

STATE OF ALABAMA,

BALDWIN COUNTY

I Certify that this instrument was filed on

STATE OF ALABAMA

COUNTY OF BALDWIN

MAY 13 1985

and that no tax was collected. Recorded in

Book 53 Page 183-1-1420

Judge of Probate By

DECLARATION OF CONDOMINIUM
OF
SUGAR BEACH CONDOMINIUM

THIS DECLARATION, made this 4th day of September, 1984, by SHORELINE DEVELOPERS, INC., an Alabama Corporation (hereinafter referred to as "Developer") for itself and for its successors and assigns.

R E C I T A L S:

WHEREAS, Developer is the fee simple owner of certain real property situated in Baldwin County, Alabama, described as follows:

Beginning at a point on the South line of Alabama State Highway No. 182, which point is 2341.8 feet due West of the North and South center line of Section 13, Township 9 South, Range 4 East in Baldwin County, Alabama; run thence South 68 degrees 11 minutes West 269.3 feet, along the said South line of Highway Number 182; run thence South, parallel with the aforesaid North and center line of said Section 13, 800 feet, more or less, to the Gulf of Mexico; run thence Northeastward along the margin of the Gulf of Mexico to a point South of the point of beginning; run thence North, parallel with the aforesaid center line of said Section 13, 700 feet, more or less, to the Point of Beginning, being a lot in Government Lot "C" of Section 13, Township 9 South, Range 4 East, in Baldwin County, Alabama.

WHEREAS, Developer intends to improve the property described above by constructing thereon 199 units contained in six (6) buildings and a parking area, said buildings to be constructed substantially in accordance with the site plan and survey attached hereto as Exhibit "A" and made a part hereof by reference, all of said improvements shall be constructed within one (1) year and shall be located substantially as shown on Exhibit "A"; and

WHEREAS, said lands and improvements are hereby submitted as condominium property by and through this enabling Declaration and under the authority of the "Alabama Condominium Act" (Sections 35-8-1, et seq. Code of Alabama, 1975); and

WHEREAS, it is the intent of Developer that the condominium property hereby created as Sugar Beach Condominium, which said property is described above, shall be operated and administered as condominium property; and

WHEREAS, Developer proposes to establish by this Declaration a plan (a) for the individual ownership of certain areas or spaces and certain personal property, which areas or spaces and personal property are hereinafter defined and referred to as the "Private Elements", and (b) for the co-ownership by the owners of the Private Elements, as owners in common, of all the remaining real and personal property, which is hereinafter defined and referred to as the "Common Elements".

W I T N E S S E T H:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Developer hereby makes the following declaration as to the division and uses of

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the property described above and the improvements to be constructed thereon, hereby specifying that this Declaration shall constitute a covenant running with the land and shall be binding upon Developer and upon its successors and assigns, and upon all subsequent owners of all or any part of said real property and improvements, together with their grantees, lessees, successors, heirs, executors, administrators, devisees or assigns:

1. PURPOSE. The purpose of this Declaration of Condominium is to submit the following described property and the improvements constructed or to be constructed thereon to the condominium form of ownership and use in the manner provided for by the "Alabama Condominium Ownership Act" (Sections 35-8-1, et seq., Code of Alabama, 1975).

2. NAME. The name by which this Condominium is to be known is SUGAR BEACH CONDOMINIUM.

3. THE REAL PROPERTY.

3.1 The Developer hereby submits to the condominium form of ownership the parcel of real property lying and being in Baldwin County, Alabama, described as follows:

Beginning at a point on the South line of Alabama State Highway No. 182, which point is 2341.8 feet due West of the North and South center line of Section 13, Township 9 South, Range 4 East, in Baldwin County, Alabama, run thence South 68 degrees 11 minutes West 269.3 feet, along said South line of Highway Number 182; run thence South parallel with the aforesaid North and center line of said Section 13, 800 feet, more or less, to the Gulf of Mexico; run thence Northeastward along the margin of the Gulf of Mexico to a point South of the Point of Beginning; run thence North, parallel with the aforesaid center line of said Section 13, 700 feet, more or less, to the Point of Beginning, being a lot in Government Lot "C" of Section 13, Township 9 South, Range 4 East, in Baldwin County, Alabama.

3.2 The mailing address of the property is Post Office Box 1647, Gulf Shores, Alabama 36542.

4. NAME AND ADDRESS OF PERSON TO RECEIVE SERVICE. The name and address of the person to receive service of process for the Condominium shall be Robert L. Kilpatrick, as President of the Association.

5. DEFINITIONS. The terms used in this Declaration of Condominium and in the Articles of Incorporation of and the By-Laws of Sugar Beach Condominium Association shall have the meanings stated in the "Alabama Condominium Ownership Act" as said Act is written as of the date hereof, and as follows:

Association - an Alabama not for profit corporation, or any successor entity, composed of all the Unit Owners and the entity which shall be responsible for the administration and management of the Condominium Property. The Articles of Incorporation of Sugar Beach Condominium Association, Inc. (the "Association") are attached hereto and made a part hereof as Exhibit "B".

Board - The Board of Directors of the Association.

Budget - That certain proposed budget attached hereto as Exhibit "F" and by this reference made a part hereof.

Building - The buildings located or to be located on the property herein submitted to the condominium form of ownership.

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By-Laws - The By-Laws of the Association, attached hereto as Exhibit "C" and by this reference made a part hereof, as amended from time to time.

Common Elements - A part or parts of the Condominium Property as herein set forth in which all of the Unit Owners have an undivided ownership interest. A schedule setting forth the method for determining the percentage of undivided ownership interest of each Unit in the common elements is attached hereto as Exhibit "D" and is, by reference thereto, made a part hereof. The Common Elements shall consist of all of the Condominium Property which is not within or a part of the individual Units and the Private Elements which comprise the Units as such Units are shown on the attached Exhibit "A" or described herein and, without limitation of the foregoing, shall include the following:

(a) All foundations, bearing walls, columns, windows, doors, roofs, exterior corridors, exterior decks, stairways and entrances and exits, walkways, ramps, floors (excluding finishing materials), exterior walls (excluding interior finishing materials within Units), and ceilings (excluding interior finishing materials within Units).

(b) Except as herein specifically stated, all yards, gardens, lawn areas and landscaping;

(c) All compartments or installations of central services including, but not limited to, power, light, water, television cables and communication lines;

(d) All recreational areas, such as swimming pools, wading pool, tennis courts, whirlpool, hot tub, playground and the like existing for the common use;

(e) The driveways, paved areas and all parking areas; and

(f) All other elements of the Building or of the Condominium Property desirably or rationally of common use or otherwise not specifically enumerated under Private Elements.

Common Expenses - The expenses for which the Unit Owners will be assessed by the Board, which expenses shall include, but are not limited to, the actual or estimated costs of:

(a) Taxes of all kinds which may be levied against the Condominium Property and which are not levied against an individual Unit or Unit Owner;

(b) Maintenance, management, operation, repair and replacement of and additions to the Common Elements and those parts of the Units as to which, pursuant to other provisions hereof, it is the responsibility of the Association to maintain, repair and replace;

(c) Water and sewage disposal for Units and utilities incurred in operation of the Common Elements not otherwise paid by any individual Unit Owner or Owners;

(d) Management and administration of the Association including, without limiting the same, compensation paid by the Association to a managing agent, accountant(s), attorney(s) and other employees and/or agents for the Association;

(e) Liability, flood, casualty and surety insurance carried by the Association;

(f) Any other item held by or in accordance with this Condominium Declaration or recorded amendment thereto, the Articles of Incorporation of the Association, or the By-Laws to be a Common Expense;

(g) Expenses agreed upon as common expenses by the Unit Owners or determined by the Board to be a common expense; and

(h) The expense of purchase and/or maintaining the Unit occupied by management and owned by the Association as determined by the Board.

Condominium Act - Sections 35-8-1, et seq., Code of Alabama, 1975, hereinafter referred to as the "Act".

Condominium Documents - This Condominium Declaration and the Exhibits annexed hereto as the same from time to time may be amended. Said Exhibits are as follows:

Exhibit "A" - Plans for Development of Sugar Beach Condominium.

Exhibit "B" - Articles of Incorporation of the Association.

Exhibit "C" - By-Laws of the Association.

Exhibit "D" - Percentages of undivided ownership of the Common Elements appurtenant to each Unit.

Exhibit "E" - Rules and Regulations.

Exhibit "F" - Proposed Budget.

Exhibit "G" - Limited Warranty.

Developer - Shoreline Developers, Inc., an Alabama corporation, its successors and assigns.

Declaration - This instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and as such Declaration may be amended from time to time.

Limited Common Elements - There are no Limited Common Elements as defined by the Act which definition is as follows:

"A part or parts of the condominium property as set forth in the declaration in which more than one but not all unit owners have an undivided interest".

Limited Warranty - The Limited Warranty is attached hereto as Exhibit "C" and incorporated herein by reference. The said Limited Warranty shall be delivered to the Unit Owner(s) upon conveyance of title by Developer to the respective Unit Owner(s) on the date of closing.

Majority or Majority of the Unit Owners - The Owners of more than fifty (50%) percent of the undivided ownership of the Common Elements. Any specific percentage of the Unit Owners means that percentage of the Unit Owners who, in the aggregate, own such specified percentage of the entire undivided ownership of the Common Elements.

Mortgage - A mortgage covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

Mortgagee - A beneficiary under a Mortgage.

Occupant - A person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

Parcel - That certain tract of real estate which is described above and the subject of this Declaration and which is identified on Exhibit "A" attached hereto and by this reference made a part hereof.

Person - Any natural person, corporation, partnership, association, trustee, fiduciary or other legal entity capable of holding title to real property.

Plat - The plat of the Land and Buildings and the floor and elevation plans and drawings of Units, attached hereto as Exhibit "A" and by this reference made a part hereof.

Private Elements - That part of the Property set forth herein and intended for exclusive ownership or possession of a Unit Owner. The Private Elements of each Unit shall consist of the following:

(a) the air space and the area of the building lying within the Unit boundaries;

(b) the surfacing or finishing materials on the interior of exterior walls and on interior walls separating one Unit from another Unit and on the floors and ceiling;

(c) the components and surfacing materials of all interior walls (but not load bearing walls) located within the boundaries of the Unit;

(d) all bathtubs, toilets, sinks, cooking range and oven, garbage disposal, refrigerator, dishwasher, water heater, air conditioning and heating unit and like fixtures and all hardware and interior lighting fixtures.

Property - All the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

Unit - Each Unit is numbered as shown on Exhibit "A" and shall include that part of the area and air space of a building which lies within the following described boundaries:

(a) Vertical Boundaries: The vertical boundaries of each Unit shall be the plane of the interior surfaces of the Unit's perimeter walls, but does not include the sheetrock. At window and exterior door openings, the vertical boundary extends to the interior surface of the door or window.

(b) Horizontal Boundaries: The lower boundary of Units is the upper surface of the concrete subfloor. The upper boundary of all Units is the interior surface of the ceiling material.

In addition, each Unit shall include the respective undivided interest in the Common Elements assigned thereto as reflected on Exhibit "D" attached hereto and incorporated herein by reference. Each Unit is numbered as shown on the attached Plat. Included with each Unit, without limitation, shall be any finishing materials applied or affixed to the interior surfaces of the common, exterior or interior walls, floors or ceilings (such as, but without limitation, paint, wallpaper, vinyl wall or floor coverings and carpets), interior walls, and all utility pipes, lines, systems, fixtures or appliances servicing only that Unit (whether or not within the boundaries of that Unit), provided, however, that no pipes, drains, wires, conduits, ducts, flues and shafts contained within a Unit and forming a part of any system serving more than one Unit or the Common Elements shall be deemed to be part of said Unit.

Unit Owner - The person or persons whose estates or interests, individually or collectively, aggregate ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise herein, Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

6. THE CONDOMINIUM DEVELOPMENT PLAN.

6.1 The building and Units will be constructed by the Developer substantially in accordance with the Plans attached hereto as

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Exhibit "A", which Plans include a representative floor plan of the Units and show the respective Unit numbers, the location of the Units within the Building and the dimensions of the Private Elements comprising the Units, and the location of said improvements on the Property. A complete set of Plans and Specifications are available for inspection at the Developer's office.

6.2 This Declaration may be amended by the filing of such additional plans as may be required to sufficiently identify and describe the improvements on the Property and in order to show completion of improvements. Such identification, description and completion may be shown by a verified statement of a registered architect or licensed professional engineer certifying that the completed improvements have been constructed substantially as herein represented or, if not so constructed, then designating the changes made and certifying that the plans filed simultaneously with such verified statement depict the location and unit numbers of the Units and the dimensions of the Private and Common Elements comprising the Units as built. Such plans or verified statement, or both, when signed and acknowledged by such registered architect or licensed professional engineer, shall constitute an amendment to this Declaration without approval of the Association, Unit Owners, lessees, or Mortgagees of Units of the Condominium, whether or not elsewhere required for an amendment; provided, however, no such amendment shall increase or decrease the interest of each Unit Owner in the Common Elements without the agreement of the Unit Owners and/or Mortgagees affected thereby.

6.3 The Buildings will be constructed of concrete and wood frame. The interior walls will be gypsum wallboard. A parking area containing approximately 248 spaces will be provided substantially as shown on Exhibit "A". Each Unit shall have a designated parking space with the remaining parking spaces used on a "first come" basis subject to such Rules and Regulations for the use thereof as may be promulgated by the Board from time to time.

Each Unit will be equipped with a cooking range and oven, refrigerator, dishwasher and an in-sink garbage disposal. Each Unit is supplied with water, sewer, electricity, heating and air conditioning unit and water heater.

6.4 The Developer reserves the right to change the interior design of all Units. The Developer further reserves the right to alter the boundaries between Units, and any such alteration shall be reflected by an amendment to this Declaration which may be executed by the Developer alone. However, no such alteration of boundaries shall increase or decrease the number of Units nor alter the percentage or percentages of undivided interests in the Common Elements of any such Unit or Units so altered without compliance with Paragraph 25. of this Declaration.

7. EASEMENTS. Easements are reserved throughout the Condominium Property as may be required for ingress and egress to public right-of-ways and for utility services in order to adequately serve the Units and the Common Elements; provided, however, such easements to a Unit shall be only in accordance with the plans and specifications for the Building as shown on the exhibits hereto attached or as constructed, unless approved in writing by the Unit Owner. Each Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association shall have a right of access to each Unit to inspect the same, to remove violations therefrom, and to maintain, repair and replace the Common Elements contained therein or elsewhere in the Building.

