner, 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 such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2. Number of Directors.

The Board shall consist of one to seven directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of one director as identified in the Articles of Incorporation.

3.3. Directors During Class "B" Control Period.

Directors appointed by the Class "B" Member pursuant to Section 3.5 of these By-Laws shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member.

3.4. Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by Class "A" votes. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost-effective manner. Nominations also may be permitted from the floor.

Except with respect to directors selected by the Class "B" Member, nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairperson, who shall be a member of the Board, and three or more Members. Members of the Nominating Committee shall be appointed by the Board not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall, in its discretion, determine. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and Members and to solicit votes.

(b) Election Procedures. Each Member may cast all votes assigned to the Lots which it represents for each position to be filled from the slate of candidates on which such Member is entitled to vote. 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.

3.5. Election and Term of Office.

Except as these By-Laws may otherwise specifically provide, election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

(a) Within 30 days after the time that Class "A" Members other than Builders own 50% of the Lots permitted by the Master Plan for the property described in Exhibits "A" and "B" of the Declaration, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. The President shall call for an election by which the Members shall be entitled to

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elect two of the five directors. The remaining three directors shall be appointees of the Class "B" Member. Directors elected by the Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within 90 days after termination of the Class "B" Control Period, the President shall call for an election by which the Members shall be entitled to elect three of the five directors. The remaining two directors shall be appointees of the Class "B" Member. Directors elected by the Members shall not be subject to removal by the Class "B" Member and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting is scheduled to occur within 90 days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) Not later than the first annual meeting after the termination of the Class "B" Control Period, the Board shall be increased to seven directors and an election shall be held. Six directors shall be elected by the Members. Three directors shall serve a term of two years and three directors shall serve a term of one year, as such directors determine among themselves.

Until termination of the Class "B" membership, the Class "B" Member shall be entitled to appoint one director. Upon termination of the Class "B" membership, the director elected by the Class "B" Member shall resign and the remaining directors shall be entitled to appoint a director to serve until the next annual meeting, at which time the Members shall be entitled to elect a director to fill such position. Such director shall be elected for a term of two years.

Upon expiration of the term of office of each director elected by the Members, Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years. Directors elected by the Members shall hold office until their respective successors have been elected. Each director's term of office shall be limited to three consecutive terms.

Diagram 3.5 illustrates the concept of transition of control of the Board of Directors.

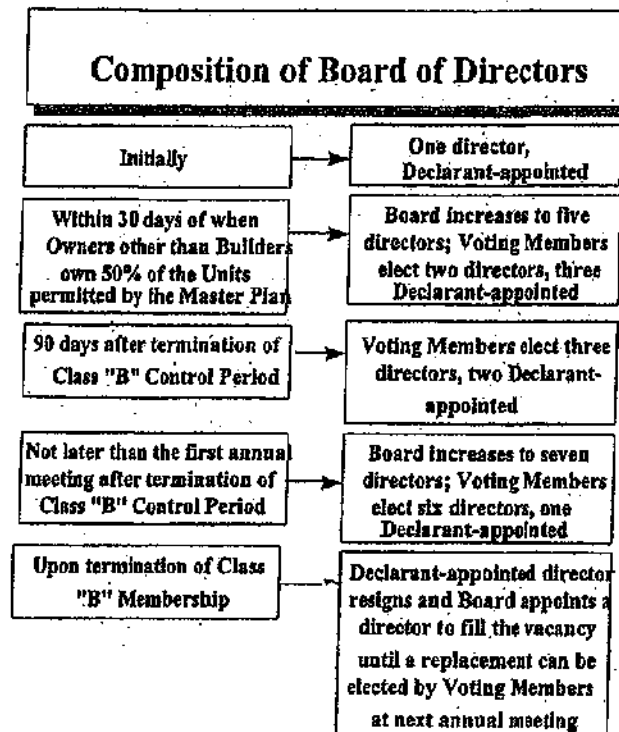


Diagram 3.5 - Composition of Board of Directors

3.6. Director Training.

All directors shall complete, prior to commencing service on the Board and on an ongoing basis thereafter, such training requirements as the Board may establish.

3.7. Removal of Directors and Vacancies.

Any director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. 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.

Any director elected by the Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or is the representative of a Member who is so 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 for the remainder of the term.

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

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as Declarant's representative. The Class "B" Member or 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 or elected as a representative of the Class "B" Member or Declarant.

B. Meetings.

3.8. Organizational Meetings.

The first meeting of the Board following each annual meeting of the Members shall be held within 10 days thereafter at such time and place as the Board shall fix.

3.9. 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 four such meetings shall be held during each fiscal year with at least one per quarter.

3.10. Special Meetings.

Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two directors.

3.11. Notice; Waiver of Notice.

(a) Notices of Board meetings 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. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, computer, fiberoptics, or other electronic communication device, with confirmation of transmission.

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All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown in the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five business days before the date set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b) Transactions of any Board meeting, 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 (i) a quorum is present, and (ii) either before or after the meeting each director 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.

3.12. Quorum of Board.

At all Board meetings, 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 Board meeting cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a date not less than 5 nor more than 30 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. 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.

3.14. Open Meetings; Executive Session.

(a) Except in an emergency, notice of Board meetings shall be posted at least 48 hours in advance of the meeting at a conspicuous place within the Properties which the Board establishes for the posting of notices relating to the Association. Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment. Subject to the provisions of subsection (b), all Board meetings shall be open to all Members and, if required by law, all Owners; but attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.15. 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 consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers.

The Board 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 Governing Documents, and as provided by law. The Board may do or cause to be done on behalf of the Association all acts and things except those which the Governing Documents or Georgia law require to be done and exercised exclusively by the Members or the membership generally.

3.17. Duties.

Duties of the Board shall include, without limitation:

(a) preparing (or contracting for or delegating the preparation of) and adopting, in accordance with the Declaration, an annual budget and establishing each Owner's share of the Common Expenses;

(b) levying and collecting such assessments from the Owners;

(c) preparing such budgets and keeping such records as may be required by any Recorded Covenant to Share Costs;

(d) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility consistent with the Community-Wide Standard;

(e) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for 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;

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- (f) 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 funds may be deposited, in the Board's business judgment, in depositories other than banks;
- (g) making and amending use restrictions and rules in accordance with the Declaration;
- (h) opening bank accounts on behalf of the Association and designating the signatories required;
- (i) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;
- (j) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;
- (k) 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;
- (l) paying the cost of all services rendered on behalf of the Association;
- (m) keeping books with detailed accounts of the Association's receipts and expenditures;
- (n) making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;
- (o) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;
- (p) indemnifying a director, officer, or committee member, or former director, officer, or committee member of the Association to the extent such indemnity is required by Georgia law, the Articles of Incorporation, or the Declaration; and
- (q) performing the responsibilities of the Association pursuant to any Recorded Covenant to Share Costs.

3.18. Compensation.

Directors shall not receive any compensation from the Association for acting as such. 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, excluding the interested director.

3.19. Right of Class "B" Member to Disapprove Actions.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of Declarant or Builders under the Declaration or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) Notice. The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to Board meetings with Sections 3.9, 3.10, and 3.11, and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting; and

(b) Opportunity to be Heard. The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Association. The Class "B" Member

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shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.20. Management.

The Board may employ for the Association 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 may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. Declarant or its affiliate may be employed as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "B" Control Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Class "B" Control Period upon not more than 90 days' written notice.

3.21. Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual 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; and
- (f) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines,

by an independent public accountant; provided, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Lot, the Association shall provide an audited financial statement.

3.22. Borrowing.

The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval in the same manner as provided in Section 8.3 of the Declaration for Special Assessments 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 12-month period, exceeds or would exceed 10% of the Association's budgeted gross expenses for that fiscal year.

3.23. Right To Contract.

The Association 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 Properties. Any common management agreement shall require the consent of a majority of the Board.

3.24. Enforcement.

The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) Notice. The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board or the Covenants Committee, if one has been appointed pursuant to Article V; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 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.

(b) Hearing. If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Covenants Committee, or if none has been appointed, then 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 agent who

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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.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To exercise this right, a written notice of appeal must be received by the Association's manager, President, or Secretary within 10 days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the dispute resolution procedures set forth in Article XIII of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed as trespass.

3.25. Rules of Conduct.

The Board may require each director, as a condition of service, to sign and comply with a written set of ethical guidelines which govern the actions of the Board members and officers.

3.26. Board Standards.

While conducting the Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a director from personal liability so long as the party claiming liability does not prove that the director failed to: (a) serve in a manner the director believes to be in the best interests of the Association and the Members; (b) serve in good faith; or (c) act with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

Operational standards of the Board and any committee appointed by the Board shall be the requirements set forth in the Governing Documents or the minimum standards which Declarant, the Board, and the Architectural Review Committee may establish. Such standard shall, in all cases, meet or exceed the standards set by Declarant and the Board during the Class "B" membership. Operational standards may evolve as the needs and demands of the Properties change.

3.27. Annual Performance Review.

The Board shall have the authority to poll the membership annually in order to obtain the Owners' and/or residents' evaluation and feedback regarding the Board's administration of the Association's affairs and the performance of its duties and responsibilities during the prior year. The Board may create and deliver (or contract for the creation and delivery of) questionnaires, surveys, opinion polls, or any other devices designed to elicit feedback and comment, to the Owners and residents within the Properties via first class mail, fax, electronic mail, web sites, intranet, telephone, video, or any other medium which the Board, in its discretion, selects after evaluating the cost, time efficiency, ease of use, accessibility, and likelihood of response. The Board may utilize the results of such review and feedback to increase its responsiveness to the desires of the Owners and residents in its future decision-making and in its administration and operation of the Association.

Article IV
Officers

4.1. Officers.

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among Board members; other officers may, but need not be Board members. The Board may appoint such other officers, including 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, except the offices of President and Secretary.

4.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting 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 whenever in its judgment the best interests of the Association will be served, 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 Association's officers 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. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for 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.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, 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, 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 Section 3.19.

Article V
Committees

5.1. General.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods (subject to Section 5.4) as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee.

In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these By-Laws.

5.3. Term of Service.

In order to maximize the participation of all Owners and residents within the Properties, service on all committees shall rotate on a regular, two-year basis.

5.4. Limitation on Powers.

The Board shall have the right to disapprove or veto any committee decision or action. Notwithstanding any provision to the contrary, committees shall not have the authority to contractually bind the Association or to commit the Association financially.

Article VI**Miscellaneous**6.1. Fiscal Year.

The Association's fiscal year 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* (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law or the Governing Documents.

6.3. Conflicts.

If there are conflicts among 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. 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 Lot, any Member, 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 Lot: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish 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 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 Association's expense.

6.5. Notices.

Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, or 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 or Member, at the address which the Member or Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member;
- (b) if to the Association, the Board, 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; or
- (c) if to any committee, at the principal address of the Association or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Class "B" Member. Prior to the conveyance of the first Lot by Declarant to a Person other than a Builder, the Class "B" Member may unilaterally amend these By-Laws. Thereafter, the Class "B" Member may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. So long as the Class "B" membership exists, the Class "B" Member may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon the rights of greater than two percent of the Members, and such amendments shall be subject to disapproval by the U.S. Department of Housing and Urban Development and/or the U.S. Department of Veterans Affairs if either such agency is insuring or guaranteeing residential loans within the Properties.

(b) By Members Generally. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 51% of the total Class "A" votes in the Association, and the consent of the Class "B" Member, if such exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon Recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its Recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant, the Class "B" Member, or the assignee of such right or privilege.

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CERTIFICATION

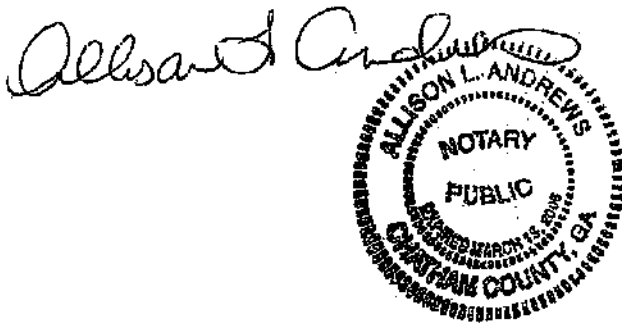
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I, the undersigned, do hereby certify:

That I am the duly elected and acting President of DOLPHIN ISLAND HOMEOWNERS ASSOCIATION, INC., a Georgia 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 thereof held on the 15 day of January, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 28 day of April, 2005.