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8. ENCROACHMENTS. If any portion of the Common Elements now encroach upon the Private Elements of any Unit, or if the Private Elements of any Unit now encroach upon the Private Elements of any other Unit or upon any portion of the Common Elements, as result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or as a result of any construction done subsequent to the date hereof, a valid easement for the encroachment and for the maintenance of the same shall exist so long as such Building stands. In the event that any part of any Building shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon the Private Elements of any Unit or of the Private Elements of any Unit upon any other Unit or upon any portion of the Common Elements due to such rebuilding, shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

9. COVENANT AGAINST SUBDIVIDING. No Unit Owner shall by deed, plat, court decree or otherwise subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

10. COVENANT AGAINST PARTITION. In order to effectuate the intent hereof and preserve the Condominium and the Condominium method of ownership, the Common Elements shall remain undivided and no person, irrespective of the nature of his interest in the Common Elements, shall bring any action or proceeding for partition or division of the Common Elements or any part thereof until the termination of the Condominium Regime established by this Condominium Declaration in accordance with provisions herein elsewhere contained or until the Condominium Property is no longer tenantable, whichever first occurs, and in any event, all mortgages must be paid in full or all mortgagees must consent in writing, prior to bringing an action for partition.

11. ASSOCIATION OF UNIT OWNERS AND ADMINISTRATION AND OPERATION OF THE PROPERTY. There has been, or will be, formed an Association having the name "Sugar Beach Condominium Association, Inc.", an Alabama nonprofit corporation, which Association shall be the governing body of the Unit Owners, and responsible for the maintenance, repair, replacement, administration and operation of the Common Elements. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of this Declaration and the By-Laws. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The number of votes assigned to each member of the Association shall be as shown in the By-Laws of the Association.

11.1 DEVELOPER'S RIGHT TO APPOINT DIRECTORS. Until four (4) months after the Developer has completed and conveyed seventy-five (75%) percent of the Units located on the Property but not to exceed three (3) years after conveyance of the first Unit, or until Developer elects to terminate its control of the Condominium, whichever event shall first occur, the Directors of the Association shall be designated by the Developer and such Directors need not be Unit Owners.

11.2 MANAGEMENT OF PROPERTY. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part herein, to the extent deemed advisable

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by the Board, subject to the provisions of Subparagraph 11.3 below. The Board shall also have the authority (but not the obligation) to engage, supervise and control such employees as the Board deems advisable to clean and maintain all or any part of the Common Elements. The cost of such services shall be a Common Expense.

11.3 INITIAL MANAGEMENT CONTRACT. The first Board, appointed as provided herein, may approve an initial management agreement. Until such time as the relinquishment of rights and control by Developer takes place in accordance with the provisions of Paragraph 11.1, management contracts shall not exceed one (1) year, and any such contract shall be terminable for cause upon not more than thirty (30) days notice.

11.4 MANAGEMENT AGREEMENT. Any management agreement entered into can be terminated by the Board for cause upon not more than thirty (30) days written notice and without cause upon not less than ninety (90) days written notice to the Management Agent, and the term of any such agreement may not exceed one (1) year; however, such agreement may be renewable by the parties for successive one (1) year periods.

11.5 USE BY DEVELOPER. During the period of sale by the Developer of any Units, the Developer and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled access, ingress to and egress from the Building and Property as may be required for the purposes of sale of Units. While the Developer owns any of the Units and until each Unit sold by it is occupied by purchasers, the Developer and its employees may use and show one (1) or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

11.5 NON-LIABILITY OF THE DIRECTORS, BOARD AND OFFICERS. Neither the Directors, Board of Directors of the Association nor Officers shall be personally liable to the Unit Owners for any mistake of judgment or for any acts or omissions of any nature whatsoever as such Directors, Board or Officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the Directors, Board, and/or Officers, and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of the Articles of Incorporation of the Association, and the By-Laws, and the Association shall carry such insurance as the Board may prescribe to protect the Directors, Board and/or Officers under said indemnity.

11.6 BOARD'S DETERMINATION BINDING. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation of and/or application of the provisions of the Declaration, Articles of Incorporation of the Association or By-Laws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such Unit Owners, subject to the right of Unit Owners to seek other remedies provided by law after such determination by the Board.

12. OWNERSHIP OF THE COMMON ELEMENTS. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit "D" attached hereto and by this reference made a part hereof. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners jointly in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the title to that Unit.

13. USE OF THE COMMON ELEMENTS. Each Unit Owner shall have the right to use the Common Elements (except for deck areas attached to a

Unit wherein the only means of ingress and egress to such deck area is through such Unit), in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to not only such Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. Such rights to use the Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and Rules and Regulations, which are attached hereto as Exhibit "E" and made a part hereof by reference, of the Association and the Unit Owners shall use the Common Elements in such manner as will not restrict, interfere with or impede the use thereof by other Unit Owners. In addition, the Association shall have the authority to rent, lease, grant concessions, servitudes or easements with respect to all parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions, servitudes, easements or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

14. COMMON EXPENSES. Each Unit Owner, including the Developer, shall pay his proportionate share of the common expenses. The proportionate share of the common expenses due by a Unit Owner shall be equal to such Unit Owner's percentage ownership in the Common Elements as set forth in Exhibit "D". Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by non-use or waiver of enjoyment of the Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof, together with interest thereon at the rate of twelve (12%) percent per annum shall constitute a lien on the interest of such Unit Owner in the Property and his Unit, all as provided in the Act.

14.1 ANNUAL BUDGETS. Annual budgets for each fiscal year of the Association shall be prepared and adopted by the Board pursuant to the By-Laws; provided, however, the Board shall not adopt a budget requiring assessments for common expenses in an amount exceeding one hundred twenty-five (125%) percent of the common expenses for the preceding year unless the same is approved by a majority of the Unit Owners. Costs which are associated with providing water and sewage for the Property shall be exempt from the limitations of this paragraph.

14.2 METERED UTILITIES. Each Unit Owner shall also pay for all utility services, including electricity and other utility services (including telephone), if any, separately metered for such Unit Owner's Unit. Each Unit Owner shall make such payments for separately metered utility services to the public utility company providing such utility service, if provided directly to the Unit Owner, or to the Association if such utility services are separately metered or submetered for the Units. If water and sewage disposal expenses are charged to the Association, such expense or expenses will be included as a Common Expense.

14.3 ENFORCEMENT OF LIEN. The Board may bring an action at law against the Unit Owner personally obligated to pay the same, for collection of his unpaid proportionate share of the common expenses, or foreclose the lien against the Unit or Units owned by such Unit Owner, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment, all as provided by the Act. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such charges as debt and to enforce the aforesaid lien by all methods available to the Act for the enforcement of such liens and each such Unit Owner hereby expressly grants to the Board a power of sale in

connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the common benefit of all Unit Owners. The Board, acting on behalf of the Association, shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

14.4 MORTGAGEE PROTECTION. The lien for common expenses payable by a Unit Owner shall be subordinate to the lien for a recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage. Where the holder of a first lien of record or a purchaser of a Unit obtains title to the Unit as a result of a foreclosure of a first lien, such acquirer of title, its or his heirs, successors and assigns, shall not be fully liable for payment of the share of common expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to the acquisition of title to such Unit as a result of foreclosure. Such unpaid share of common expenses or other assessments shall be deemed to be a common expense collectible from all of the remaining Unit Owners including such acquirer, its or his heirs, successors and assigns. This Subparagraph 14.4 shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees of record.

15. PARKING AREAS. Each Unit shall have a designated parking space with the remaining parking spaces used on a "first come" basis subject to such Rules and Regulations for the use thereof as may be promulgated by the Board from time to time.

16. MORTGAGES. Each Unit Owner shall have the right, subject to the provisions herein, to make separate Mortgages on his respective Unit, together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created from the date hereof any Mortgage or other lien on or affecting the Property, or any part thereof, except of his own Unit and the respective percentage interest in the Common Elements appurtenant thereto.

17. SEPARATE REAL ESTATE TAXES. Taxes, assessments and other charges of any taxing or assessing authority shall be separately assessed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act (Section 35-8-15, Code of Alabama, 1975).

18. INSURANCE. The Board shall have the authority to and shall obtain insurance for the Property, exclusive of decoration of the Units, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement costs shall be deemed the cost of restoring the Common Elements or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to the Board as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of Mortgages on his Unit, if any. If the Property described herein is ever designated as a part of a flood plain area or any other designation which would make such property subject to the Federal Flood Insurance Act of 1968, as amended heretofore or hereafter, or any similar law, then Board shall do everything within its power to comply with the requirements of said law (including all regulations and other requirements applicable thereto) and to obtain such flood insurance on behalf of the Unit Owners and their respective mortgagees. Such policies shall provide that same

cannot be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first Mortgage which is listed as holder of a first Mortgage in the insurance policy. Such policies of insurance must also contain a waiver of subrogation rights by the insurer against individual Unit Owners and members of their household. The premium for such insurance shall be a Common Expense.

The following provisions shall apply with respect to damage by fire or other causes:

(a) If any one of the Buildings is damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Unit Owner or one or more Mortgagees of such Unit, as their respective interests may appear, and such Unit Owner or Mortgagee shall use the same to rebuild or repair such Unit substantially in accordance with the original plans and specifications therefor. If such damage extends to two or more Units, or extended to any part of the Common Elements, such insurance proceeds shall be paid to the Board, as trustee, or to such bank or trust company as may be designated by amendment hereof, to be held in Trust for the benefit of the Unit Owners and their Mortgagees as their respective interests may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Units, the Buildings, and the Common Elements substantially in accordance with the original plans and specifications therefor and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a special assessment on all Unit Owners, in proportion to the percentage of interest of each Unit Owner in the Common Elements, to make up any deficiency. If any Unit Owner shall fail to pay the special assessment within thirty (30) days after they levy thereof, the Board shall make up the deficiency by payment from the common expense fund; provided, however, that such Unit Owner shall remain liable for such special assessment.

(b) Notwithstanding the provisions of Subparagraph (a) above, reconstruction shall not be compulsory where the whole or more than sixty-seven (67%) percent of all Units and of the Common Elements are destroyed or damaged by fire or other casualty, as determined by the Board.

In such case, and unless otherwise unanimously agreed upon by the Unit Owners, the insurance proceeds shall be delivered to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, and all funds held by said insurance trustee shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements.

(c) Within sixty (60) days after any such damage occurs, the Managing Agent or the Board shall, or if they do not, any Unit Owner, the insurer, the insurance trustee or any Mortgagee may record a sworn declaration stating that such damage has occurred, describing it, identifying the Building suffering such damage, the name of any insurer against whom claim is made, and the name of any insurance trustee, reciting that the sworn declaration is recorded pursuant to this paragraph of this Declaration, and that a copy of such sworn declaration has been served pursuant to the provisions of Paragraph 36. hereof on the Unit Owners.

(d) If the Unit Owners shall not rebuild pursuant to Subparagraph (b) above, and the Board fails to consummate a sale pursuant to said Subparagraph (b) within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent, or the Board

shall, or if they do not, any Unit Owner or Mortgagee may record a sworn declaration setting forth such decision and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in this Condominium Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Alabama. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

The Board shall also have the authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, Mortgagee of record, if any, the Association, its Officers, Directors, Board and employees, and the Managing Agent, if any, from liability in connection with the Common Elements; however, such coverage shall be for at least one million (\$1,000,000.00) dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy or policies shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common areas, and legal liability arising out of lawsuits relating to employment contracts of the Association. In addition, such policies shall provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each holder of a first Mortgage which is listed as a holder of a first Mortgage in the insurance policy. The premiums for such insurance shall be a Common Expense.

The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and Officer of the Association and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was a Director or Officer of the Association, or a member of such a committee. The premiums for such insurance shall be a Common Expense.

The Association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors and employees who are responsible for handling Association funds. Said coverage shall name the Association as obligee, be written in an amount of at least one hundred fifty (150%) percent of the estimated annual operating budget, contain waivers of any defense based on exclusion of employees who serve without compensation, and shall not be cancelled or substantially modified without at least ten (10) days notice to all first Mortgagees of record. The premium for such insurance shall be a Common Expense.

Each Unit Owner shall be responsible for obtaining his own insurance on the Private Elements and contents of his own Unit, as well as his decorations, furnishings, and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

19. MAINTENANCE, REPAIRS AND REPLACEMENTS. Except to the extent the Board provides for (at its option and discretion) maintenance of the Units for Unit Owners, each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Units to the extent the Board

elects to provide such services and within the Common Elements shall be part of the common expenses, subject to the By-Laws, Rules and Regulations of the Association.

In addition to the discretionary authority provided herein for maintenance of all or any portion of the Units, the Board shall have the authority to maintain and repair any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board, and the Board shall levy a special assessment against the Unit of such Unit Owner for the cost of said necessary maintenance or repair. In case of an emergency, verbal notice by the Manager shall be sufficient.

If, due to the act or neglect of a Unit Owner, or his agent, servant, tenant, family member, invitee, or licensee, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair or replacements, as may be determined by the Association; however, the provisions of this Paragraph are subject to the provisions of Paragraph 18. hereof providing for waiver of subrogation rights with respect to casualty damage insured against under the policies of insurance maintained by the Board.

Each Unit Owner (except the Developer), upon being the first purchaser of a Unit, shall be required to pay in advance a sum equivalent to one (1) month's assessment for common expenses which includes the reserve for replacement. In addition, a working capital fund must be established for the initial months of the condominium operations and each first purchaser of a Unit agrees to contribute to such working capital reserve a sum equal to at least two (2) months assessment for common expenses. This contribution shall be transferred to the Association at the time of closing and shall be maintained in a segregated account in the name of and for the use and benefit of the Association. The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board for the Association.

The authorized representatives of the Association or Board, or the Managing Agent, with approval of the Board, shall be entitled to reasonable access to the individual Units as may be required in connection with the preservation of any individual Unit in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, of any equipment, facilities or fixtures affecting or serving other Units, Common Elements or to make any alteration required by a governmental authority and in order to carry out the intent and purpose of this paragraph, there is specifically granted to the Board and its authorized representatives, servitudes through the Units and Common Elements for maintenance, repair and/or replacement of portions of the Units and Common Elements. Use of these servitudes, however, for access to the individual Units, shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

20. ALTERATIONS, ADDITIONS OR IMPROVEMENTS. Except as provided in Paragraph 21. herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

21. DECORATING. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window sheers, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceilings of his Unit, and any balconies and terraces constituting a part thereof, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces, from time to time, as he may see fit and at his sole expense. Decorating the Common Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expense. All interior surfaces of windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit. No Unit Owner shall enclose the balcony of his Unit or decorate the portions of such balcony visible from outside such Unit in any manner which detracts from the appearance of the Building, and the determination of the Board on such matters shall be final.