Steve L. L... [SEAL]
President

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EXHIBIT "E"

Master Plan and Dock Summary

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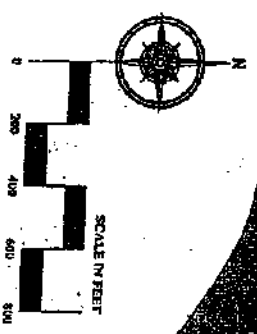
Dock Summary	
DOCK	Lot #'s on Dock
Community Dock	All
Community Fishing Pier	All
Shared Dock #1	23,24,25,26
Shared Dock #2	33,34,35,36
Shared Dock #3	37,38
Shared Dock #4	50,51,52,53,54,55,56,57
Shared Dock #5	61,62
Individual Private Docks(15 Total)	22,27,28,29,30,31,32,45,46,47, 48,49,58,59,60
SUMMARY	
2 Community Docks	
5 Shared Docks	
15 Individual Private Docks	
22 Total Docks	

GILBERT

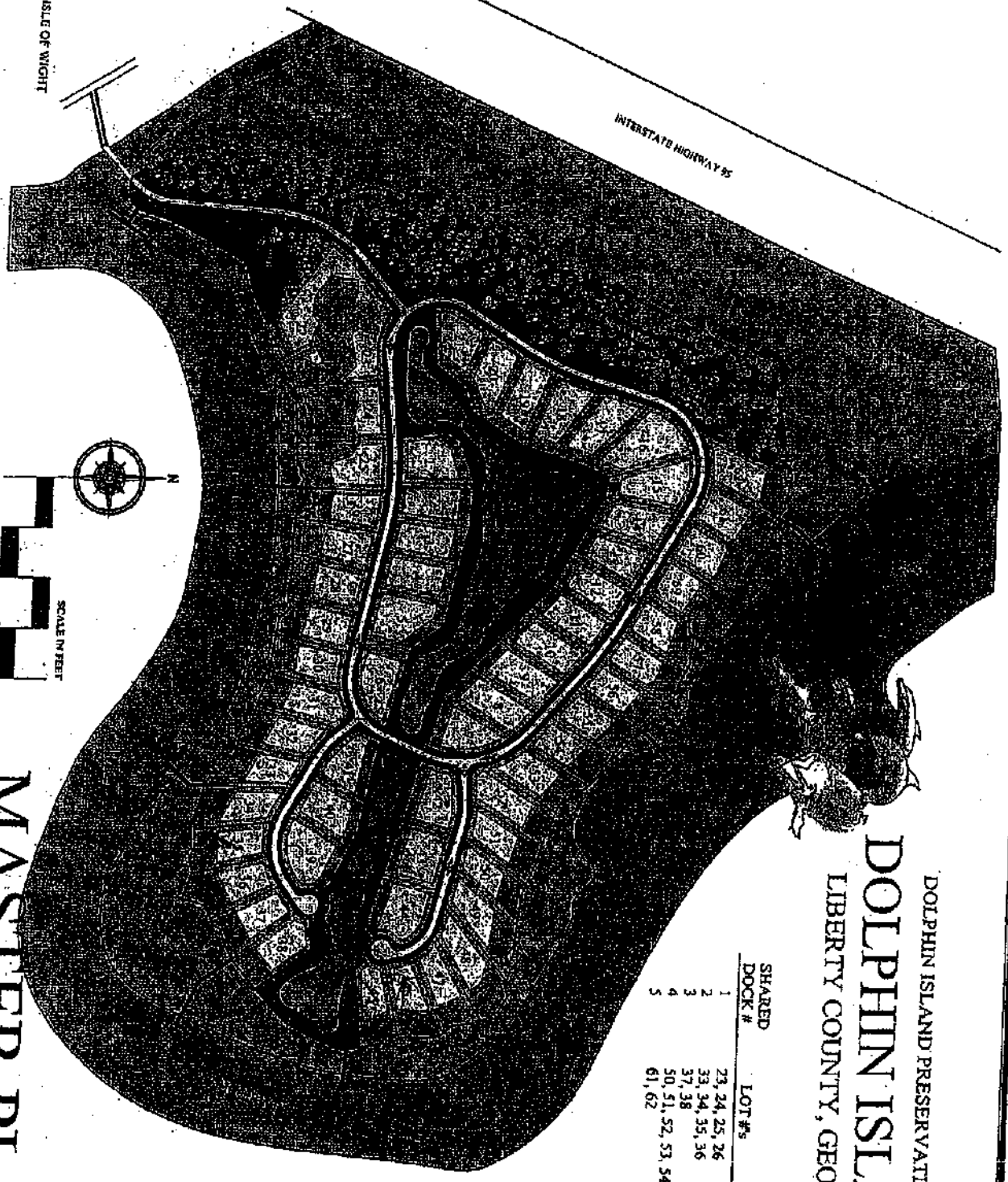
Survey
Division

ISLE OF WIGHT

INTERSTATE HIGHWAY 95



MASTER PLAN



DOLPHIN ISLAND PRESERVATION, LLC
LIBERTY COUNTY, GEORGIA

SHARED DOCK #	LOT #s
1	23, 24, 25, 26
2	33, 34, 35, 36
3	37, 38
4	50, 51, 52, 53, 54, 55, 56, 57
5	61, 62

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Dock Summary	
DOCK	Lot #'s on Dock
Community Dock	All
Community Fishing Pier	All
Shared Dock #1	23,24,25,26
Shared Dock #2	33,34,35,36
Shared Dock #3	37,38
Shared Dock #4	50,51,52,53,54,55,56,57
Shared Dock #5	61,62
Individual Private Docks(15 Total)	22,27,28,29,30,31,32,45,46,47, 48,49,58,59,60
SUMMARY	
2 Community Docks	
5 Shared Docks	
15 Individual Private Docks	
22 Total Docks	

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Return This Document To:
ALEX JAMES MOORE
ATTORNEY AT LAW, LLC
660 Commercial Court, Suite C
Savannah, GA 31406-3650

CROSS REFERENCE 1308/337

**AMENDMENT TO DECLARATION OF CONDOMINIUM FOR
DOLPHIN ISLAND**

**STATE OF GEORGIA)
COUNTY OF CHATHAM)**

Dolphin Island Preservation, LLC, Declarant of the Declaration of Covenants, Conditions and Restrictions for Dolphin Island dated April 28, 2005 and recorded May 14, 2005 in Deed Record Book 1308, Page 337 of the records of the Clerk of the Superior Court of Liberty County, Georgia hereby amends said Declaration in accordance with Article XVII thereof as to the following addition to the Declaration:

PART FOUR: COMMUNITY DEVELOPMENT

Article XI Water, Wastewater and Septic Systems

At the closing of the sale of each and every lot in said Subdivision, all property owners are required to pay an initial "impact fee" to connect to the water system. At the time of connection to said water system, the property owner shall apply for service with W&D Utilities and pay a water meter installation fee. W&D Utilities will then cause a meter to be installed on the lot. The property owners will pay subsequent monthly water fees for water usage as billed. All of the stated fees will be paid to the owners of the water system.

A property owner cannot drill a well on the subject property for any purpose other than irrigation and only on lots in excess of two acres. The property owner is bound to the community water system. The property owner is further responsible for paying the base water fees as billed, including any additional charges per water use and consumption, if more.

Additionally, the subdivision does have a septic system/wastewater treatment system. Therefore, at the closing of a sale of each and every lot in said subdivision, all property owners are required to pay an initial "impact fee" to connect to the wastewater treatment system. The property owners will pay subsequent monthly sewer fees for treatment as billed. All of the stated fees will be paid to the owners of the water & wastewater treatment facilities. The following information is applicable:

ORIGINAL DOCUMENT

1. Each individual lot owner will be responsible for installing a 1,000 gallon septic tank equipped with baffle, effluent filter, and manway opening, as approved by the developers.
2. The individual homeowner will be responsible for providing sludge removal of the septic tank on an as-needed basis, and at the homeowner's sole expense. Should the homeowner fail to provide sludge removal, then the homeowner's association may provide that removal, after notice to the homeowner, and shall place a special assessment against said homeowner which special assessment if not paid will be recorded as a lien against the lot. All sludge will be transported to and disposed of in an existing wastewater treatment facility or permitted landfill.
3. The individual homeowner will be responsible for providing installation, operation and maintenance of a small wastewater pump station at their septic tank. The wastewater pump will be in accordance with the engineering drawings provided by the engineer who developed the entire septic system.
4. The individual homeowner will be responsible for providing, installing and maintaining a 1 1/4" PVC force main from his septic tank extended to the collection PVC force main within the street right-of-way.
5. W&W Investments, Inc. will maintain the collection force main and system as it runs within the street right-of-way, and will maintain the sewer pump station and drainfield system. Each lot serviced by the "community septic system" shall pay a monthly fee to W&W Investments, Inc., which amount may include costs of repair of the components which comprise the "community septic system".
6. Lot owners will be billed \$10.00 per month "utility availability fee" once the facilities are completed and permitted. The minimal fee will be used to run and maintain the facilities in compliance with the State's requirement. The fee will be billed monthly until such time as the lot owner applies for permanent service. Upon full utility service, the "utility availability fee" will cease and other fees will begin as stipulated above.

All other articles, items, terms and conditions of the Declaration of Covenants, Conditions and Restrictions for Dolphin Island are to remain the same.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment to the said Declaration on this the 8th day of December, 2005.

Signed, sealed and delivered
In the presence of:

J. Davis
Unofficial Witness

DOLPHIN ISLAND PRESERVATION, LLC,
a Georgia Limited Liability Company

BY: RA M. Jale
It's: Manager

Amanda Thompson
Notary Public

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Prepared by and after recording return to:
Robert B. Brannen, Jr.
Inglesby, Palligant, Home,
Courington & Chisholm, P.C.
P.O. Box 1368
17 West McDonough Street
Savannah, Georgia 31401

Cross Reference: Deed Book 1309, page 337,
Chatham County, Georgia records.

FIRST AMENDMENT
TO
DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DOLPHIN ISLAND

THIS AMENDMENT is made as of the *16th* day of *November*, 2006 by DOLPHIN
ISLAND PRESERVATION, LLC, a Georgia limited liability company ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the Declarant under that Declaration of Covenants, Conditions, and
Restrictions for Dolphin Island, dated April 28, 2005, and recorded in Deed Book 1309, page 337,
Liberty County, Georgia records, together with all amendments, modifications, supplements, and
restatements thereof (hereinafter collectively referred as the "Declaration").

WHEREAS, Section 17.1 of the Declaration provides that "Declarant may unilaterally amend
the Declaration if such amendment is necessary (a) to bring any provision into compliance with any
applicable governmental statute, rule, regulation, or judicial determination; ... or (iv) to satisfy the
requirements of any local, state, or federal governmental agency.";

WHEREAS, the Environmental Protection Division of the Georgia Department of Natural
Resources has required the amendments to the covenants contained herein in connection with the
approval of the operations and maintenance manual for the on-site wastewater treatment plant.

~~DECLARATION~~ ~~DECLARATION~~

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NOW, THEREFORE, Declarant hereby declares that the Property, together with any additions made thereto shall be held, transferred, sold, conveyed, and occupied subject to the following:

1. The following Section 3.5 is added to the Declaration:

Section 3.5. Limitations on Planting Adjacent to Road Frontage.

No shrubs, trees or any other plants with deep root systems shall be planted within the first twenty (20') feet from the back of the curb of any road adjacent to said Unit.

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be duly executed by its authorized officers as of the day and year first written above.

Signed, sealed and delivered
in the presence of:

DOLPHIN ISLAND PRESERVATION,
LLC, a Georgia limited liability company

Kelly G. Walz
Unofficial Witness

By: [Signature]
Its: [Signature]

[Signature]
Notary Public

My Commission Expires
[NOV 17 2006]
PUBLIC
LIBERTY COUNTY GA

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December 27, 2007

Rob Sales
Dolphin Island Preservation, LLC
Post Office Box 745
Midway, Georgia 31320

NOTICE OF VIOLATION: Coastal Marshlands Protection Act, Unauthorized Placement of a Drainage Pipe in Tidally Influenced Waters of the State of Georgia, Dolphin Island Preservation, LLC, Jerico River, Near Midway, Liberty County, Georgia

Dear Mr. Sales:

Staff conducted a site visit of your facility on October 31, 2007, in response to a report of a drainage pipe being found in the marsh that originated from Dolphin Island near the retention pond. Our visit revealed that there was indeed a corrugated standpipe in the retention pond and that there was an exchange of tidal waters into the pond from the river. After reviewing site plans with county officials it was discovered that there had been approximately 150' of pipe placed in the marsh extending from the pond into the Jerico River prior to Coastal Marshlands Protection Committee Permit #487 being approved and without prior authorization from the said committee.