22. USE AND OCCUPANCY RESTRICTIONS. Subject to the provisions of this Declaration and By-Laws, no part of the Property may be used for purposes other than residential and the related common purposes for which the Property was designed excepting, however, Units 100 and the Association's manager's office. Unit 100 may be used by the owner thereof for commercial purposes including, but not limited to, real estate office, gift shop, clothing store or similar use. Except as aforesaid, each Unit or any two (2) or more adjoining Units used together, shall be used as a residence. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, the garbage, storage areas and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operations of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part of or all of said Common Elements.

Without limiting the generality of the foregoing provisions of this Paragraph 22., use of the Property by the Unit Owners shall be subject to the following restrictions:

(a) Nothing shall be stored in or upon the Common Elements without prior consent of the Board except storage areas or as otherwise herein expressly provided;

(b) Nothing shall be done or kept in any Unit or in/on the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance on

any Unit, or any part of the Common Elements, or which will be in violation of any law;

(c) No waste shall be committed in or on the Common Elements.

(d) Each Unit Owner shall keep and maintain the interior of his Unit in good condition and repair, including all appliances, the entire air conditioning system (including compressors, ducts and vents) serving the Unit (whether the same is inside or outside the Unit), and all electrical systems, water lines and other fixtures located within the Unit;

(e) Each Unit Owner shall provide and maintain garbage and trash receptacles as may be directed by the Board, and all garbage and trash shall be kept in said receptacles.

(f) No Unit Owner or Occupant shall play upon, or suffer to be played upon, any musical instrument, or permit to be operated a phonograph or radio loudspeaker in any Unit or on the Property between the hours of 11:00 p.m. and the following 9:00 a.m., if the same may tend to disturb or annoy other Occupants of the Buildings nor shall any Occupant or Unit Owner commit or permit any nuisance or immoral or illegal act in his Unit or on the Property;

(g) Subject to Developer's rights under this Declaration and except as to Unit 100 and the Association's office, no sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accord with the Board's direction;

(h) No noxious or offensive activity shall be carried on in any Unit or on or in the Common Elements nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners;

(i) Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board;

(j) No structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof;

(k) Outdoor drying of clothes, bedding, towels or similar items shall not be permitted;

(l) Parking of vehicles in driveways and parking areas shall be subject to the rules and regulations of the Board applicable thereto;

(m) Motorcycles, motor bikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Property so as to annoy or disturb persons or endanger persons or property.

(o) No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Unit Owners and the Association of complying with the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as hereinabove provided for the maintenance and repair of that portion of the Condominium Property subject to such requirements;

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(q) Neither the Board nor the Association shall take nor permit to be taken any action that unlawfully discriminates against one or more Unit Owners.

23. REMEDIES. In the event of any violation of the provisions of the Act, Declaration, Articles of Incorporation of the Association, By-Laws or Rules and Regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit), the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, Articles of Incorporation, By-Laws or said Rules and Regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief as may be permitted by law. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of twelve (12%) percent per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Association shall have a lien for all of the same, as well as for non-payment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a prior recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which becomes due and payable from and after the date on which the said Mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein other than through a deed in lieu of foreclosure or forecloses its Mortgage. This Paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of Mortgages against Units.

In the event of any such default by any Owner, the Board or the Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration: (a) to enter upon the Unit, or any portion of the property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

24. SALES AND OTHER TRANSFERS.

24.1 No Unit Owner shall sell, assign, convey or otherwise transfer his Unit or any interest therein unless, at least ten (10) days prior to any such sale, assignment, conveyance or transfer, he gives written notice to the Board of the name and address of each proposed

purchaser, assignee or transferee. The purpose of this Paragraph 24. is to make certain that any proposed purchaser, assignee or transferee is made aware of the provisions of this Declaration, as well as any delinquent assessments, if any attributable to the applicable Unit, prior to the consummation of any such purchase, assignment or transfer.

24.2 In the event of a resale of a Unit by a Unit Owner other than the Declarant, the Unit Owner shall furnish to a purchaser, before execution of any contract to purchase a Unit, or otherwise before conveyance, a copy of the Declaration, other than plats and plans, a copy of the Articles of Incorporation creating the Association, the By-Laws and a certificate containing:

(a) A statement setting forth the amount of any current common expense assessments;

(b) A statement of any capital expenditures approved by the Association for the current and next two (2) succeeding fiscal years;

(c) A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specific projects;

(d) The most recent balance sheet and income and expense statement of the Association, if any;

(e) The current operating budget of the Association, if any;

(f) A statement of any unsatisfied judgments against the Association and the status of any pending suits to which the Association is a party; and

(g) A statement describing any insurance coverage provided by the Association.

24.3 The Association, within ten (10) days after a request by a Unit Owner, shall furnish a certificate containing the information necessary to enable a Unit Owner to comply with this Section. The Unit Owner providing a certificate pursuant to this Section, shall not be liable to the purchaser for any erroneous information provided by the Association and included in the certificate. Further, a Unit Owner is not liable to a purchaser for the failure or delay of the Association to provide the certificate in a timely manner; however, the contract of purchase shall be voidable by the purchaser, until a certificate has been provided and for five (5) days thereafter, or until conveyance, whichever first occurs.

25. AMENDMENT. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission and signed and acknowledged by Unit Owners owning not less than sixty seven (67%) percent of the total ownership of Common Elements; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission and an affidavit by the secretary of the Association certifying to such mailing is made part of such instrument. The percentage ownership of the Common Elements provided for in this Declaration shall not be amended or modified without the consent of all Unit Owners and of all Mortgagees affected by such change or amendment. Notwithstanding the foregoing, except in the event of a total condemnation or a total casualty without repair or restoration of the Property, the use to which the Property is hereby dedicated may not be changed, modified or amended without approval by Unit Owners owning one hundred (100%) percent of the total ownership of the Common Elements.

However, if the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all Mortgagees for any action specified or rescinding any provision of this Declaration with respect to such action, such written instrument shall be signed by all the Unit Owners or all Mortgagees or both as required by the Act or this Declaration or the By-Laws.

Developer shall have the authority, without the joinder or consent of any other party including specifically, but not by way of limitation, a Unit Owner or Mortgagee of a Unit, to make any amendment of this Declaration required by law or necessary to clarify any apparently conflicting provisions hereof, and/or correct any mistakes or errors of a clerical nature resulting from typographical or similar errors.

Developer hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time, and from time to time, which amends this Declaration (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities and/or (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first Mortgages governing Units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner. Each title, mortgage, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of, the power to the Developer to make, execute and record Special Amendments. No Special Amendment made by Developer shall affect or impair the lien of any first Mortgage upon a Unit or any warranties made by an Owner in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first Mortgage on such Owner's Unit.

Any change, modification or rescission, whether accomplished under any one or more of the provisions of the preceding paragraphs shall be effective upon recording of such instrument in the Baldwin County, Alabama, Probate Court; provided however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

26. RIGHTS AND OBLIGATIONS. Each grantee of the Developer, by the acceptance of the deed of conveyance from the Developer, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, the Articles of Incorporation of the Association, and the By-Laws of the Association. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

27. PRIOR MORTGAGEE APPROVAL. The prior written approval of at least fifty one (51%) percent of holders of a first Mortgage, deed of trust or equivalent security interest on the Units in the project will be required for at least the following:

27.1 The abandonment or termination of the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

27.2 Any material amendment to the Declaration or to the Articles of Incorporation of the Association or to the By-Laws of the Owners Association including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Elements; and

27.3 The effectuation of any decision by the Owners Association to terminate any prior professional management of the property and assume self-management of the Property.

28. MORTGAGEE RIGHTS. Any holder of a first Mortgage on a Unit on the Property will, be entitled to:

(a) Upon request, to inspect the books and records of the Property during normal business hours;

(b) Upon request, to receive an annual audited financial statement of the Property within ninety (90) days following the end of any fiscal year; and

(c) Upon request, to receive written notice of all Association meetings of the Owners and be permitted to designate a representative to attend all such meetings.

(d) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the holder of any first Mortgage on a Unit will be entitled to timely written notice of any such damage or destruction.

(e) The Owners Association shall, upon written notice, give the known holders of first Mortgages prompt notice in the event of a default in the Unit Owner's Mortgage obligations under the Condominium documents which is not cured within sixty (60) days of default.

(f) Upon written request to the Board, the holder of any recorded Mortgage encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such Mortgage.

29. LEASES. No Owner may lease less than the entire Unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, By-Laws and the Rules and Regulations, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

30. EMINENT DOMAIN. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all first Mortgagees known to the Association to have an interest in an Condominium Unit. The expense of participation in such proceedings by the Association shall be borne by the Common Expense fund. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association, in its discretion, deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be deposited with the Association and such damages or awards shall be applied as provided to defend or resist any such proceedings, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceedings. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner and first Mortgagee, if any, as their interests may appear in proportion to their percentage ownership interest in the Common Elements to be applied or paid as set forth in the attached Exhibit "D", unless restoration takes place as herein provided. The Association, if it deems advisable, may call a meeting of the Owners at which meeting the Owners, by a majority vote, shall decide whether to replace or restore, as far as possible, the Common Elements so taken or damaged. In the event it is determined that the Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Plat attached hereto shall be duly amended by an instrument executed by the Association on behalf of the Owners. In the event such eminent

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domain proceeding results in the taking or damage to one or more, but less than sixty-seven (67%) percent of the total number of Units, then the damage and awards for such taking shall be determined for each Condominium Unit and the following shall apply:

(a) The Association shall determine which of the Units damaged by such taking may be made tenantable for the purposes set forth in the Declaration, taking into account the nature of this Condominium Project and the reduced size of each Condominium Unit so damaged.

(b) The Association shall determine whether it is reasonably practical to operate the remaining Condominium Units of the Property, including those damaged Units which may be tenantable, as a Condominium in the manner provided in this Declaration.

(c) In the event the Association determines it is not reasonably practical to operate the undamaged Units and the damaged Units which can be made tenantable, then the Property shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interests by all Owners, as owners in indivision, in the percentage ownership interest previously owned by each Owner in the Common Elements.

(d) In the event the Association determines it will be reasonably practical to operate the undamaged Units and the damaged Units which can be made tenantable as a Unit, then the damages and awards made with respect to each Unit which has been determined to be capable of being made tenantable shall be applied to repair and to reconstruct such Unit so that it is made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against those Units which are tenantable or will become tenantable from such repair. With respect to those Units which may not be tenantable or capable of being made tentable, the award made shall be paid as set forth in Exhibit "D" of the Declaration hereof, and the remaining portion of such Units, if any, shall become a part of the Common Elements. Upon payment of such award for the account of such Owner as provided herein, such Unit shall no longer be a part of the Condominium, and the percentage ownership interest in the Common Elements appurtenant to each remaining Unit which shall continue as a part of the Condominium shall be equitably adjusted to distribute the ownership of the undivided interest in the Common Elements among the reduced number of Owners and the Association shall promptly prepare, execute and record an Amendment to the Declaration reflecting the reallocation. If the entire Condominium is taken, or sixty-seven (67%) percent or more of the Units are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the Owners of Units, as provided herein, in proportion to their percentage ownership interests in the Common Elements; and this Condominium shall terminate upon such payment. Upon such termination, the Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interests by all Owners as tenants-in-common in the percentage ownership interest previously owned by each Owner in the Common Elements. Any damages or awards provided in this Paragraph shall be paid to or for the account of any Owner and first Mortgagee, if any, as their interest may appear.

31. NOTICES. Notices provided for in the Act, Declaration, Articles of Incorporation of the Association or By-Laws shall be in writing and shall be addressed to the Association or Board or to any Unit Owner, as the case may be, at the last known address of each respective party on record with the Association. The Association or Board's address for notices shall be the Property. Notices addressed as above shall be deemed delivered when mailed by United States Mail with postage prepaid or when delivered in person.

32. SEVERABILITY. If any provision of this Declaration or any section, paragraph, sentence, clause, phrase, word, or the application thereof, in any circumstance is held invalid, the validity of the remainder of this Declaration and of the application of any such

provision, section, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby and the remainder of this Declaration shall be construed as if such invalid part was never included therein.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed by its duly authorized representative on this the 4 day of Sept., 1984.

SHORELINE DEVELOPERS, INC.,
an Alabama Corporation

By: *Robert L. Kilpatrick*
ROBERT L. KILPATRICK
As Its President

STATE OF ALABAMA
COUNTY OF MOBILE

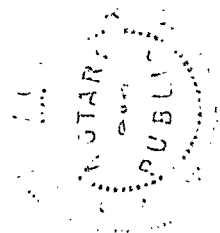
I, the undersigned Notary Public in and for said State and County, hereby certify that ROBERT L. KILPATRICK, whose name as President of SHORELINE DEVELOPERS, INC., an Alabama Corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4th day of Sept., 1984.

K. L. Hogue
Notary Public

My Commission Expires 7/28/88

THIS INSTRUMENT PREPARED BY:
Ray G. Riley, Jr.
Attorney At Law
McFADDEN, RILEY & PARKER
718 Downtowner Boulevard
Mobile, Alabama 36609



MSC. 53 JRE 1857

STATE OF ALABAMA
COUNTY OF BALDWIN

EXECUTION AND JOINDER BY MORTGAGEE

In witness whereof, FIRST SOUTHERN FEDERAL SAVINGS AND LOAN ASSOCIATION, a federally chartered savings and loan association, Mortgagee of the property contained in this Declaration of Condominium of Sugar Beach Condominium, hereby joins in and signs the foregoing Declaration and adopts the same, pursuant to Section 38-8-7, Code of Alabama 1975, this the 9th day of May, 1985.

FIRST SOUTHERN FEDERAL SAVINGS
AND LOAN ASSOCIATION

By: _____

STANLEY R. BARNES,
Senior Vice President

By: _____

CHESTER M. FOX,
Vice President

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said State and County, hereby certify that STANLEY R. BARNES and CHESTER M. FOX, whose names as Senior Vice President and Vice President, respectively, of FIRST SOUTHERN FEDERAL SAVINGS AND LOAN ASSOCIATION, a federally chartered savings and loan association, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said savings and loan association.

GIVEN under my hand and seal this the 9th day of May, 1985.

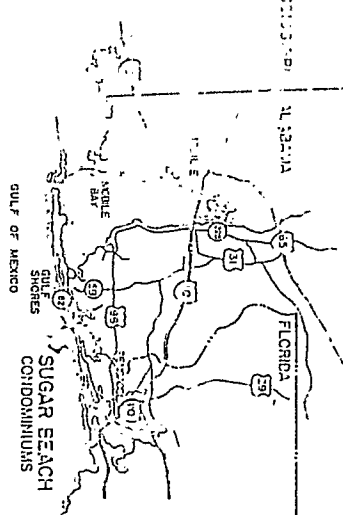
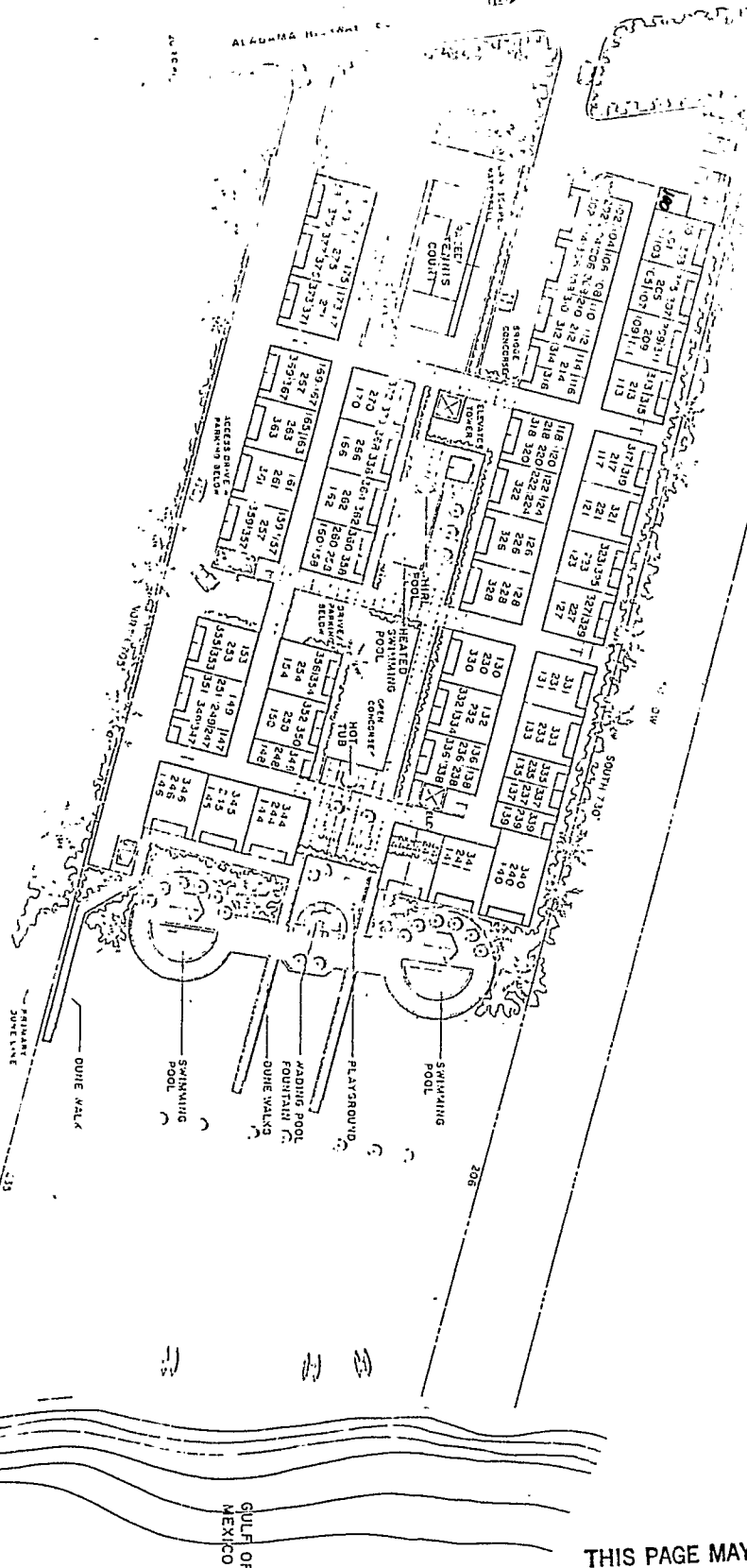
Becky W. Shields
NOTARY PUBLIC

My commission expires 4/29/89

MISC. 53 OF 1858

SUGAR BEACH CONDOMINIUMS

MSC. 53 AGE 1859



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*Revised about
August 21, 1984
D. A. Hand
June 22, 84*

SITE PLAN

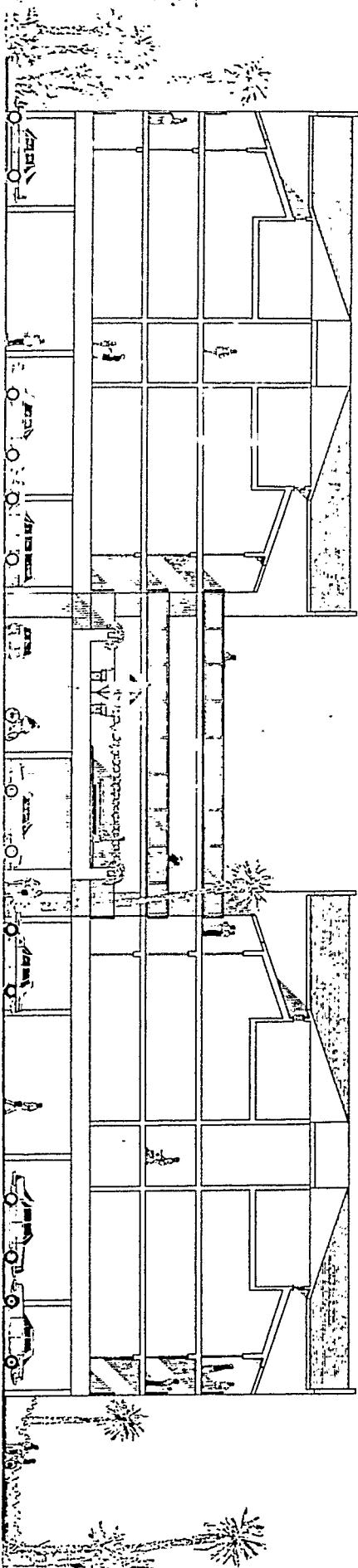
SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

PERRY A. HAND
ENGINEERING & SURVEYING
INCORPORATED
P.O. BOX 478
GULF SHORES, ALA. 36540
TELEPHONE 808/955-7881

SCALE: 1" = 30'
DATE: Nov 1983
DESIGNED BY: B. RICHMOND
DRAWN BY: [blank]
CHECKED BY: [blank]

REVISION NO.
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MISC. 53-AGE 1860



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1. SITE PLAN
2. SECTION ELEVATION
3. EXTERIOR ELEVATIONS
4. PARKING PLAN
5. UNIT REFERENCE
6. ROOF PLAN
7. 1/4" FLOOR PLANS/ELECTRICAL
8. 1/4" FLOOR PLANS & PLUMBING RISER DIAGRAMS
9. 1/2" INTERIOR ELEVATIONS (BATH & KITCHEN)
10. 1/4" FLOOR FRAMING PLAN/A/C LAYOUT

- INDEX
11. 1/4" FLOOR / ROOF FRAMING PLAN
 12. 1/8" FLOOR PLAN (NORTH) LEVEL TWO
 13. 1/8" FLOOR PLAN (SOUTH) LEVEL TWO
 14. 1/8" ELEVATIONS/SECTIONS (FRONT)
 15. 1/8" ELEVATIONS/SECTIONS (EAST & WEST)
 16. WALL SECTIONS & DETAILS

INDEX / SECTION ELEVATION

SUGAR BEACH CONDOMINIUMS

Romar Beach, Alabama

William Richmond Architect

PENACOLA, FLA.



PERRY A. HAND
ENGINEERING & SURVEYING,
INCORPORATED

P.O. BOX 478
GULF SHORES, ALA. 36542
TELEPHONE 908/688-7881

SCALE:

1" = 1'-0"

DATE:

1983

DRAWN BY

Res Davies

DESIGNED BY

B. RICHMOND

CHECKED BY

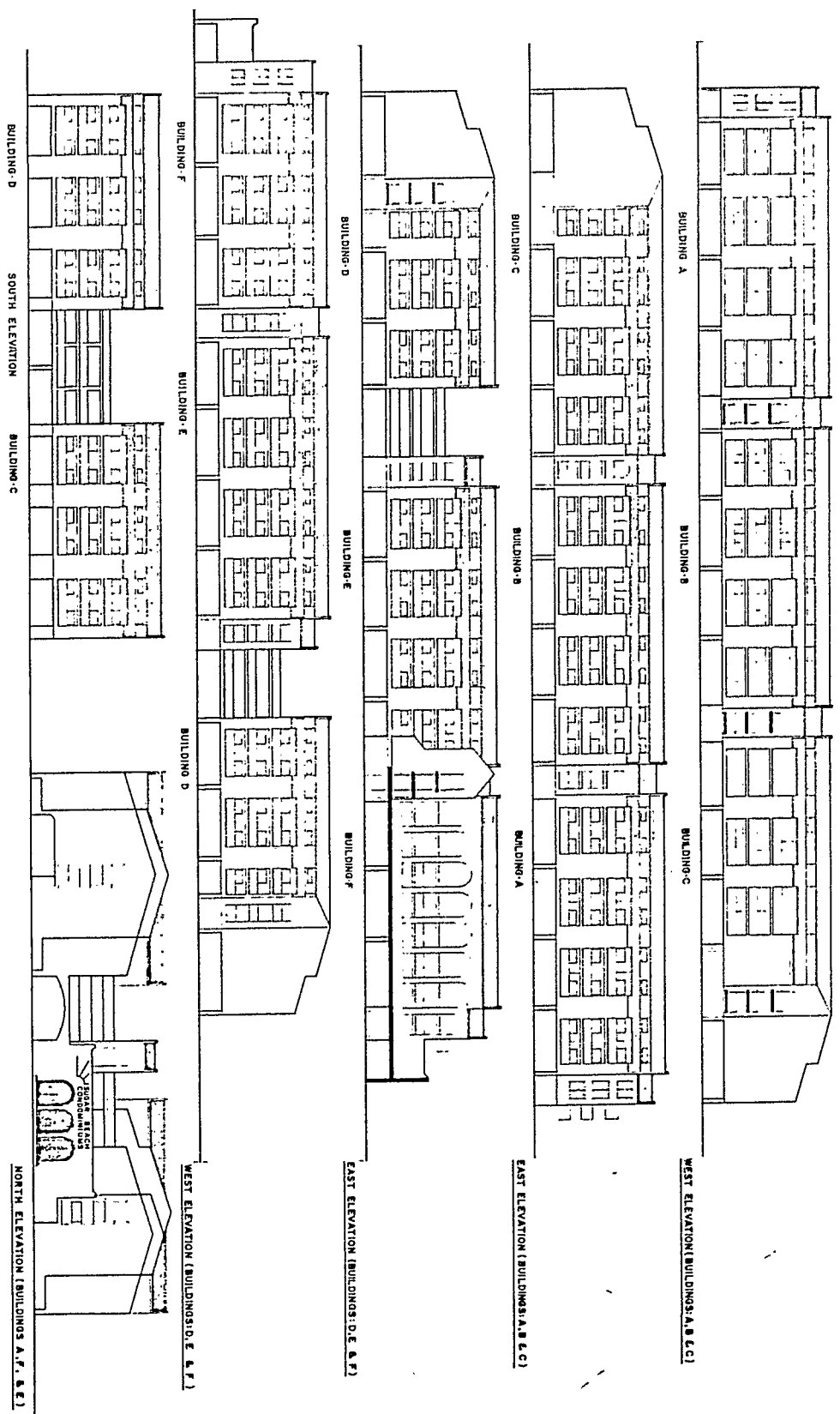
B.R.

SEAL

REVISIONS

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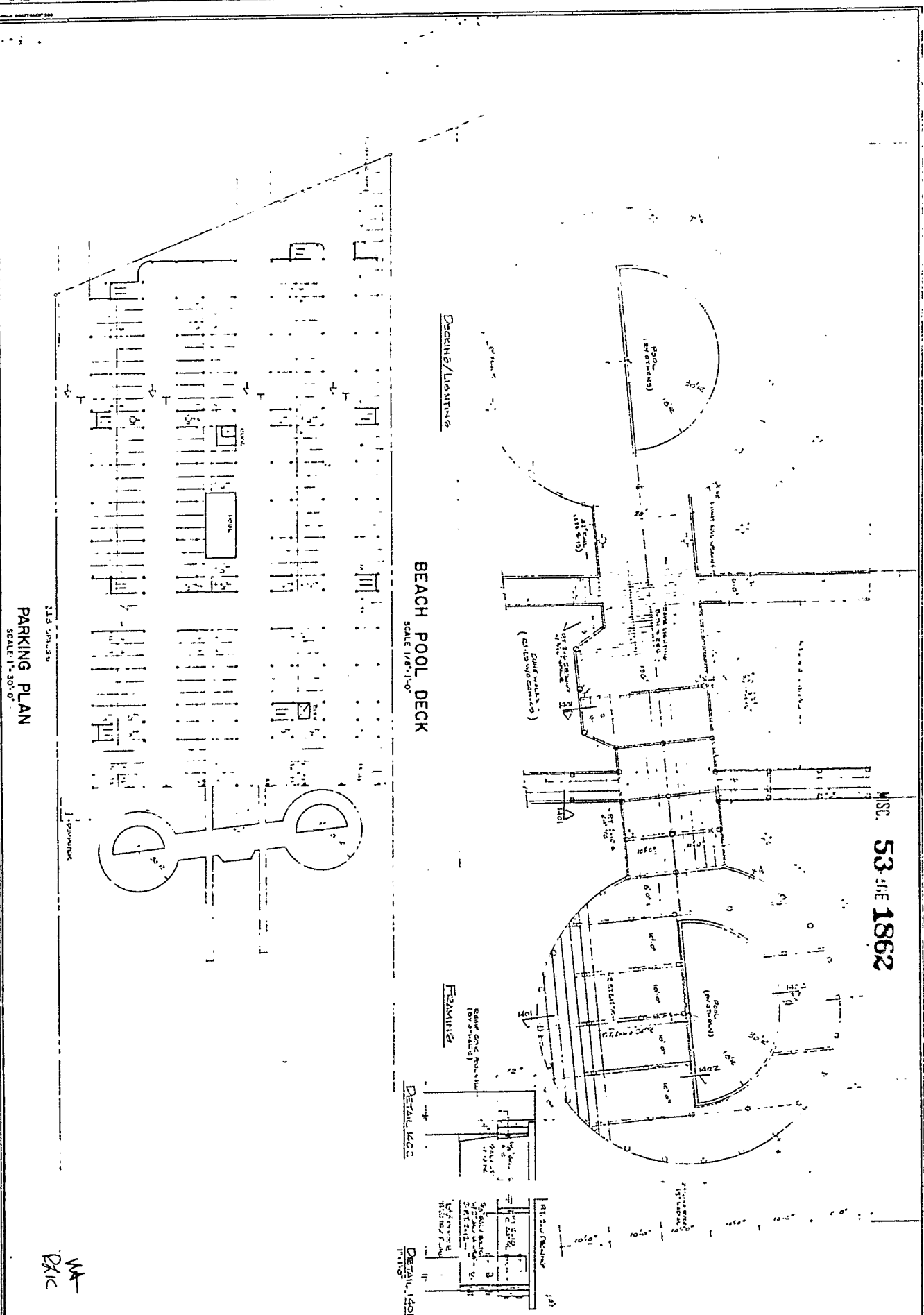
MISC. 53 OF 1861



EXTERIOR ELEVATIONS -

WA
RXC

SUGAR BEACH CONDOMINIUMS Romar Beach, Alabama William Richmond Architect		PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 479 GULF SHORES, ALA. 36648 TELEPHONE 286/222-7051		SCALE: 1" = 20' DATE: 1983 DRAWN BY: Ron Dawkins		DESIGNED BY: B. RICHMOND CHECKED BY: b.e.		REVISIONS: NO. DESCRIPTION	
PROJECT NO. A103F SHEET NO. 3		PENSACOLA, FLA.		MOBILE, ALA.					