The Coastal Marshlands Protection Act, as amended, O.C.G.A. §12-5-286 provides, "no person shall remove, fill, dredge, drain, or otherwise alter any marshlands or construct or locate any structure on or over marshlands in this state within the estuarine area thereof without first obtaining a permit from the Committee."

Staff's site visit revealed the following issues and/or violations:

- a. The presence of a concrete covered standpipe. See the attached photo demonstrating the incoming tide erupting from the pipe.
- b. That a pipe had been placed within the tidally influenced estuarine area of the state of Georgia.

The enforcement methods available to the Department are listed at O.C.G.A. §12-5-291 and include civil penalties. Additional civil penalties not to exceed \$10,000.00 for each day during which such violation continues can be levied. The above violations could result in complete removal of the unauthorized drainage pipe, restoration of the affected marshlands, full payment of previously assigned fines, and additional fines assessed for this unauthorized activity.

Dolphin Island Preservation, LLC

Page Two

The Department will discuss with you in person the violations related to this situation. We have scheduled a conference January 14, 2008 at 10:00AM at Dolphin Island vicinity the dock located at Lot 38. Please ensure that the contractor that constructed your facilities accompany you to this enforcement conference. Your attorney, agent, or others whom you desire to accompany you may also attend the enforcement conference.

Please call Mr. Josh Noble, Compliance and Enforcement Coordinator or myself at (912) 264-7218 if you have any questions.

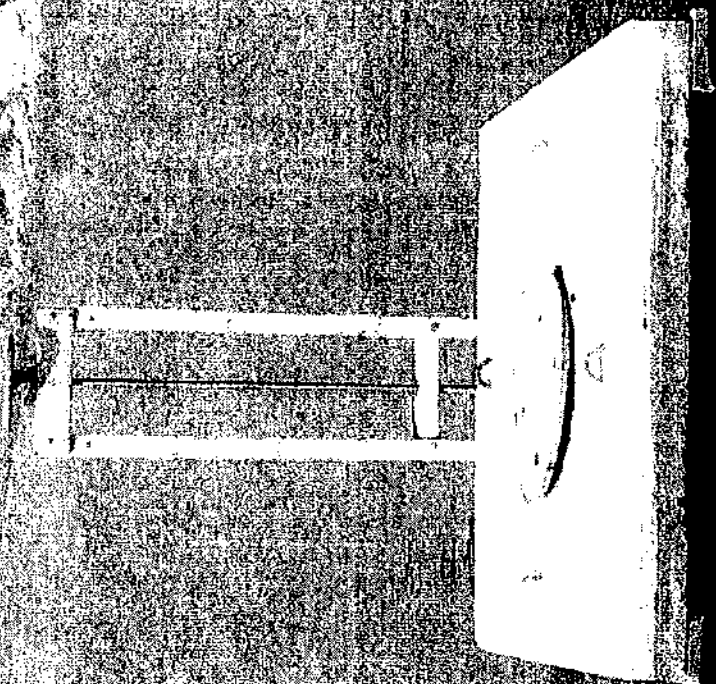
Sincerely,


Charles "Buck" Bennett
Compliance & Enforcement Manager

cc: Susan Shipman, Director
Ann Thran, Permit Coordinator
Richard Morgan, US Army Corps of Engineers

Attachment
Site Photo

10/31/2007





October 1, 2007

Robert M. Sales
Stephen L. Watson
Dolphin Island Preservation, LLC
7505 Waters Avenue, Suite D-6
Savannah, Georgia 31406

RECEIPT OF PAYMENT: Payment of Fine Associated with a Violation of the Coastal Marshlands Protection Act, Dolphin Island Preservation, LLC, Coastal Marshlands Protection Committee, Permit #487, Coastal Marshlands Protection Act Consent Order 2007-004, Liberty County, Georgia

Dear Gentlemen:

Your check for the amount of \$3,500.00 for payment of a fine has been received and will be processed. Please find attached a copy of your check #6563, dated September 24, 2007 and a copy of the completed consent order. This action resolves the violations associated with CMPC Permit 487.

Please contact me at (912) 262-3132 or via email at buck_bennett@dnr.state.ga.us if you have any questions.

Sincerely,

Charles "Buck" Bennett
Compliance & Enforcement Manager

Attachment

Copy of Check #6562

Copy of CMPA Consent Order 2007-004

STATE OF GEORGIA
GLYNN COUNTY

In the Georgia Department of Natural Resources
Coastal Resources Division

In re: Dolphin Island Preservation, LLC,
CMPC Permittee #487: Respondent.

)
)
)
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Consent Order No.
CMPA 2007- 004

Consent Order

The Commissioner's principle address is Suite 1252, East Tower, 2 Martin Luther King, Jr. Dr., S.E., Atlanta, Georgia 30334-9000. For the purposes of this Consent Order his mailing address is: Georgia Department of Natural Resources, Coastal Resources Division, One Conservation Way, Brunswick, Georgia 31520-8687.

The Respondent's mailing address for the purposes of this Consent Order is: Attn: Robert M. Sales & Stephen L. Watson 22 East Liberty Street Savannah, Georgia 31410

Respondent's Agent/Contractor who is viewed as a nominal party in that he has and is capable of performing similar professional services involving future structures licensed and permitted by the Department, who for notification purposes only is listed herein is: Johnson Marine Construction Company, Inc., whose address for the purpose of this Consent Order is William J. Johnson, III 607 East 54th Street, Savannah, Georgia 31405

WHEREAS, the Department is statutorily vested with the authority to enforce Georgia's Coastal Marshlands Protection Act of 1970, as amended at O.C.G.A. §12-5-280 et seq. which provides in part, "No person shall remove, fill, dredge, drain or otherwise alter any marshlands or construct or locate any structure on or over marshlands in this state within the estuarine area thereof without first obtaining a permit from the committee or, in the case of minor alteration of marshlands, the commissioner." The Commissioner is the delegee of the Governor's general supervision and authority over tidelands within the scope of O.C.G.A. §50-16-61 and the precedent of Dorroh v. McCarthy: 265 Ga. 750, 462 SE 2d 208.

WHEREAS, the Department conducted routine compliance inspections on January 18 & 19, 2007. Three (3) structures that were authorized by Coastal Marshlands Protection Committee Permit #487 were found to be non-compliant in that they were not consistent or built in accordance with the approved dimensions, location, or otherwise built as shown in the plans and depictions approved by the Committee under the authorization of Permit #487. The resulting structures were built in contravention of Permit #487 Standard Conditions numbered three (3), four (4) and five (5) regarding prior notification and approval by the Department of any proposed changes in the plans,

Received

OCT 01 2007

GA DNR/HMP

further encroachment onto state owned tidal water-bottoms, and the location of the walkways and docks. The completion of the structures contrary to the approve plans resulted in additional impacts to the marshland in the amount of 1,892 square feet. Unauthorized modifications to the permitted plans for docks situate along the Jerico River at Lots 33 & 34, 45, and 61 & 62 that adjoins parcels of affected estuary that is generally described as tidelands and water-bottoms appurtenant to and adjoining all those certain lots, tracts and parcels of land situate, lying and being located in the 1359th G.M. District, Liberty County, Georgia, that adjoins Lots 33, 34, 45, 61, and 62 within the Dolphin Island Subdivision as shown in the Master Plan of Dolphin Island prepared for Dolphin Island Preservation that is recorded in the Office of the Clerk of the Superior Court of Liberty County, Georgia at Book 1309, Page 421.

WHEREAS, an enforcement conference has held June 26, 2007 at which time the Coastal Resources Division met with the Respondent and their Agent/Contractor to determine why Respondent unilaterally undertook to reconfigure three (3) docks outside of their permitted footprint. It was determined that the reconfiguration was undertaken and completed without complying with the conditions of Permit #487. The parties have reached a settlement of all disputed claims relative to the unauthorized reconfiguration. The Coastal Resources Division and Respondent have reached a negotiated settlement resolving these unauthorized activities.

WHEREAS, the Department and Respondent desire to resolve those matters amicably and without litigation; and

WHEREAS, upon review of the evidence in this matter, the applicable law, and careful consideration of the contentions of the Respondent, the Department finds this Consent Order is in the best interest of the citizens of this state; and

WHEREAS, the Parties have reached an agreement in an offer of settlement, without Respondent acknowledging a knowing violation of the controlling laws or regulations.

WHEREAS, upon the review of the evidence in this matter, the applicable law, and careful consideration of the contentions of the Respondent, the Department finds this Consent Order is in the best interest of the citizens of this state; and

NOW, THEREFORE, before the taking of testimony and without adjudicating the merits of the parties' positions in this matter, they hereby resolve the unauthorized activities brought to light in this matter by using this administrative Consent Order instead of pursuing other available legal recourse at law or under the conditions of Permit #487. Thus the Department hereby orders and the Respondent hereby agrees as follows: On basis of Respondent's reasonable offer of settlement it is hereby ordered and agreed that Respondent shall make a single payment in the form of a fine of \$8,500.00 of which Received

OCT 01 2007

GA DNR/HMP

\$5,000.00 will be suspended provided Respondent remains compliant under all the permit conditions. In the event of any subsequent violation(s) of state environmental laws or regulations or permit conditions relative to Permit #487, the suspended fine balance of \$5,000.00 shall become immediately due and payable. The \$3,500.00 unsuspended portion of the fine shall be made payable to the Georgia Department of Natural Resources and shall be submitted contemporaneously to the Department with a signed copy of this Consent Order before the last day of September 2007.

Permittee is reminded of its obligation to submit a post construction survey as listed in Special Condition # 14 of Permit #487 which provides: Permittee shall provide post construction surveys that locate the community dock, bulkhead, the five multi-family docks and the fishing pier as indicated in the application materials. Such survey shall comply with the Georgia Plat Act, O.C.G.A. Section 15-6-67 et seq. Such survey will update the existing file to document the new configuration, location, and changes to the original plans

IN WITNESS WHEREOF, the below signatories certify that they are authorized and designated to sign on behalf of the respective parties.

This Consent Order is final and does not carry appeal rights or a right to a hearing.

This Consent Order is issued, released, and mailed this 25th, September 2007.

DOLPHIN ISLAND PRESERVATION, LLC

By: Robert M. Sales
Robert M. Sales, Man./Mem.

By: Brad Gane
Brad Gane, Assistant Director,
Coastal Resources Division,
For Commissioner and Chairman
Noel Holcomb

By: Stephen L. Watson
Stephen L. Watson, Man./Mem.

Received

OCT 01 2007

GA DNR/HMP



February 11, 2005

Robert Sales
Dolphin Island Preservation, LLC
22 East Liberty Street
Savannah, GA 31401

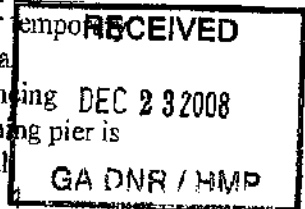
RE: Coastal Marshlands Protection Committee Permit #487, Dolphin Island Preservation, LLC, 190-acre residential development known as Dolphin Island, located adjacent to Isle of Wight in Liberty County, Georgia

Dear Mr. Sales:

The Coastal Marshlands Protection Committee considered and approved permit #487 referenced above on January 28, 2005 under the Coastal Marshlands Protection Act O.C.G.A. 12-5-280 et. seq. The permit placard and permit conditions are attached to this letter. All decision documents (attached), as well as all other plans, documents and materials submitted during the application process become terms of this permit and are now enforceable conditions. You may begin construction as soon as March 1, 2005, provided there is no legal appeal of this permit, you have all other necessary federal, state and local authorizations and you have met all of the standard and special conditions as required by this permit.

Permitted Project Description:

Construction and maintenance of a private community dock, one community fishing pier, and five multi-family docks on the Jerico River. The docks are proposed in conjunction with the development of a single-family residential community on Dolphin Island. This parcel was constructed from spoils associated with the construction of Interstate 95 by the Department of Transportation. The upland has approximately 7,000 linear feet of marsh frontage on the Jerico River. Applicant has worked with the Department to reduce impacts from all dock structures that may be constructed at this subdivision and will limit potential private single-family recreational docks from a potential 35 to 15 through deed restrictions. The total coastal marshlands impact of the proposed community dock, multi-family docks and fishing pier facilities is approximately 20,336 square feet (.47 acres). Additionally, applicant will limit the size of the 15 private single-family docks to be significantly less than the current size threshold of the US Army Corps of Engineers' programmatic general permit. The first proposed community dock will offer temporary mooring to all Dolphin Island residents and will shade approximately 2,354' sq. of coastal marshlands. Outside of the State's marsh jurisdiction, on an area of upland bank experiencing erosion, a 250' long sheet pile bulkhead and concrete cap is proposed. A community fishing pier is proposed adjacent to Lot 45. No floating dock is proposed and shading impacts to coastal marshlands are approximately 1,938' sq. The first proposed multi-family dock will serve waterfront lots (23, 24, 25, and 26). This dock will shade approximately 2,794' sq. of coastal marshlands. The second proposed multi-family dock will serve 4 waterfront lots (33, 34, 35, and



36). This dock will shade approximately 2,474' sq. of coastal marshlands. The third proposed multi-family dock will serve 2 waterfront lots (37 and 38). This dock facility will shade approximately 4,130' sq. of coastal marshlands. The fourth proposed multi-family dock will serve 8 waterfront lots (49, 50, 51, 52, 53, 54, 55, and 56). This dock facility will shade approximately 4,642' sq. of coastal marshlands. The fifth proposed multi-family dock will serve 2 waterfront lots (61 and 62). This dock facility will shade approximately 1,938' sq. of coastal marshlands. **Standard and special conditions apply to this permit.**

Revocable License to Use State Owned Coastal Marshlands:

Please find enclosed a fully executed revocable license, as part of the decision documents, for the permitted project. This license serves as authorization to utilize state owned coastal marshlands and tidal waterbottoms for your approved project as per the attached permit application, associated documents and conditions. The law affords protections against nuisances and detriments inflicted by others. It is incumbent upon the licensee to insure that this project does not interfere with the legal rights of others. A licensee that builds in conformity with all applicable regulations may still be found to have built a structure that constitutes a nuisance to its neighbors and may be liable for damages. The license for the project does not authorize interference with the use and enjoyment of an adjacent property owners' land. The license for the project only authorizes the licensee to make use of state owned lands as may be proper and needful. During the course of planning and construction the licensee must use ordinary care and take reasonable precautions to sustain the adjoining land. In considering the question of reasonable precautions, each case must stand on its own facts depending upon the nature of the land and watercourse, the natural and probable consequences to adjoining lands as a result of the structure.

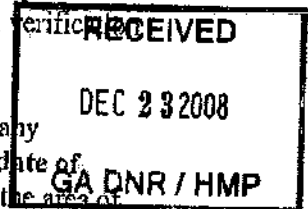
Permit and Construction Placards:

Enclosed is the permit placard to be posted at the work site (within 24 hours) for the duration of the construction activity. Please note that you will also need to notify the Department when you are within 10-30 days of beginning your project to obtain a separate *construction placard*. DNR staff will arrange a site visit to confirm the project footprint before construction begins and to initial the construction placard at the identified intervals during the project. This placard will also need to be posted at the site during construction.

Post Construction Requirements: Compliance Certification and File Maintenance

Also enclosed is a *Certification of Compliance* that must be submitted to us within 30 days following completion of the permitted activity. A photograph of the posted manatee signage at your facility must be submitted. Please include this compliance form and the manatee signage photograph(s) with the post-construction survey, as required under the special conditions. Department staff will assess compliance and provide you with a written verification of project completion and compliance.

This letter and attachments are to be held by you for your files and for inspection by any authorized persons. The expiration date for the permit is five (5) years from the date of issuance (i.e. January 28, 2010). However, no construction may commence within the jurisdiction of the Act until the expiration of thirty (30) days following the date of issuance, provided there is no legal appeal of this permit, you have all other necessary federal, state and local



Dolphin Island Preservation, LLC Permit Approval
CMPC #487
February 11, 2005
Page 3 of 3

local authorizations and you have met all of the standard and special conditions as required by this permit.

Conveyance of Ownership Interest:

If you as the permit holder sell, lease, rent, or otherwise convey the land or any portion of the land for which the permit was issued, you must notify the Department within 30 days of this transfer or conveyance. The permit shall continue in force in favor of the new owner, lessee, tenant, or other assignee so long as there is no change in the use of the land as set forth in the original application. The Department will transfer the permit to the new owner with all of the original terms and conditions.

We ask that you carefully read through this document and attachments and comply with the terms and conditions of this permit. Feel free to contact me if you need clarification of any of these conditions or for assistance with this project.

Sincerely,

B. Gane

Brad Gane
Assistant Director
Ecological Services Section

Enclosures: CMPC Permit Modification #487 and Permit Conditions, Decision documents,
Compliance Certificate

cc with approved permit drawings: Mary Herring
Liberty County Joint Planning Commission
P.O. Box 829
Hinesville, GA 31310

Mark Padgett
Savannah District Corps of Engineers
PO Box 889
Savannah, GA 31402

RECEIVED

DEC 23 2008

BG/kb



Coastal Marshlands Protection Committee Permit #487
Final Conditions
January 28, 2005

Dolphin Island Preservation, LLC
Community Dock, Fishing Pier, Five Multi-Family Docks
Jerico River, Liberty County, Georgia

Project Description: Construction and maintenance a private community dock, one community fishing pier, and five multi-family docks on the Jerico River. The docks are proposed in conjunction with the development of a single-family residential community on Dolphin Island. This parcel was constructed from spoils associated with the construction of Interstate 95 by the Department of Transportation. The upland has approximately 7,000 linear feet of marsh frontage on the Jerico River. Applicant has worked with the Department to reduce impacts from all dock structures that may be constructed at this subdivision and will limit potential private single-family recreational docks from a potential 35 to 15 through deed restrictions. The total coastal marshlands impact of the proposed community dock, multi-family docks and fishing pier facilities is approximately 20,336 square feet (.47 acres). Additionally, applicant will limit the size of the 15 private single-family docks to be significantly less than the current size threshold of the US Army Corps of Engineers' programmatic general permit. The first proposed community dock will offer temporary mooring to all Dolphin Island residents and will shade approximately 2,354' sq. of coastal marshlands. Outside of the State's marsh jurisdiction, on an area of upland bank experiencing erosion, a 250' long sheet pile bulkhead and concrete cap is proposed. A community fishing pier is proposed adjacent to Lot 45. No floating dock is proposed and shading impacts to coastal marshlands are approximately 1,938' sq. The first proposed multi-family dock will serve 4 waterfront lots (23, 24, 25, and 26). This dock will shade approximately 2,794' sq. of coastal marshlands. The second proposed multi-family dock will serve 4 waterfront lots (33, 34, 35, and 36). This dock will shade approximately 2,474' sq. of coastal marshlands. The third proposed multi-family dock will serve 2 waterfront lots (37 and 38). This dock facility will shade approximately 4,130' sq. of coastal marshlands. The fourth proposed multi-family dock will serve 8 waterfront lots (49, 50, 51, 52, 53, 54, 55, and 56). This dock facility will shade approximately 4,642' sq. of coastal marshlands. The fifth proposed multi-family dock will serve 2 waterfront lots (61 and 62). This dock facility will shade approximately 1,938' sq. of coastal marshlands. Standard and special conditions apply to this permit.

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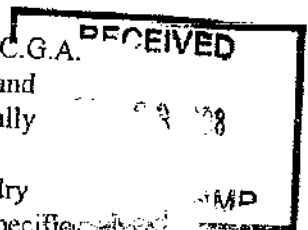
COASTAL MARSHLANDS PROTECTION ACT STANDARD CONDITIONS: FEB 23 2005

1. The project must comply, as applicable, for areas permitted herein, with all other Federal, State, and local statutes, ordinances, and regulations and the applicant must obtain all licenses and permits prior to commencement of construction.

2. This permit does not resolve actual or potential disputes regarding ownership of, rights in or over the property upon which the subject project is proposed, and shall not be construed as recognizing or denying any such rights or interests.
3. All plans, documents and materials contained in this permit application, required by Coastal Marshlands Protection Act of 1970, as amended O.C.G.A. § 12-5-280 et seq. are a part of this permit and conformance to such plans, documents, and materials are a condition of this permit. No change or deviation from these plans, documents and materials shall be permitted without prior notification and approval by the Department or Committee.
4. No further encroachment or construction shall take place within State jurisdiction, except as permitted by the Coastal Marshlands Protection Committee. Any modification of the plans or structure in the jurisdictional area must be reviewed and approved by the Department prior to construction.
5. The exact location and configuration of this project must be reviewed onsite and approved by Department staff immediately prior to beginning construction. Minor changes to the location may be allowed or required in areas that have eroded or accreted subsequent to the original jurisdictional determination.
6. Adequate sedimentation control barriers must be properly installed prior to land disturbance to prevent silting and sedimentation from impacting jurisdictional marshlands.
7. No construction materials or debris may be placed, disposed of, or stored in jurisdictional marshlands.
8. A construction placard will be required to be obtained from the Department up to 30 days prior to the start of project construction and must be posted on site. This placard will include certain steps in the construction of the permitted project that must be approved by the Department prior to construction.
9. The permit must be posted onsite within twenty-four (24) hours of beginning construction.
10. Any incidental impacts associated with construction of this project must be rectified by restoring areas to their pre-construction topographic and vegetative states.
11. If the permitted improvement(s) is not damaged, but falls into disrepair, or becomes dilapidated, or is not meeting expected usefulness, then it is not maintained at a serviceable level. It is the responsibility of the owner to remove the improvement(s).
12. The Coastal Marshlands Protection Committee is not bound in the future to protect any improvement or asset authorized by the permit.
13. A copy of the above conditions must be supplied to the person in charge of construction.

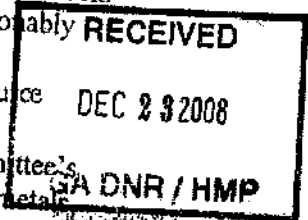
**STANDARD COASTAL MARSHLANDS PROTECTION ACT CONDITIONS FOR
MARINAS AND COMMUNITY DOCKS:**

1. No permanent live-on resident vessels can be moored at the facility according to O.C.G.A. §12-5-288(b)(8). Community docks are limited to use by community charter boats and recreational vessels. Floating homes, adobes, dwellings, and sea planes are specifically prohibited.
2. The applicant/permittee is encouraged to build onshore restrooms, shower and laundry facilities at or near the land portion of the pier. The applicant/permittee must take specific measures (such as, but not limited to, signs or dock regulations) to encourage boaters to use the washrooms, laundromat and restrooms onshore.