MISC. 53-46 1862

BEACH POOL DECK
SCALE 1/8"=1'-0"

SCALE 1/8"=1'-0"

DECKING/LIBRITING

FIDELITY

DETAIL LEFT

DETAIL 1401

PARKING PLAN

SCALE: 1" = 30'-0"

213 284550

W. J. Price

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

William Richmond Architect

PENSACOLA, FLA.

RE

PERRY A. HAND

**ENGINEERING & SURVEYING
INCORPORATED**

INCORPORATED
P. O. BOX 478
GULF SHORES, ALA. 36548
TELEPHONE 256/666-7591

SCALE:

AS INDICATED

DATE: 12/1/80

DRAINAGE

DESIGNED BY
R. RICHMOND

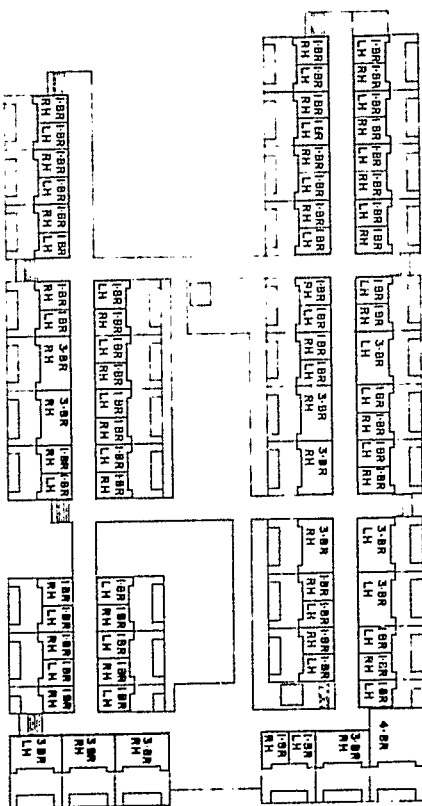
CHICAGO 07

SEAL

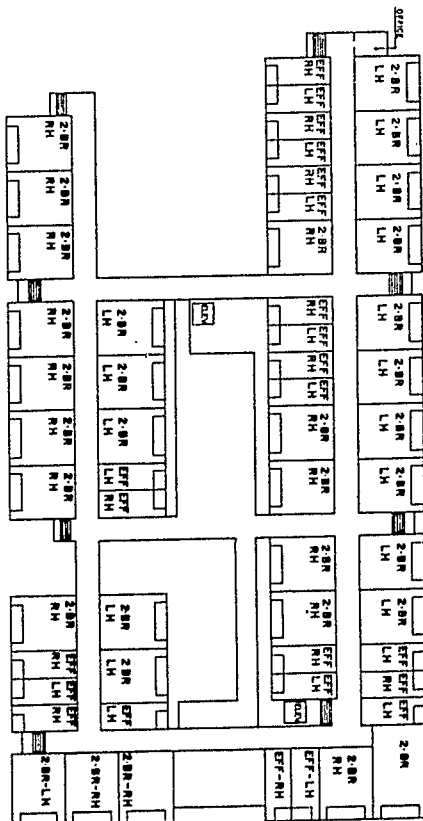
REVISIONS

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FOURTH FLOOR LEVEL

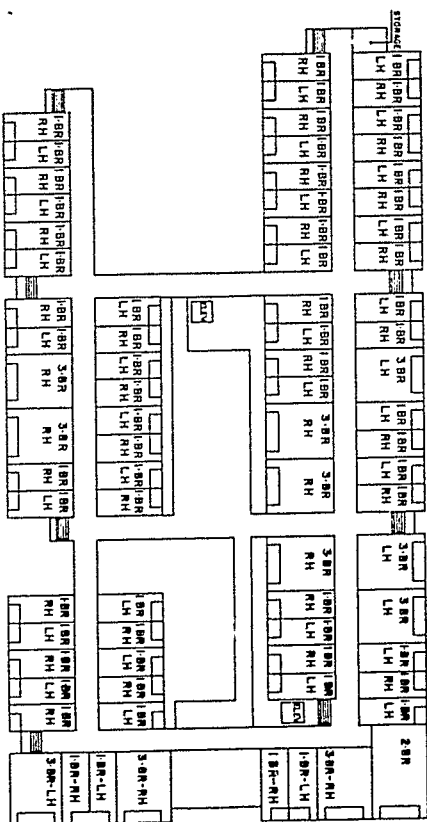


SECOND FLOOR LEVEL

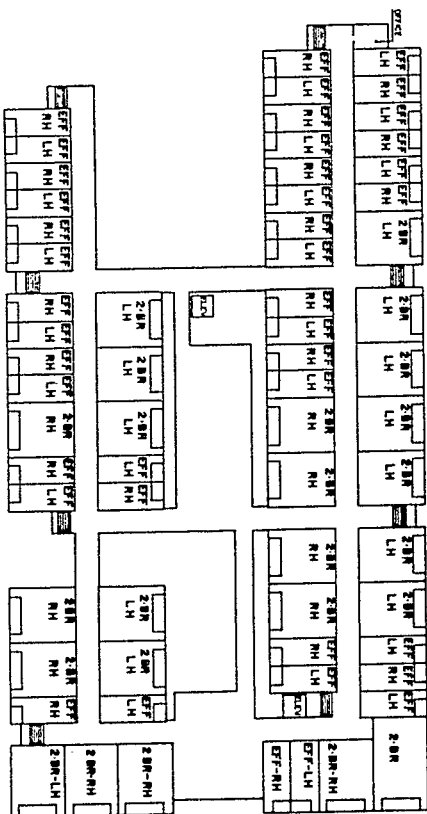


MISC. 53-AE 1863

THIRD FLOOR LEVEL

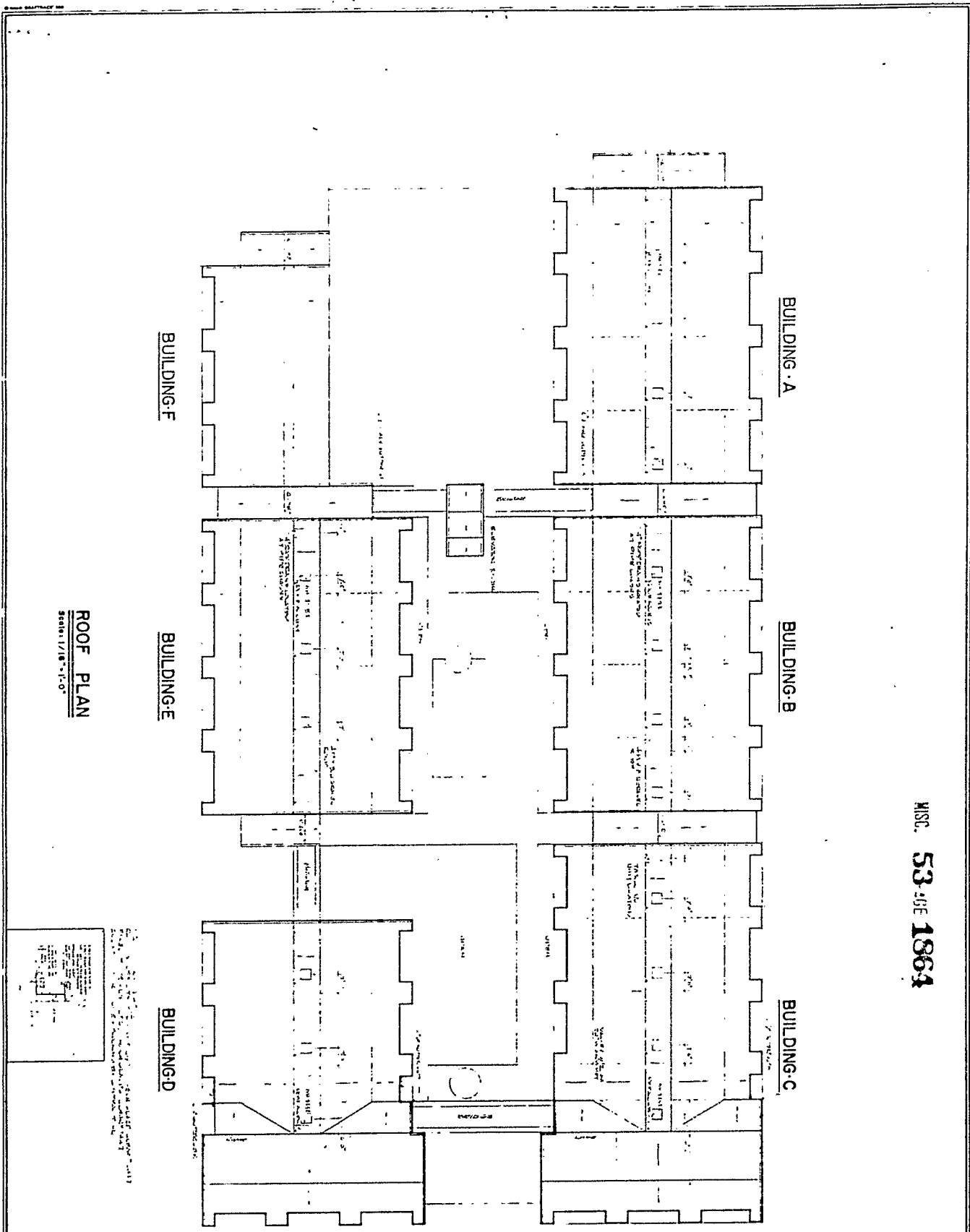


FIRST FLOOR LEVEL

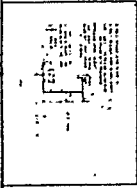


NOTE: REFERENCE TO SHEETS 7 FOR UNIT TYPE

MISC. 53 JOE 1864



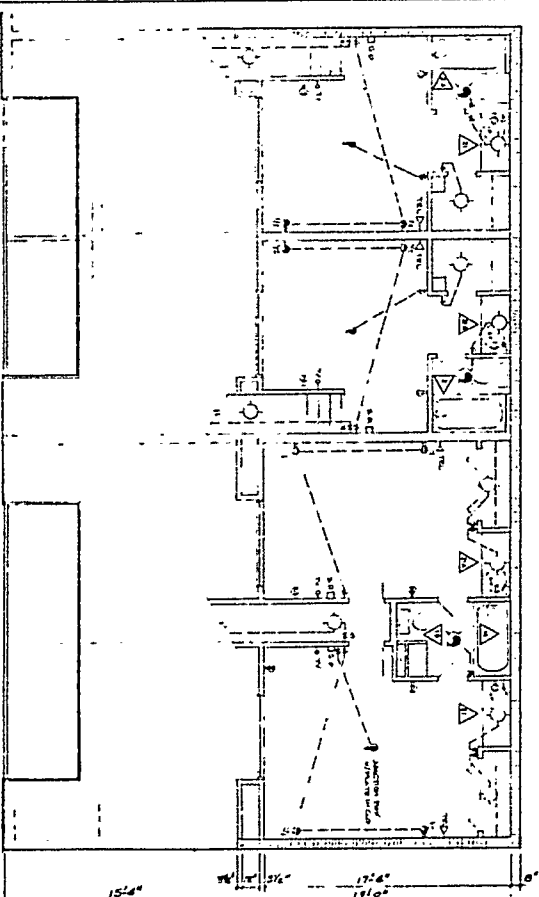
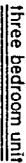
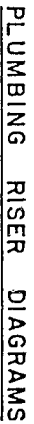
ROOF PLAN
Scale 1/16" = 1'-0"