JAN 28 2005
CMPC

3. No person shall operate a marine toilet at any time so as to cause or permit to pass or to be discharged into the waters adjacent to the project any untreated sewage or other waste matter or contaminant of any kind. Any such violation shall be an infraction as defined by the Georgia Water Quality Control Act, as amended, O.C.G.A. §12-5-20 et seq., O.C.G.A. §12-5-280 et seq. and the Official Rules of the State of Georgia Chapter 391-3-9, particularly Rule 391-3-6-.04. Each day in violation shall be considered a separate offense and subject to separate citation.
4. The applicant/permittee must install, for collection of solid wastes, a dumpster or other suitable containers in compliance with The Act to Prevent Pollution from Ships (33 USCA 1901 and 33 CFR 158). It shall be a violation of State and Federal water quality laws and regulations to discharge any refuse, waste matter, boat scraping, petroleum product or by product, paint, varnish, or other debris into the waters adjacent to the project.
5. If the Department determines that there may be violations of condition 3 and/or condition 4 the applicant must provide pump-out facilities and dockside wastewater collection systems for sanitary wastes from vessels and require their use by boats using the community dock. The applicant must prominently display a sign at the community dock showing the location of the nearest pump out facility. Wastewater is to be disposed of in an approved disposal system.
6. If fueling facilities are installed the applicant/permittee must insure installation is according to the USEPA and GADNR/EPD laws and regulations. The following requirements must be met. Fuel storage tanks and fuel lines between tank, dock, and vessels shall be equipped with emergency shut off valves. To further minimize the possibility of fuel spills, dispensing nozzles shall be the automatic closing type without a hold-open latch. The dock operator shall prepare an 'Operations Manual' containing the following:
 - a. Description of how the applicant meets the conditions of this permit,
 - b. The geographic location of the dock,
 - c. A physical description of the facility showing mooring areas, fuel storage and dispensing areas, and locations of safety equipment,
 - d. The names and telephone numbers of the facility, Coast Guard MSO, EPD Emergency Response Center, and other personnel who may be called by employees of the facility in an emergency, including fire and police,
 - e. A description and the location of each emergency shut-off system and
 - f. Names and telephone numbers of available hazardous spill clean-up contractors nearest the dock.
7. The Operation Manual must be maintained current and readily available in a conspicuous location for examination by employees of the dock and the Department.
8. The Operations Manual must be submitted to the Department prior to operation of the dock.
9. The applicant must operate and maintain the dock in a manner that will not unreasonably obstruct navigation to and from neighboring properties.
10. If the Department determines through its own water quality sampling or other resource analyses that there are perceptible environmental impacts associated with the dock development, the Department may require the applicant/permittee at applicant/permittee's expense, to have water, substrate, and/or tissue samples collected and analyzed for metals, petroleum hydrocarbons, or other constituents. Sample collection and analyses must be according to methods approved by the Department. All results from such sampling results

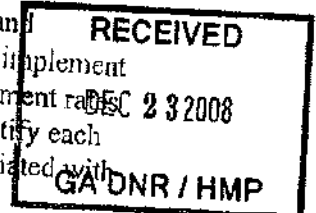


DEC 23 2008

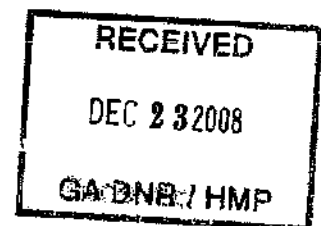
- must be provided to the Department as obtained and may be used by the Department to further restrict the dock to reduce water quality impacts.
11. The applicant/permittee must amend its bylaws or take other measures to establish sufficient power and authority to enforce the conditions of the permit.
 12. The permittee shall permanently post and maintain the informational display sign, "Manatee Basics for Boaters." Instructions for the installation and placement procedure of this sign are enclosed.
 13. Prior to facility operation, permittee must develop and submit rules for Department approval regarding the use of the community dock facility as well as a detailed plan for enforcing the rules. The rules must include an identification of restricted activities paying particular attention to non- water dependent activities, hours of operation and overflow parking concerns. The rules should also clearly prohibit the use of personal watercraft. The enforcement plan must identify a responsible party for contact and appropriate sanctions if there are violations or problems at the dock site.
 14. In its occupancy and use of the premises, permittee shall not discriminate against any person on the basis of race, gender, color, national origin, religion, age or disability. This covenant by permittee may be enforced by termination of the permit, by injunction, and by any other remedy available in the law to the Department.

SPECIAL CONDITIONS:

1. Parking areas and other appropriate hard surface areas of the amenity parcels from which the community dock is served must be constructed of pervious materials to limit impacts from stormwater runoff. Permittee must maximize the use of bioretention areas by using native vegetation to retain stormwater runoff from this amenity parcel.
2. Prior to the conveyance of any lot on the 190 acre island, permittee will include in the restrictive covenants of the development, as well as by restriction by individual parcel deed, the provision that there will be no single family docks extending from the individual parcels 23, 24, 25, 26, 33, 34, 35, 36, 37, 38, 50, 51, 52, 53, 54, 55, 56, 57, 61, & 62 in the development (other than the community dock & multi-family docks permitted by the Committee).
3. The community dock structures may not extend into the riparian corridors of waterfront lots that have not been deed restricted to prohibit private recreational docks.
4. The covenants and restrictions for the community must be amended to limit the size of any private dock structure built from eligible lots to 360 square feet for fixed decks at the end of walkways, 200 square feet for floating docks, and 384 square feet for boat hoists, provided the community covenants allow covered structures which may obstruct views.
5. To protect coastal marshlands from the impact of stormwater runoff from the upland development on an island surrounded by marshlands, permittee shall develop and implement a comprehensive low-impact development plan that reduces runoff to pre-development rates or achieves an impervious cover not to exceed fifteen percent. This plan shall identify each Best Management Practice (BMP), quantify the stormwater runoff reduction associated with each BMP and provide a strategy for long-term BMP maintenance.
6. The permittee will provide an enforceable strategy, per agreement with the Department to retain native understory and overstory canopy within buffers on the property. This should be done by amending the community covenants and restrictions. The methodology for



- computing the size of any view corridors within the buffers must be determined in consultation with the Department.
7. The permittee will pre-define building envelopes for residential structures to achieve an additional setback, beyond the 25' mandated buffer from coastal marshlands, per agreement with the Department. This will maximize the effectiveness of buffers protecting the adjacent coastal marshlands and waterways from nonpoint source pollutant loading such as fertilizers and pesticides.
 8. It is recommended that covenants and restrictions be amended and implemented to uphold the comprehensive low impact development plan and stormwater BMP's into the future.
 9. It is recommended that all freshwater wetlands be preserved to the maximum extent possible to include all isolated wetlands within the subdivision. A minimum of a 25' conservation buffer to preserve the biological integrity of those wetlands should be set aside and remain intact and functional.
 10. Permittee must install temporary marine facility manatee signs during construction of the facility and permanent signage post construction. A photograph documenting the signage must be submitted to the Department prior to operation of the facilities.
 11. Permittee shall provide a manatee awareness program to be instituted and maintained by the Dolphin Island homeowners association in perpetuity. The education program can model those already in development with the Department, United States Fish and Wildlife Service and the Savannah District of the United States Army Corps of Engineers.
 12. Permittee shall institute monthly maintenance of dock facilities' hoses, faucets, or any apparatus or equipment capable of producing a stream of fresh water in close proximity to the access facilities. The monthly maintenance shall continue for the life of the dock facilities. The permittee shall have a contingency plan for emergency repair of freshwater sources.
 13. Construction activities shall be performed using best management practices to avoid turbidity, siltation and discharge of contaminants in the adjacent marshes and waterway. Such activities shall comply with the Georgia Erosion & Sedimentation Act, O.C.G.A. §12-7-1 et. seq.
 14. Permittee shall provide post-construction surveys that locate the community dock, bulkhead, the five multi-family docks and the fishing pier as indicated in the application materials. Such survey shall comply with the Georgia Plat Act, O.C.G.A. §15-6-67 et. seq.



DEC 23 2008

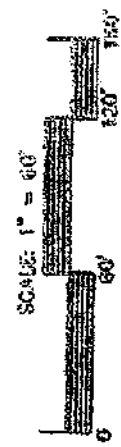
W. J. [illegible]

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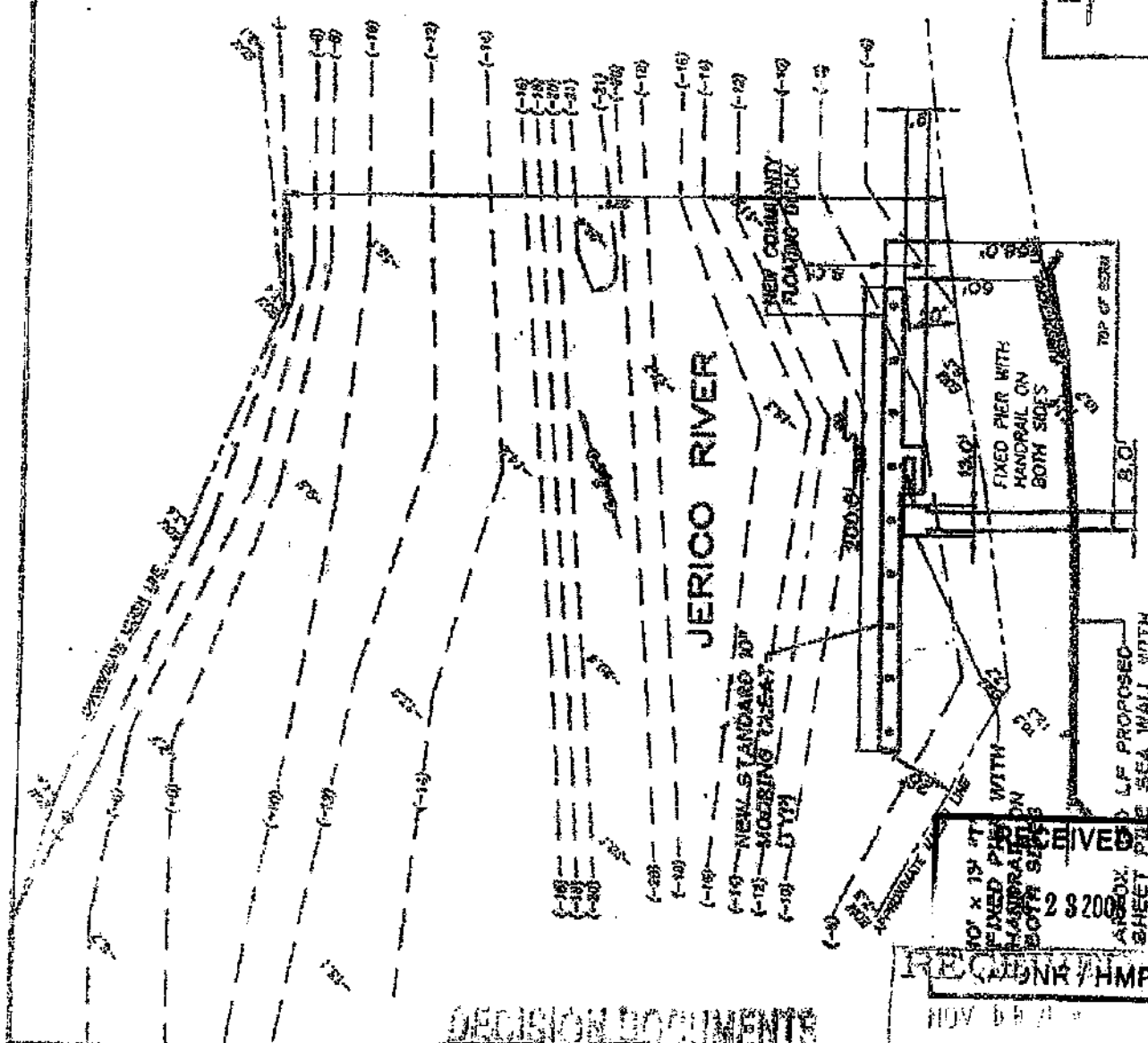
ELEVATIONS ARE IN
 M.L.W. DATUM