ROOF PLAN
MA
DXT

SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA <i>William Richmond Architect</i>		PENSACOLA, FLA. PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 470 GULF SHORES, ALA. 36545 TELEPHONE 266/666-7881		SCALE: 1/16" = 1' DATE: 1983 DESIGNED BY: B. RICHMOND DRAWN BY: Res Devlin CHECKED BY: B.T.		REVISIONS <table border="1"> <tr><th>NO.</th><th>DESCRIPTION</th></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>		NO.	DESCRIPTION								
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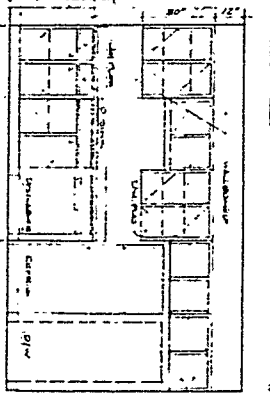
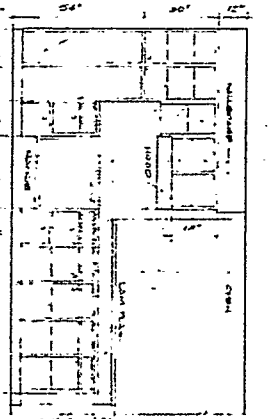
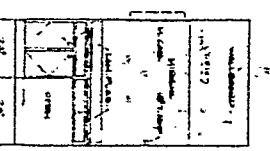
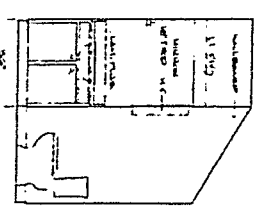
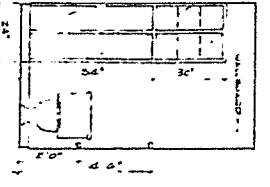
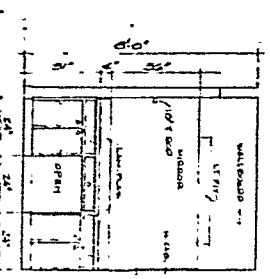
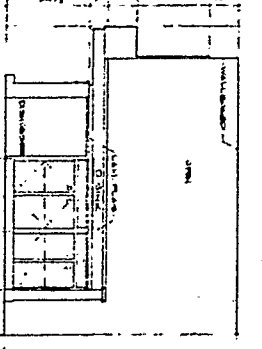
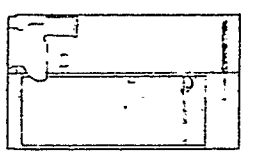
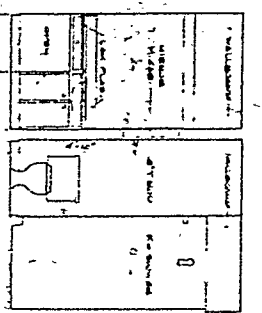
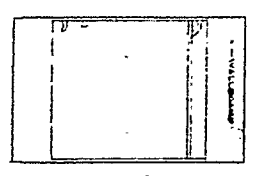
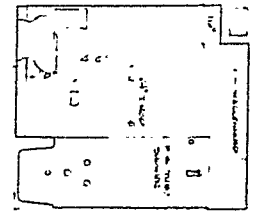
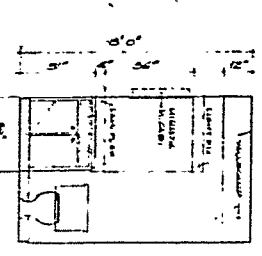
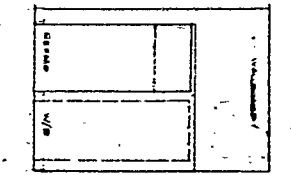
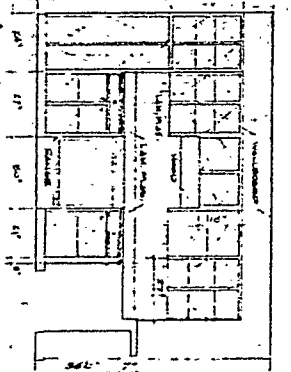
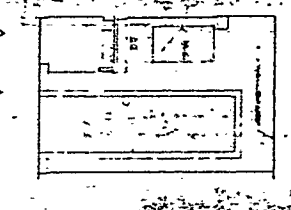
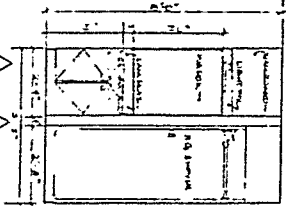
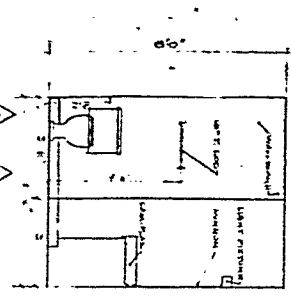
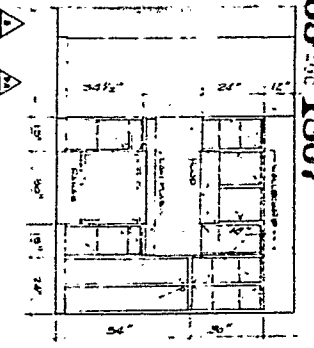
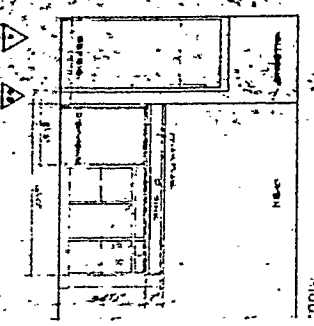
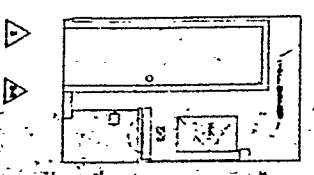
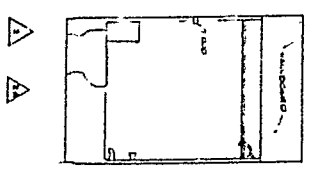
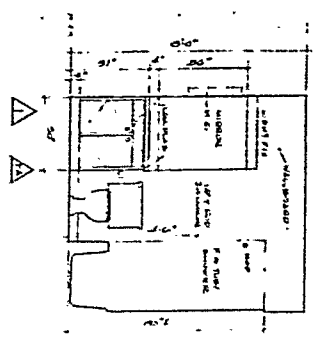


1/4" FLOOR PLANS

MISC. 53-JOB 1867

LEGEND
▲ ELEVATION SHOWN TYPICAL

▲ OPPOSITE HAND ELEVATION (TYP)



INTERIOR ELEVATIONS

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

William Richmond architect

PERRY A. HAND
ENGINEERING & SURVEYING
INCORPORATED
P.O. BOX 472
GULF SHORES, ALA. 36542
TELEPHONE 256/666-7001

SCALE: 1/2" = 1'-0"
DATE: 1-1984
DESIGNED BY: R. RICHMOND
CHECKED BY: R. RICHMOND
APPROVED BY: R. RICHMOND

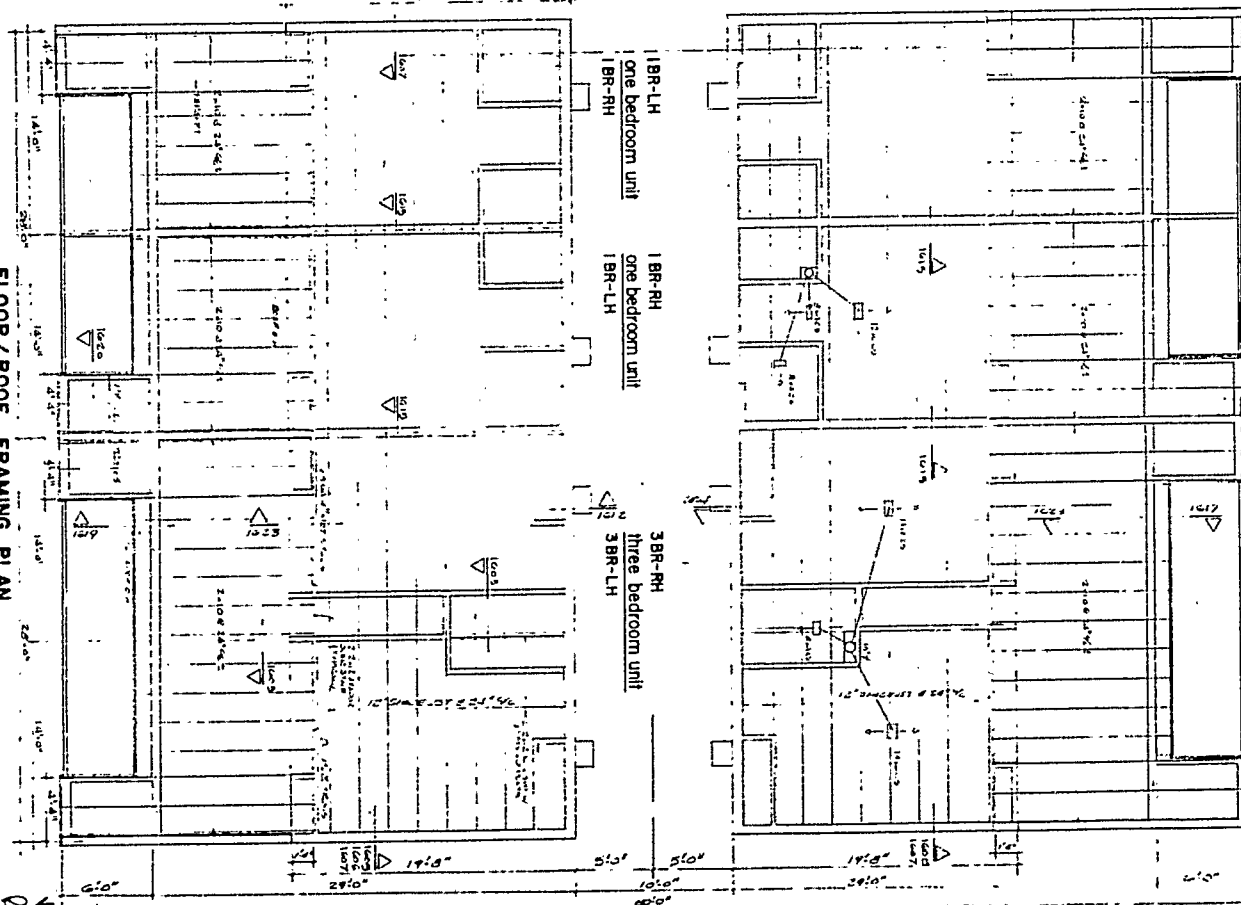
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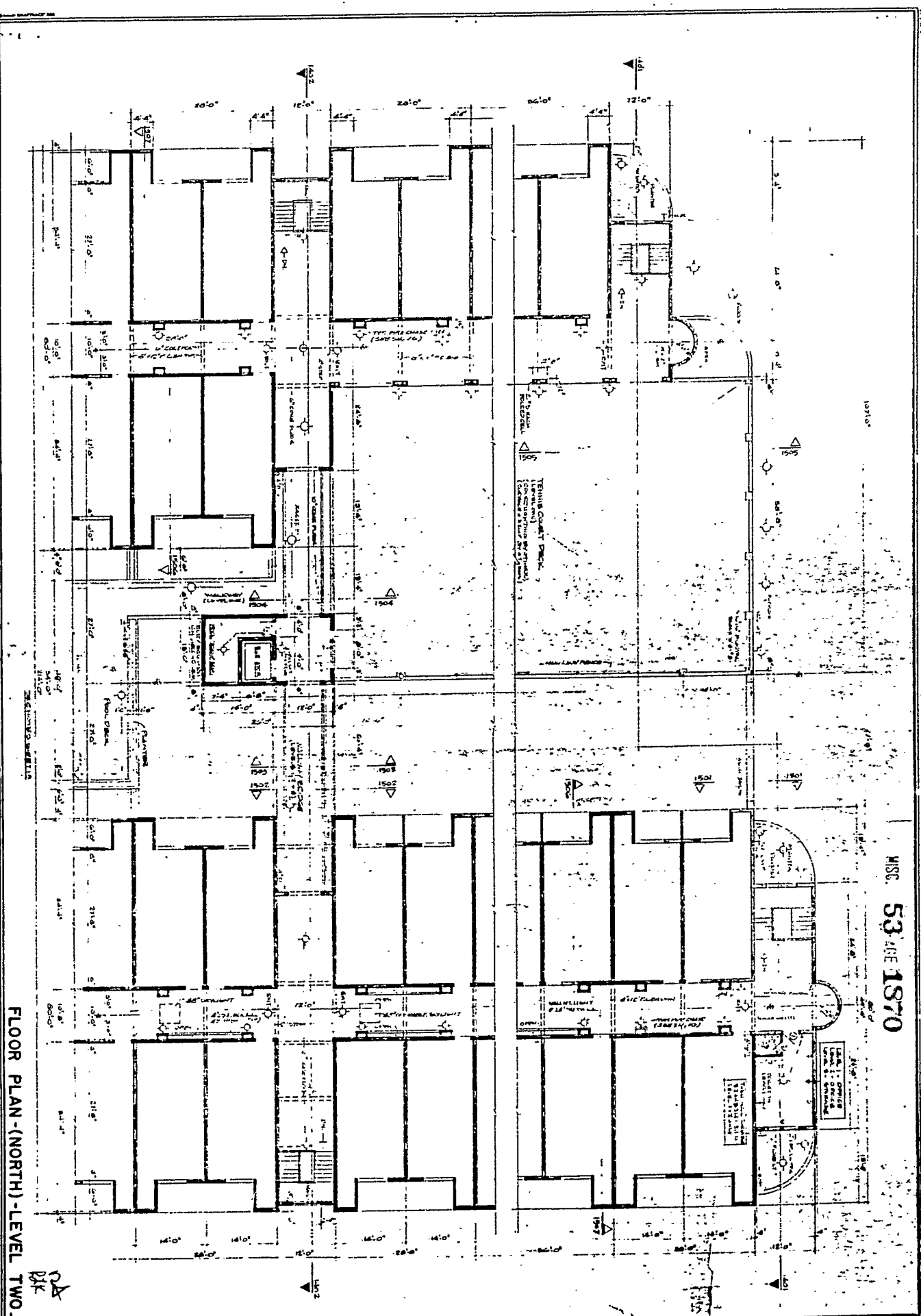
MISC. 53-GE 1869



ALL MEMBERS WOULD REMAIN IN AND CONTINUE TO BE ORGANIZED TO SUPPORT A STRONG FREE TRADE POLICY OF 500 M.P. ...