DOCK AND PIER SURFING
 FOOTAGE OUTSIDE OF
 JURISDICTIONAL
 LINE = 2.412 SF

COMMUNITY DEVELOPMENT DOCK PLAN



BOSWELL DESIGN SERVICES, INC.
 100 MASSA DRIVE
 SAVANNAH, GEORGIA 31406
 (912) 687-5932



OCTOBER 14, 2004

DOCK PLAN

DOCK PLAN

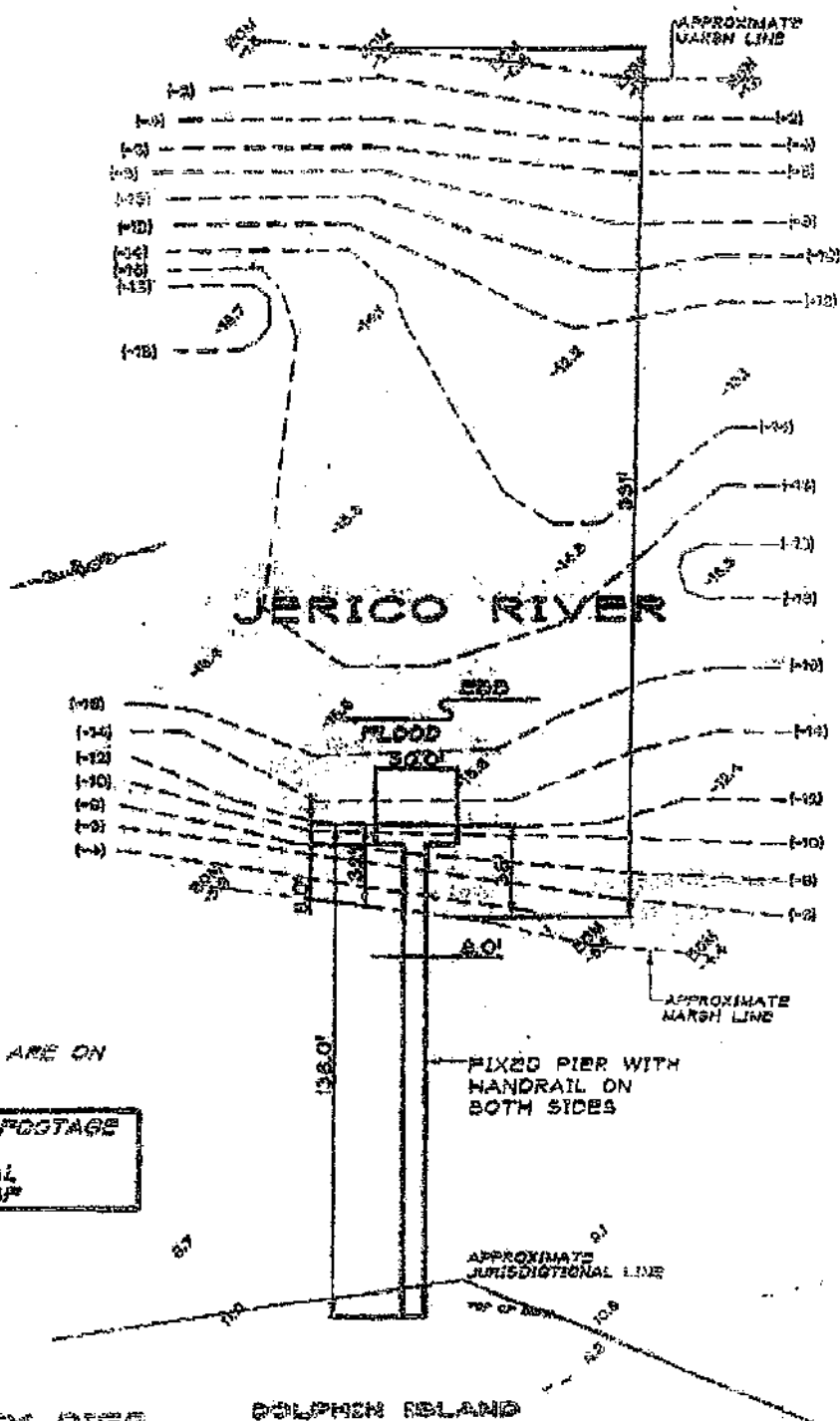
DOCK PLAN

DOCK PLAN

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 SHEET 1 OF 1
 CONG. CAP

DECISION DOCUMENTS

BY: _____



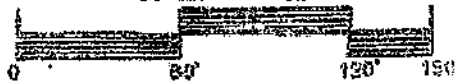
ELEVATIONS ARE ON
M.L.W. DATUM

PIER SQUARE FOOTAGE
OUTSIDE OF
JURISDICTIONAL
LINE = 1,063 SF

COMMUNITY PIER PLAN

1" = 60'

SCALE: 1" = 60'



OCTOBER 14, 2004

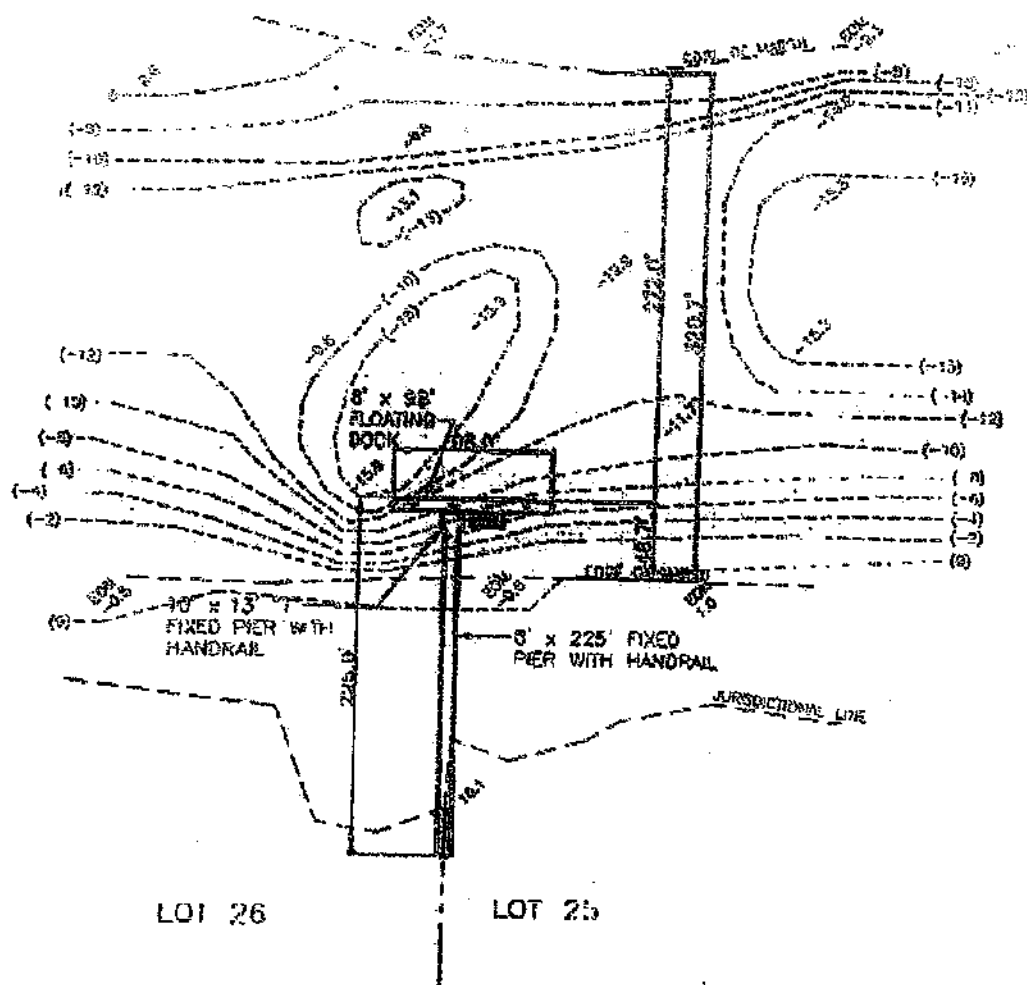
BOSWELL DESIGN SERVICES, INC.

103 NASSAU DRIVE
SAVANNAH, GEORGIA 31410
(912) 697-6932

RECEIVED

DEC 23 2008

HMP



ELEVATIONS ARE ON
MLW DATUM

DOCK SQUARE FOOTAGE
OUTSIDE OF
JURISDICTIONAL
LINE = 2,400 SF

Received

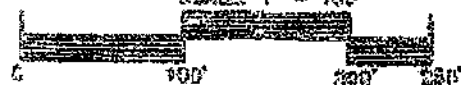
DEC 29 2006

GA DNR/HMP

COMMUNITY DOCK PLAN BETWEEN LOTS 26 AND 25

1" = 100'

SCALE: 1" = 100'

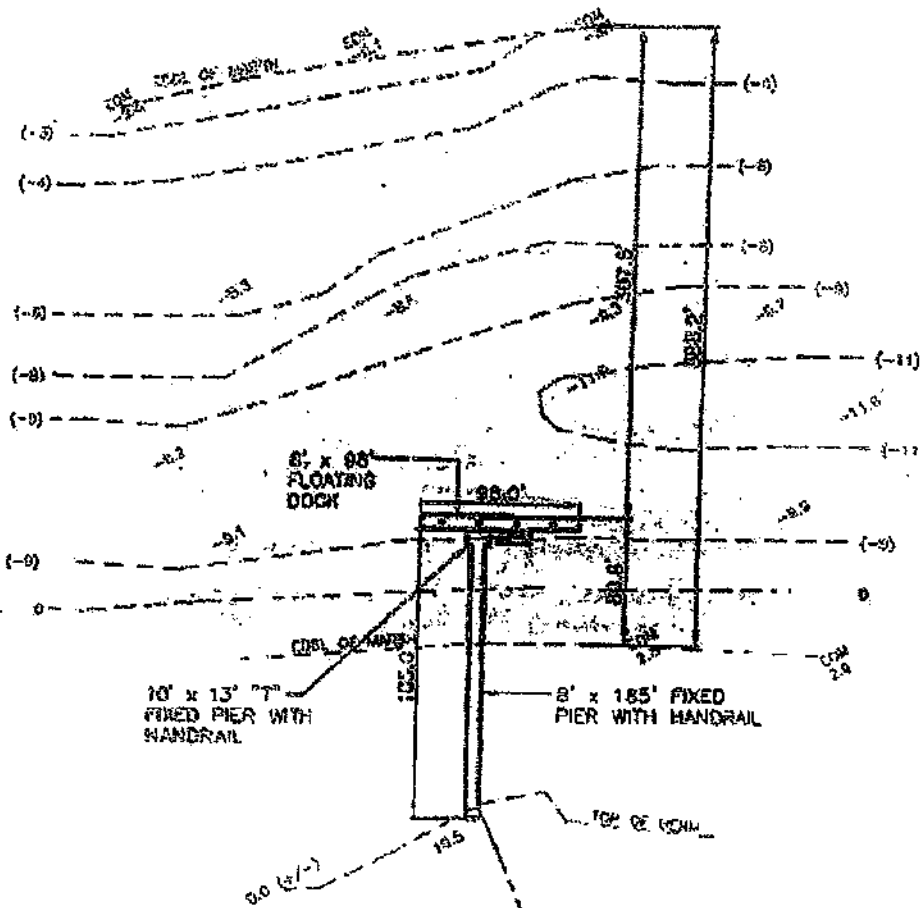


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DOSWELL DESIGN SERVICES, INC.

FOR KASSA W. O'NEILL
NARRAGANSETT, RI 02882
(401) 885-1000

GA DNR / HMP



ELEVATIONS ARE ON
M.L.W. DATUM

DOCK SQUARE FOOTAGE
OUTSIDE OF
JURISDICTIONAL
LINE = 1515 SF

Received

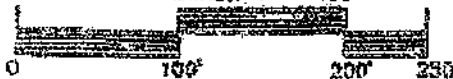
DEC 29 2006

GA DNR/HMP

COMMUNITY DOCK PLAN BETWEEN LOTS 33 AND 34

P = 100'

SCALE: 1" = 100'



OCTOBER 16, 2004

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BUSWELL DESIGN SERVICES, INC.

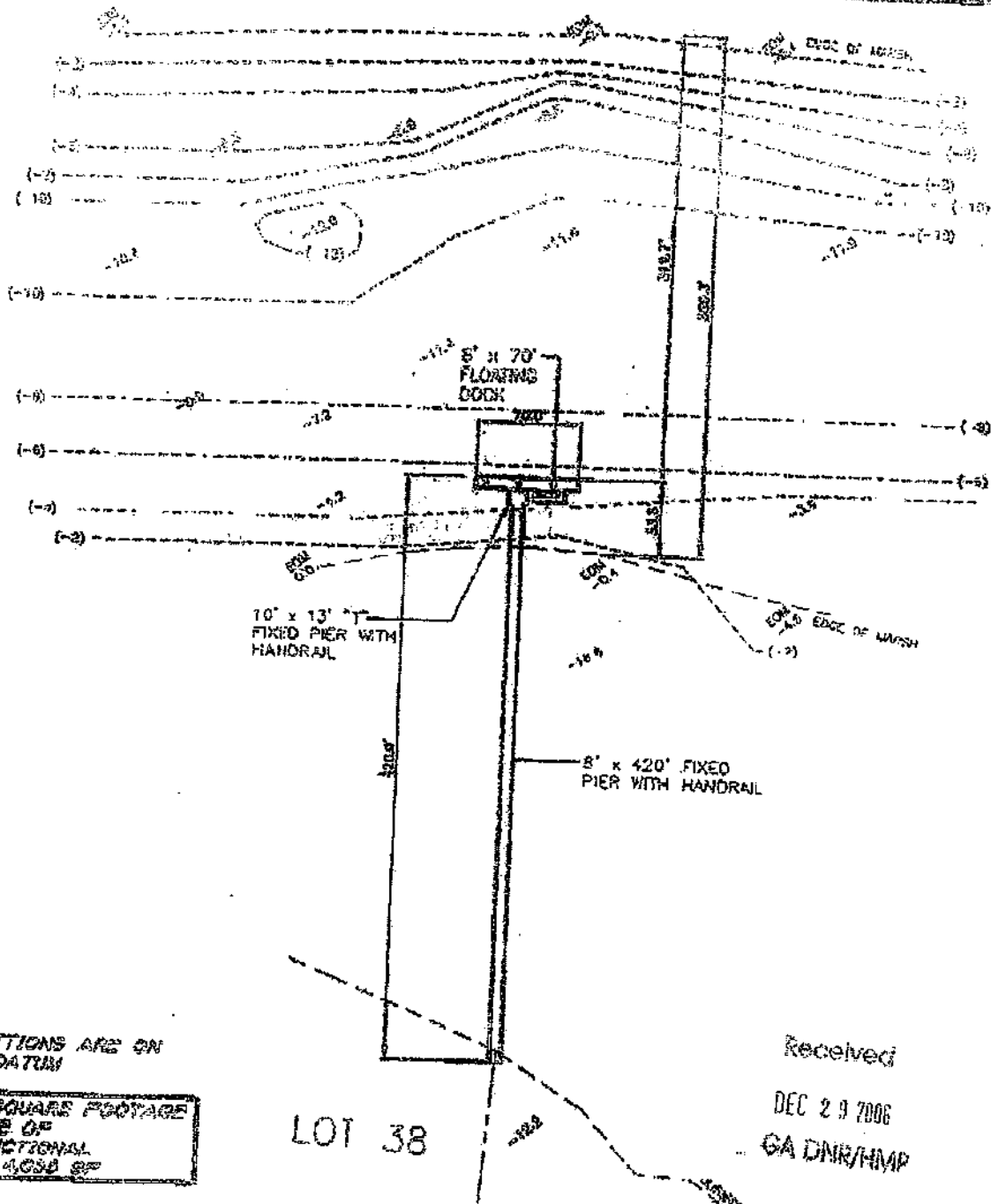
103 NASSAU DRIVE

SAVANNAH, GA 31404-1110

(912) 233-7661

DEC 29 2008

GA DNR / HMP



ELEVATIONS ARE ON
M.L.W. DATUM

DOCK SQUARE FOOTAGE
OUTSIDE OF
JURISDICTIONAL
LINE = 4,058 SF

LOT 38

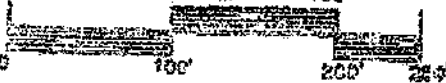
LOT 37

Received
DEC 29 2006
GA DNR/HMP

COMMUNITY DOCK PLAN
BETWEEN LOTS 37 AND 38

7" = 100'

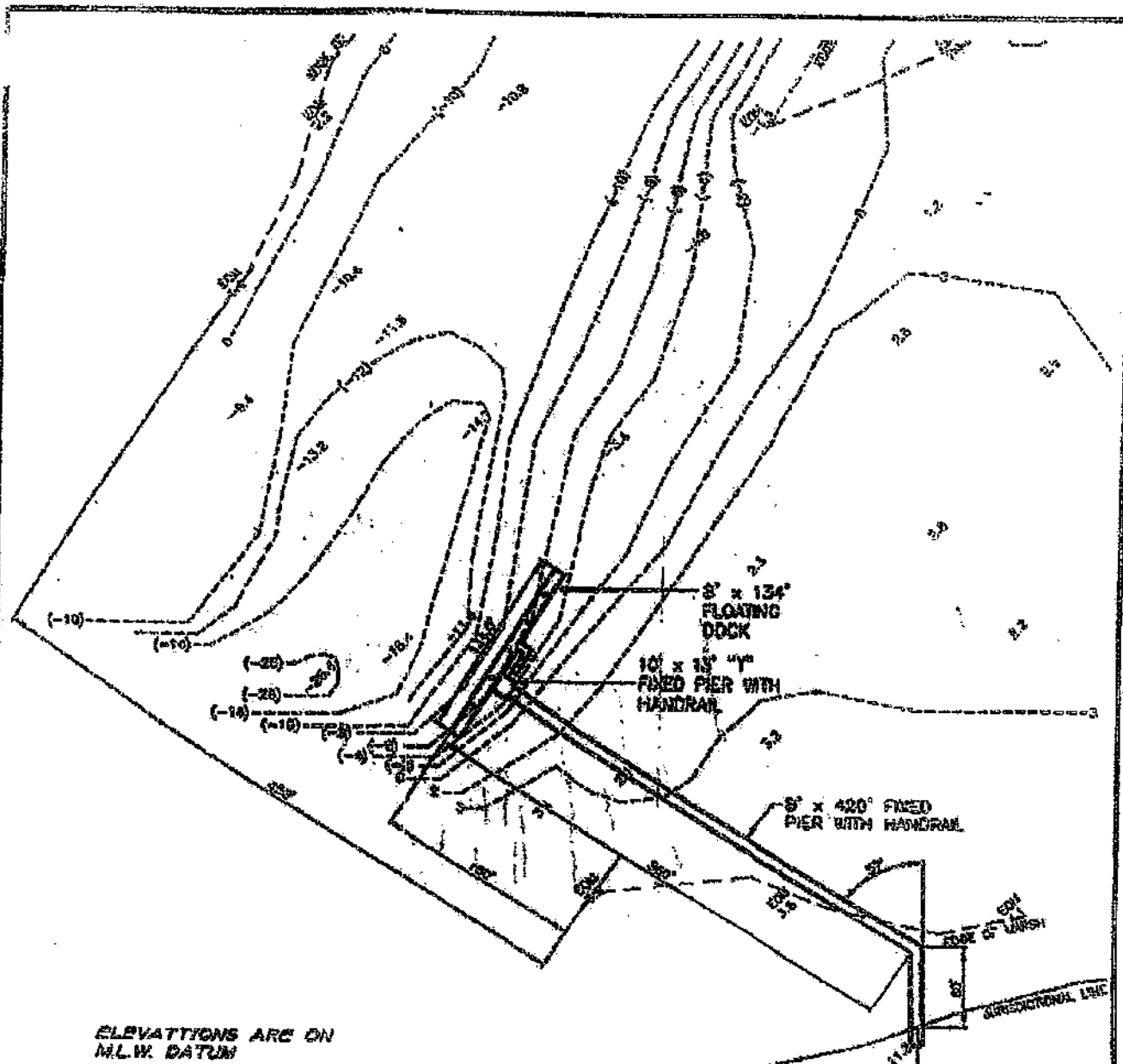
SCALE: 1" = 100'



OCTOBER RECEIVED

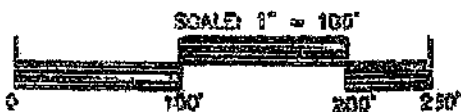
BOSSWELL DESIGN SERVICES, INC.

108 HANCOCK DRIVE
SAVANNAH, GEORGIA 31401 / HMP
(912) 881-5552



COMMUNITY DOCK PLAN BETWEEN LOTS 55 AND 56

P. 130

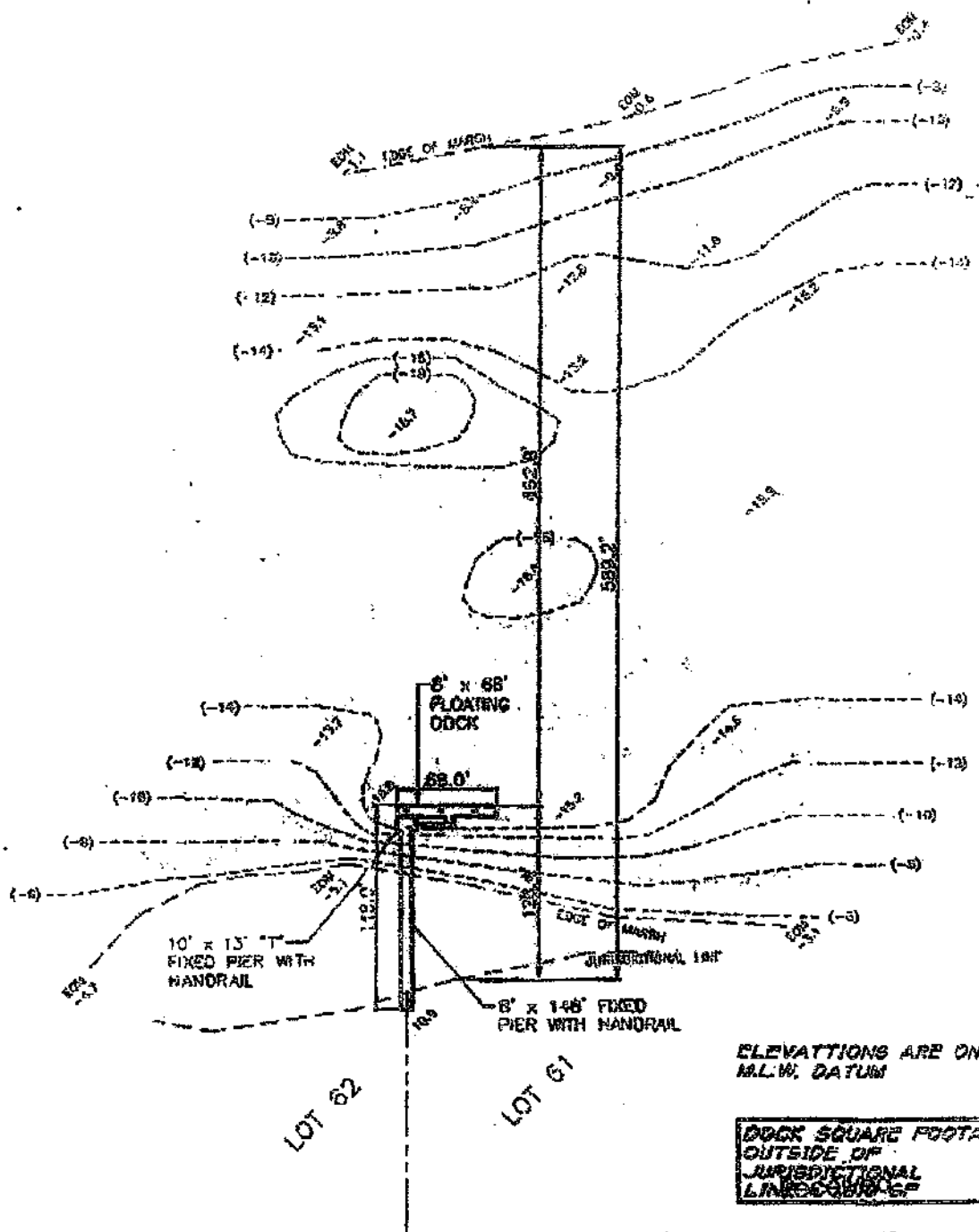


LOT 57

Received
DEC 29 2006
LOT 58
LOT 55

OCTOBER 14, 2004

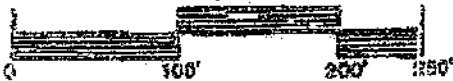
RECEIVED BOSWELL DESIGN SERVICES, INC. 105 MASSACHUSETTS DRIVE BURLINGTON, MA 01803 (978) 688-1111	DEC 23 2008 GA DNR / HMP
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COMMUNITY DOCK PLAN BETWEEN LOTS 61 AND 62

1" = 100'

SCALE: 1" = 100'



ELEVATIONS ARE ON
M.L.W. DATUM

DOCK SQUARE FOOTAGE
OUTSIDE OF
JURISDICTIONAL
LINE 1000 SF

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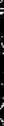
BOSWELL DESIGN SERVICES, INC.

103 NASSAU DRIVE
SAVANNAH, GEORGIA 31406
(912) 897-6992

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Conservation and Standards Protection Committee



DEPARTMENT OF THE ARMY PERMIT

PERMITTEE: Dolphin Island Preservation, LLC

PERMIT NUMBER: 20040568C

ISSUING OFFICE:

Savannah District
US Army Corps of Engineers
Post Office Box 889
Savannah, Georgia 31402-0889

NOTE: The term "you" and its derivatives used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate District or Division office of the US Army Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

PROJECT DESCRIPTION: To build one (1) island-based community dock, one (1) fixed community fishing pier and five (5) multi-lot shared docks for use by the residence of the proposed development. The island-based community dock will consist of an 8' x 90' walkway connected to a 10' x 13' fixed deck. The fixed deck will connect to an 8' x 200' floating dock by a 4' x 20' aluminum ramp. The dock will extend approximately 69' into the Jerrico River past the mean low water (MLW) line in an area of the river that is approximately 328' from MLW to MLW. An approximately 250' sheet pile retaining wall and associated concrete cap will be located in the upland area adjacent to the jurisdictional marsh.