MISC. 53-1580



MISC. 53-116 1870

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

PERRY A. HAND
ENGINEERING & SURVEYING
INCORPORATED

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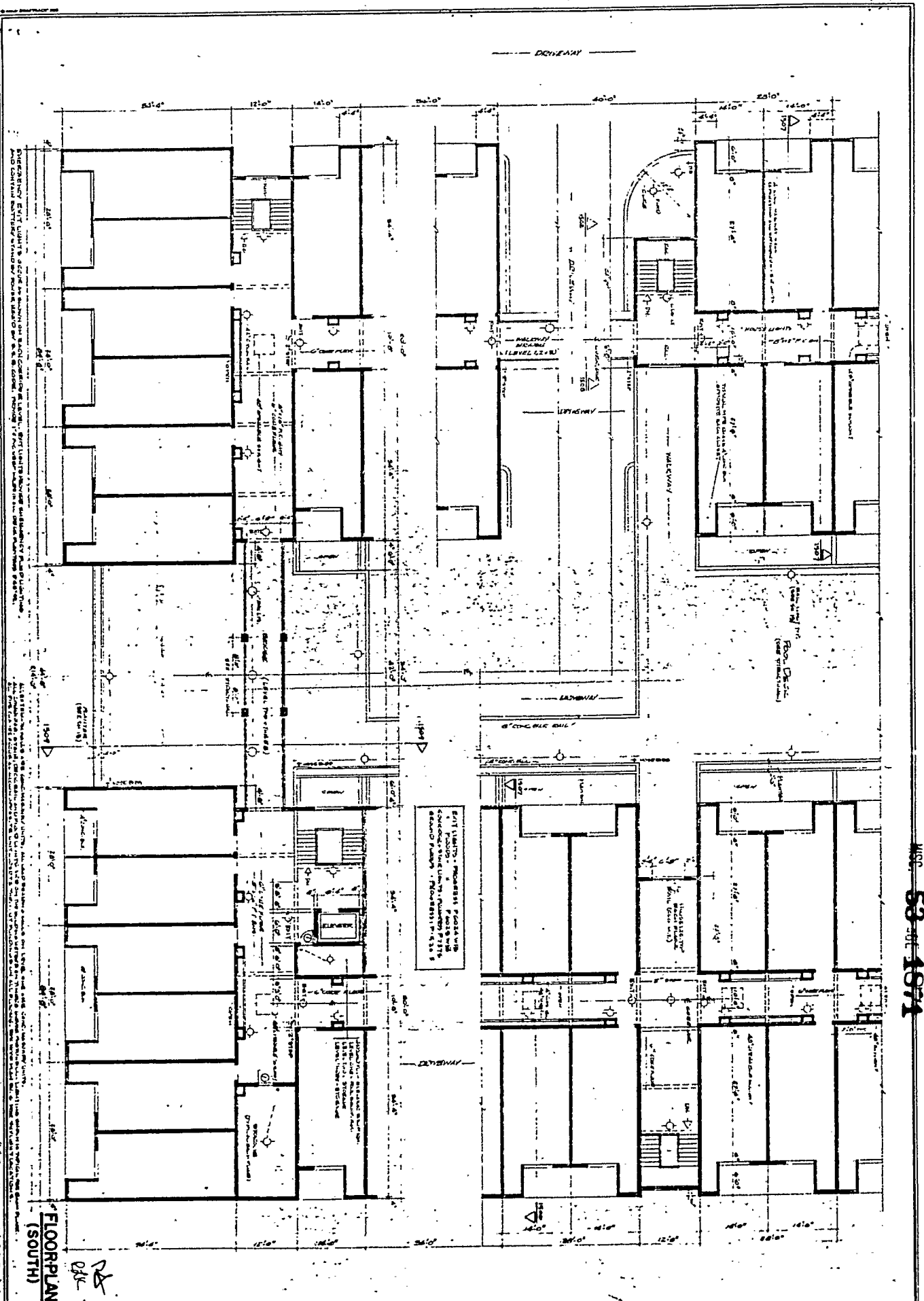
DATE: 1984

DESIGNED BY: S. RICHMOND

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William Richmond • architect

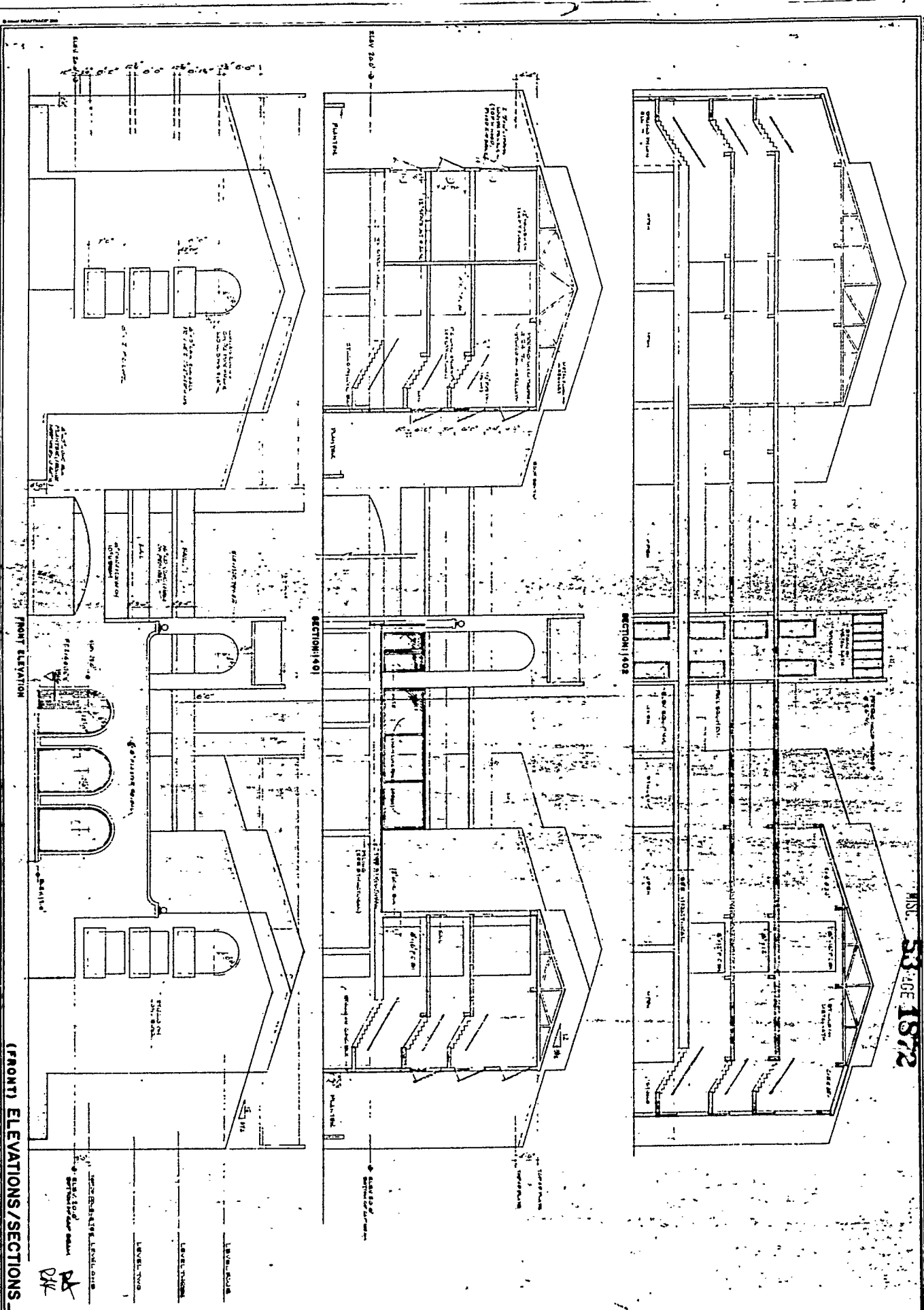
P. O. BOX 478
SULPHUR SPRING, ALA. 36088
SULPHUR SPRING, ALA. 36088-4788



MSB-53-01-1874

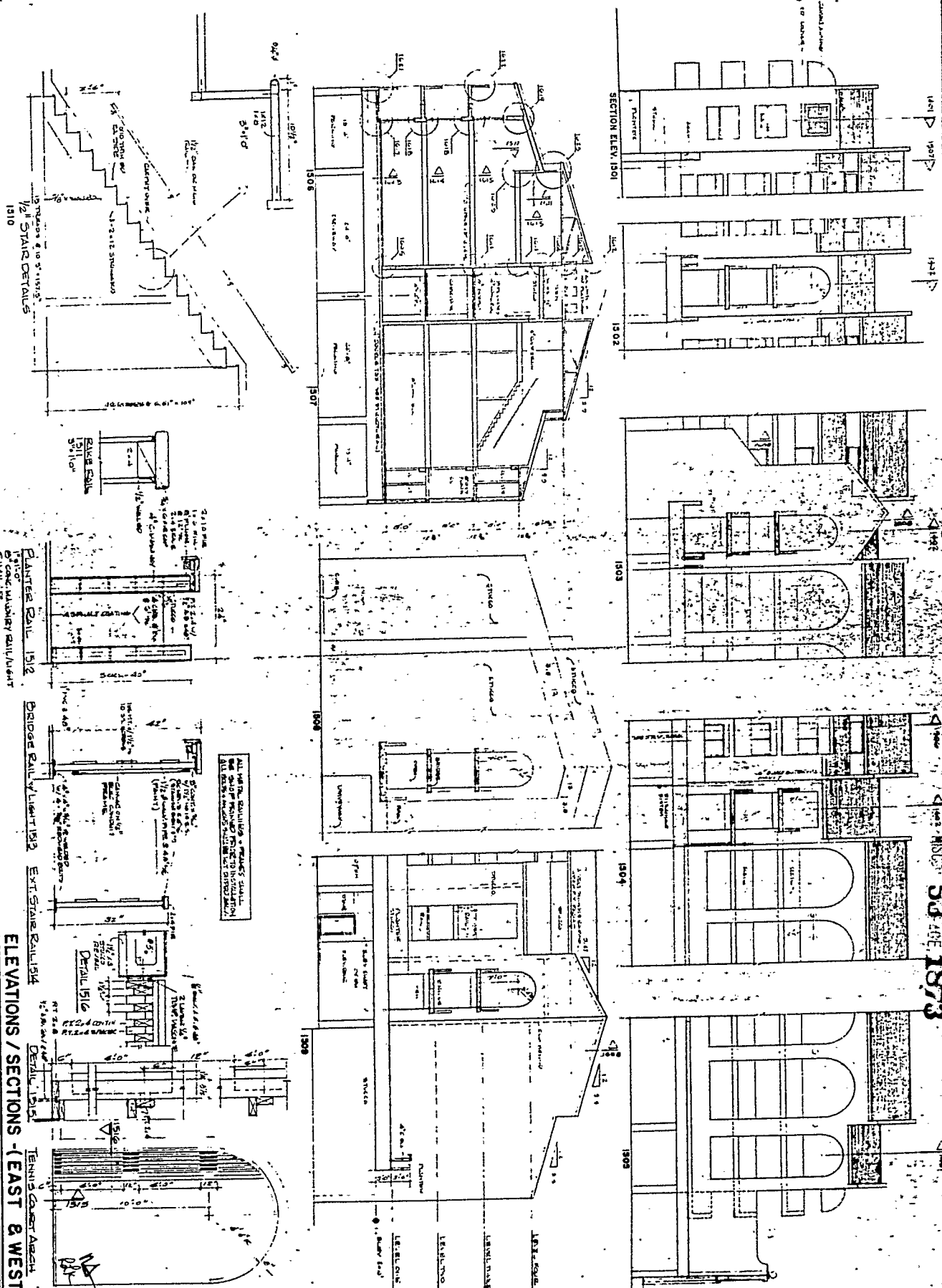
SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA		PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 470 GULF SHORES, ALA. 36560 TELEPHONE 908/988-7881		SCALE: 1/8" = 1'-0"	DESIGNED BY R. RICHMOND
DATE: 1984	DRAWN BY S.R.	CHECKED BY S.R.	REVISIONS		

William Richmond, architect
 13
 FLOOR PLAN (SOUTH)



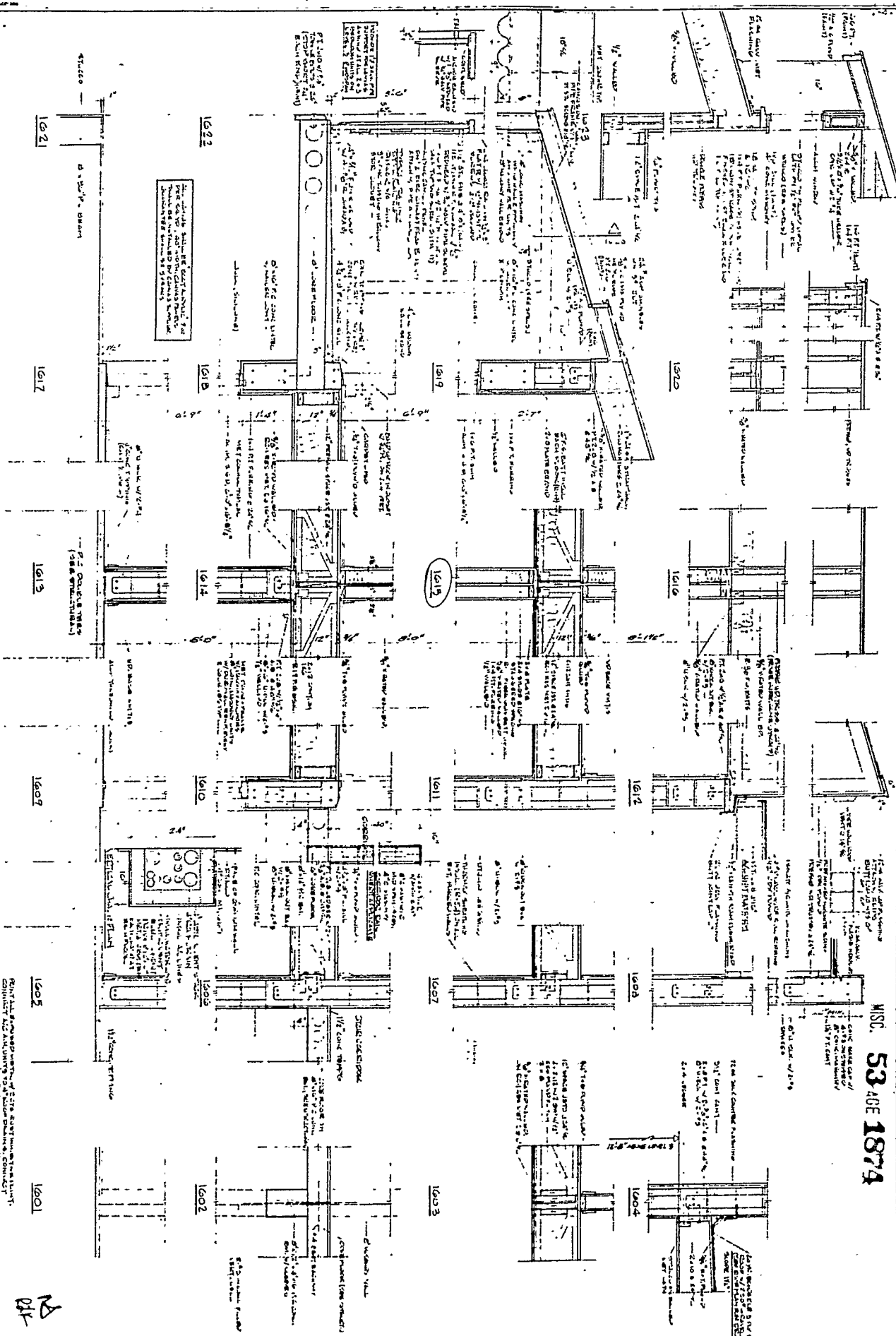
MSL 58 DE 1872

	SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA		PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED		SCALE: 1/8" = 1'-0"		REVISIONS	
	William Richmond, architect		P.A. BOX 675 GULF SHORES, ALA. 36560 TELEPHONE 666/555-7851		DATE: 1984		DESIGNED BY: S. RICHMOND	
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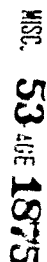
53 40E 1873

WALL SECTIONS & DETAILS



MISC. 53 AGE 1874

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	P. O. BOX 478 GULF BREEZE, MD. 21053 TELEPHONE 266/552-7001		DATE: 1984 DRAWN BY: B.R.	DESIGNED BY: R. RICHMOND CHECKED BY: B.R.
SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA		REVISIONS		
William Richmond, Architect				