The community fishing pier will consist of an 8' x 30' fixed platform with an 8' x 178' walkway. Approximately 47' of the structure will extend into the Jerrico River at MLW where it is approximately 349' from MLW to MLW.

The shared dock between Lots 25 and 26 will consist of an 8' x 207' fixed walkway connected to an 10' x 13' pier. A 4' x 20' aluminum ramp will connect the pier to an 8' x 98' floating dock. The dock will extend approximately 69' beyond the MLW line in an area of the Jerrico River that is approximately 357' from MLW to MLW.

The shared dock between Lots 33 and 34 will consist of an 8' x 176' fixed walkway connected to a 10' x 13' pier. A 4' x 20' aluminum ramp will connect the pier to an 8' x 98' floating dock. The dock will extend approximately 48' beyond MLW in an area of the Jerrico River that is approximately 348' from MLW to MLW.

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The shared dock between Lots 37 and 38 will consist of an 8' x 402' fixed walkway connected to a 10' x 13' fixed pier. A 4' x 20' aluminum ramp will connect the deck to an 8' x 70' floating dock. The dock will extend approximately 74' beyond MLW in an area of the Jerrico River that is approximately 401' from MLW to MLW.

The shared dock between Lots 55 and 56 will have a 8' wide walkway that extends approximately 60', then bend approximately 57 degrees to the northwest before continuing another 342'. The walkway will connect to a 10' x 13' fixed pier. A 4' x 20' aluminum ramp will connect the deck to an 8' x 134' floating dock. The dock will extend approximately 35' beyond MLW in an area of the Jerrico River that is approximately 323' from MLW to MLW.

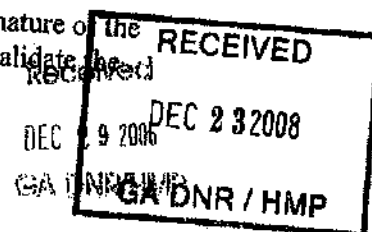
The shared dock between Lots 61 and 62 will consist of an 8' x 130' walkway that connects to a 10' x 13' fixed deck. A 4' x 20' aluminum ramp will connect the deck to an 8' x 68' floating dock. The dock will extend approximately 77' beyond MLW in an area of the Jerrico River that is approximately 574' from MLW to MLW.

PROJECT LOCATION: The site is located on the Jerico River, at latitude 31° 49' 4.98" north and longitude 81° 21' 25.67" west, on the Isle of Wright, near Midway, in Liberty County, Georgia.

PERMIT CONDITIONS:

General Conditions.

1. The time limit for completing the work authorized by this Individual Permit ends on March 31, 2010. If you find that you need more time to complete the authorized activity, you must submit a request for your permit extension at least one month prior to the above date.
2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.
4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.



5. If a conditioned Water Quality Certification has been issued for your project, you must comply with conditions specified in the certification as Special Conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

Special Conditions.

1. Use of the permitted activity must not interfere with the public's right to free navigation on the Jerico River, a navigable water of the United States.

2. The permittee understands and agrees that, if future operations by the United States require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the US Army Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

3. That the permittee must install and maintain, at his expense, any safety lights and signals prescribed by the United States Coast Guard (USCG), through regulations or otherwise, on the authorized facility. The USCG may be reached at the following address and telephone number:

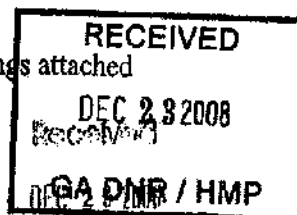
Commander
7th Coast Guard District (OAN)
Brickell Plaza Federal Building
909 S.E., First Avenue
Miami, Florida 33131-3350
Tel. (305) 536-5621

4. Floating facilities shall be securely attached to the shore in accordance with the approved plans by means of moorings, which do not obstruct general public use of shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.

5. That flotation units of floating facilities shall be constructed of materials that will not become waterlogged or sink when punctured.

6. That no other structure covers, not specifically authorized herein, shall be constructed on the dock facility without prior Department of the Army approval.

7. That the work will be accomplished in accordance with the plans and drawings attached hereto which are incorporated in and made a part of this permit.



8. Prior to initiating any work authorized under this permit, the permittee shall insure that the project is in compliance with all applicable regulations/requirements of the Federal Emergency Management Agency pertaining to construction activities in designated flood plains and/or flood ways; and mapping and/or designating changes to any flood plain and/or floodway that may be affected by the permitted activity.

9. Regarding the present and future protection of the West Indian manatees that have the potential to be within the project vicinity, the following conditions must be fully implemented by the applicant:

a. Instruct all personnel associated with the project of the potential presence of manatee(s) and the need to avoid collisions with them. All construction personnel are responsible for observing water-related activities for the presence of manatee(s).

b. All personnel associated with the project shall be advised that there are civil and criminal penalties for harming, harassing or killing manatees, which are protected under the Endangered Species Act of 1973 and the Marine Mammal Act of 1972. The permittee and contractor shall be held responsible for any manatee harmed, harassed or killed as a result of construction activities.

c. Siltation barriers shall be made of material in which manatees cannot become entangled, are properly secured, and are regularly monitored to avoid manatee entrapment.

d. Temporary signs concerning manatees shall be posted prior to and during all construction activities. One 3 feet by 4 feet temporary manatee awareness construction sign labeled "Manatee Habitat - Idle Speed in Construction Area" shall be installed in a location prominently visible to water related construction crews. This sign should be covered with white, engineer grade, reflective sheeting; black painted lettering; black screened design; and orange, engineer grade, reflective tape border. A second sign, 3 feet by 4 feet, should be located prominently adjacent to the construction permit labeled "Caution - Manatee Area 1-800-2-SAVE ME" with an outline of a manatee on the sign. The US Fish and Wildlife Service (USFWS), Georgia Ecological Services, Coastal Georgia Suboffice can be contacted at (912-265-9336) for information and sources for these signs. Temporary signs are to be removed by the permittee upon completion of the project.

e. All vessels associated with the construction project should operate at "no wake/idle" speeds at all times in the construction area. All vessels will follow routes of deepwater whenever possible.

f. If manatees are seen within 100 yards of the active daily construction/dredging operation or vessel movement, all personnel in the construction area shall be alerted. If any equipment closer than 50 feet to manatee(s) shall immediately be shutdown. Activities shall not resume until the manatee(s) has departed the project area of its own volition.

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g. Extreme care shall be taken in lowering equipment or materials, including, but not limited to piles, casings for drilled shaft construction, spuds, pile templates, anchors, etc., below the water surface and into the stream bed; taking precaution not to harm any manatee(s) that may have entered the construction area undetected. All such equipment or materials shall be lowered at the lowest possible speed to prevent harm to any manatee(s) that may not have been detected.

h. All temporary construction materials shall be removed upon completion of the work, and salt marsh areas will be restored. No construction debris or trash shall be discarded in the water.

i. Install one permanent information display sign (GA Department of Natural Resources' (GADNR) "Manatee Basics for Boaters") at the walkway to the dock within one year of permit issuance. This sign is intended to increase the awareness of facility users concerning the presence of manatees and of the need to minimize the threat of boats to these animals. The permittee may contact the Nongame-Endangered Wildlife Program of the GADNR at 912-264-7218 for additional information, sign sources and/or clarification on the installation of these signs.

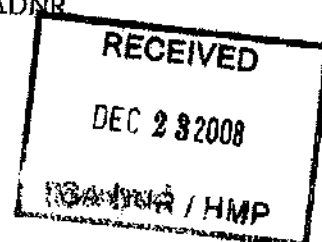
j. Two permanent signs (GADNR's "Protect Georgia's Manatees - Use Idle Speed") shall be mounted on the facility. One sign should face the waterway at each approach to the dock. Contact the GADNR (912-264-7218) for assistance in finding sources of the signs and correct sign placement locations.

k. A notarized verification letter stating that all permanent signs have been installed at designated locations with color photos documenting this placement shall be forwarded to the Corps of Engineers, Savannah District office as soon as they are installed. Signs remain the responsibility of the permittee and are to be maintained in a clearly visible condition for the life of the docking facility.

l. Routinely maintain any freshwater sources located on the dock facility to prevent freshwater leakages that could attract manatees to the facility.

m. Prior to the use of the facility, the permittee shall develop a manatee awareness program to be instituted and maintained by the Dolphin Island Preservation, LLC, development in perpetuity. This program shall include an informational brochure on the manatee. The permittee may contact the USFWS Coastal Georgia Suboffice (912-265-9336) for additional information and assistance.

n. Identify a person or Homeowners Association who will be the contact for reporting manatee sightings, boat strikes or other manatee concerns with the USFWS and GADNR.



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o. The permittee, contractor, or community dock user shall report any collision with and/or injury to manatees immediately to the GADNR (Weekdays 8:00 a.m. to 4:30 p.m. at 912-264-7218 or 1-800-272-8363; nights and weekends at 1-800-241-4113), the USFWS Coastal Georgia Suboffice (912-265-9336), and the Corps of Engineers (912-652-5058). Any dead manatee(s) found in the water shall be secured to a stable object to prevent the carcass from being moved by the current. In the event of injury or mortality of a manatee, all aquatic activity in the project area shall cease pending section 7 consultation under the Endangered Species Act with the US Fish and Wildlife Service and the lead Federal agency.

p. The contractor shall keep a log detailing sightings, collisions, or injury to manatees, which have occurred during the contract period.

q. Following project completion, a report summarizing the above incidents and sightings shall be submitted to the US Fish and Wildlife Service, 4270 Norwich Street, Brunswick, Georgia 31520.

FURTHER INFORMATION:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

2. Limits of this Authorization.

a. This permit does not obviate the need to obtain other federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

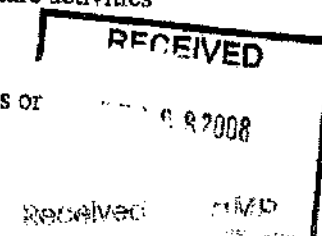
d. This permit does not authorize interference with any existing or proposed federal projects.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

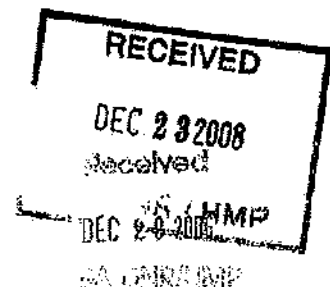
c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.



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- d. Design or construction deficiencies associated with the permitted work.
 - e. Damage claims associated with any future modification, suspension, or revocation of this permit.
4. Reliance on Applicant's Data. The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.
5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require reevaluation include, but are not limited to, the following:
- a. You fail to comply with the terms and conditions of this permit.
 - b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (see 4 above).
 - c. Significant new information surfaces which this office did not consider in reaching the original public interest decision. Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7, or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order which requires you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate.
 - d. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.
6. Extensions. General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the US Army Corps of Engineers will normally give favorable consideration to a request for an extension of time limit.



Regulatory Branch

CERTIFICATION OF COMPLIANCE
WITH
DEPARTMENT OF THE ARMY PERMIT

PERMIT NUMBER: 200405680

PERMITTEE: Dolphin Island Preservation, LLC

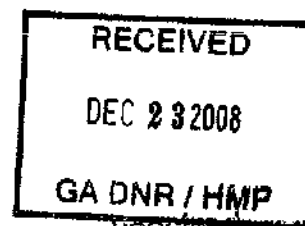
Within 30 days of completion of the activity authorized by this permit, sign this certification and return it to the following address:

Commander
US Army Engineer District, Savannah
Attention: Regulatory Branch
P.O. Box 889
Savannah, Georgia 31402-0889

Please note that your permitted activity is subject to compliance inspection by an US Army Corps of Engineers' representative. If you fail to comply with the permit conditions it may be subject to suspension, modification, or revocation.

I hereby certify that the work authorized by the above referenced permit has been completed in accordance with the terms and conditions of the said permit.

Signature of Permittee/Date



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