LEAGUE

All Party for Personal Comfort

16-16-16 For delivery 2500000

100-100-100

16-16-16 For delivery 2500000

100-100-100

16-16-16 For delivery 2500000

100-100-100

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

PILING LAYOUT PLAN

LE MARCOLELLA

ACOLA, FLA. PERRY A. HAND FOLEY, ALA.
ENGINEERING & SURVEYING
INCORPORATED
P.O. BOX 472
GULF SHORES, ALA. 36562
TELEPHONE 904/992-7963

FREE, ALSO

DEAL: 12-30

0330

01-70-1

01-304

DRAWN

DESIGNED BY

CHD 10

CONFIDENTIAL

CHECKED BY

544

REVISIONS

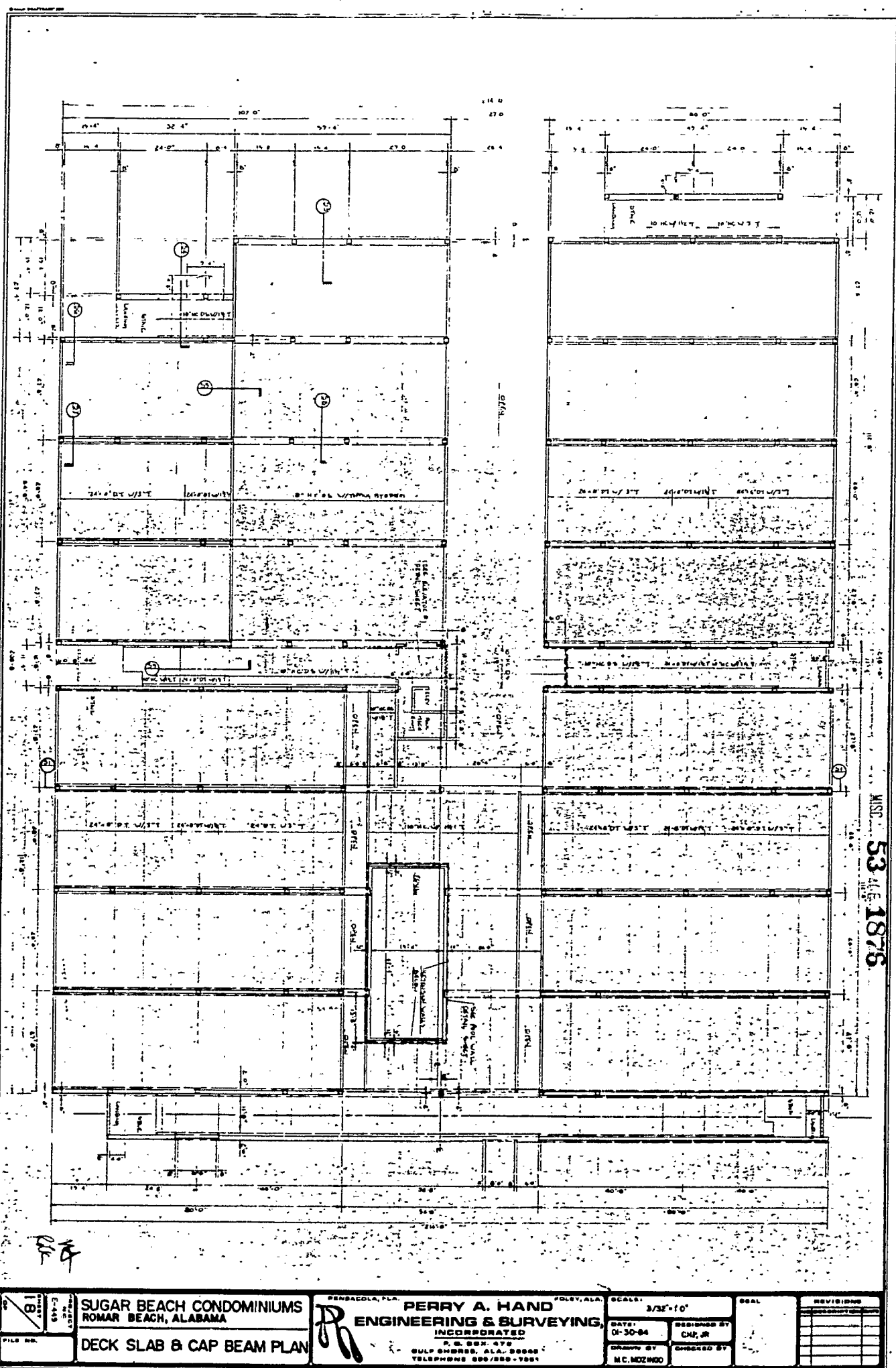
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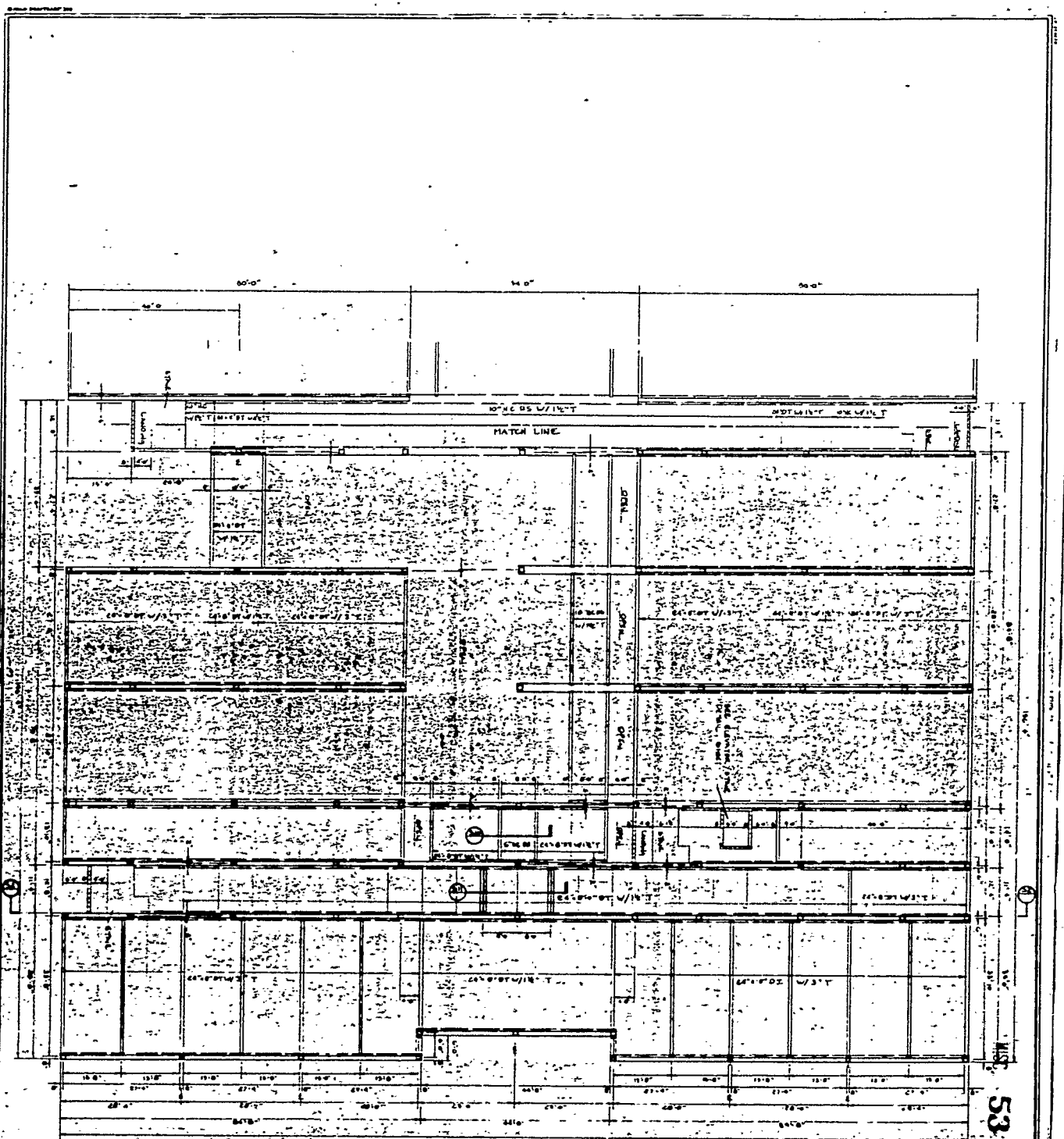
Gender	Male
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53 AGE 1877

Legend - 1 1/2 1/2 1/2 1/2
D. T. - Double T. - Primary Doc
PC-25 - Heavy/ Gold Linc Doc
T. - Concrete Tapping

NOTE: All Deck Glass & Cap Sheet lifts to be ordered or Manufacture, shall slip down & Evaluation, obtained at a 4th. STRUCTURAL Engineer, to the Project Engineer and approved.

MS
Bxk

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

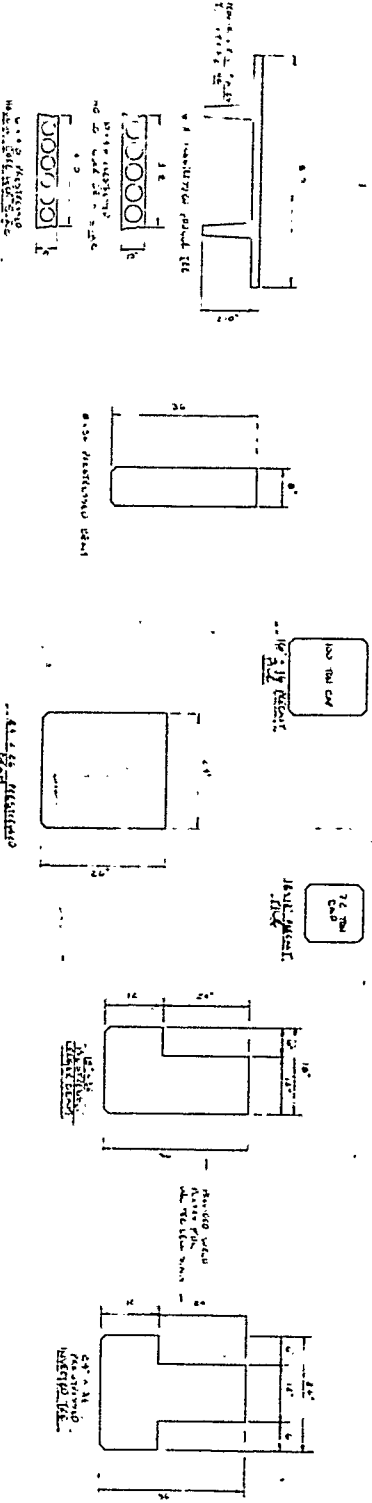
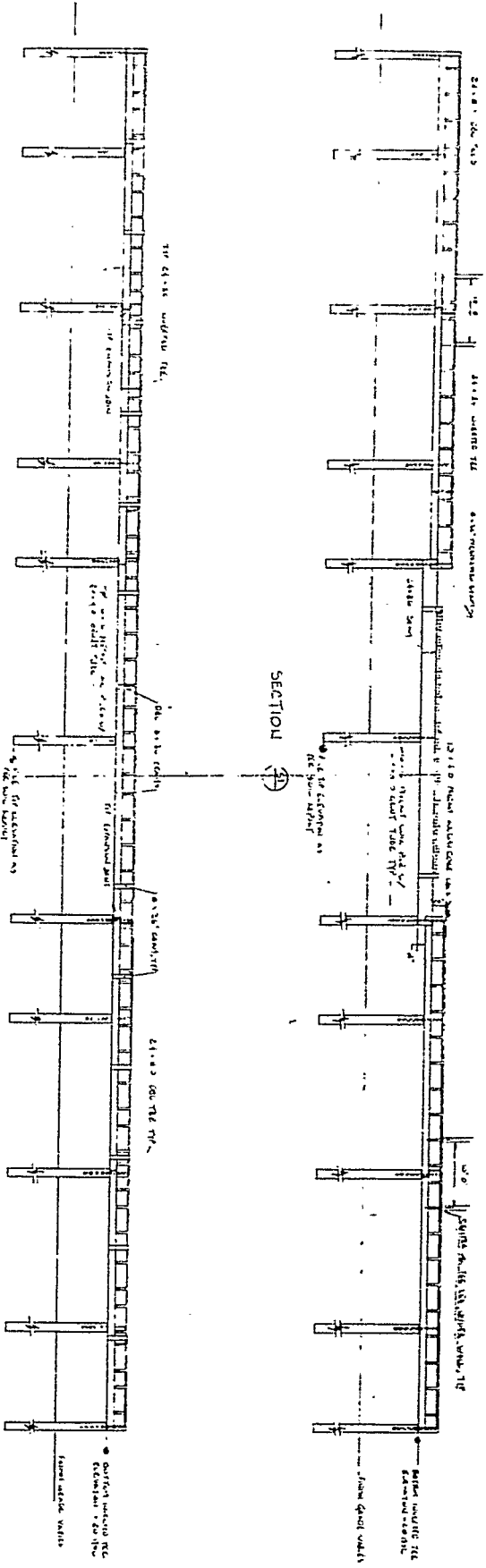
DECK SLAB & CAP BEAM PLAN

PERRY A. HAND
ENGINEERING & SURVEYING
INCORPORATED
P.O. BOX 478
GULF SHORES, ALA. 36646
TELEPHONE 908/882-1551

SCALE: 3/32" = 1' 0"	
DATE: 01-30-84	DESIGNED BY: CME, JR.
DRAWN BY: MC. MOZINGO	CHECKED BY:

SEAL	REVISIONS
	REVISIONS
	REVISIONS
	REVISIONS
	REVISIONS
	REVISIONS

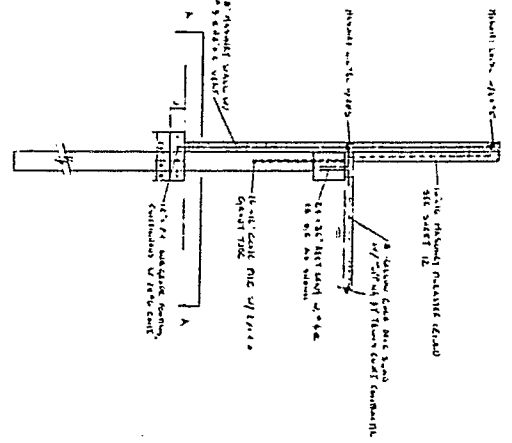
MISC. 53-JOE 1878



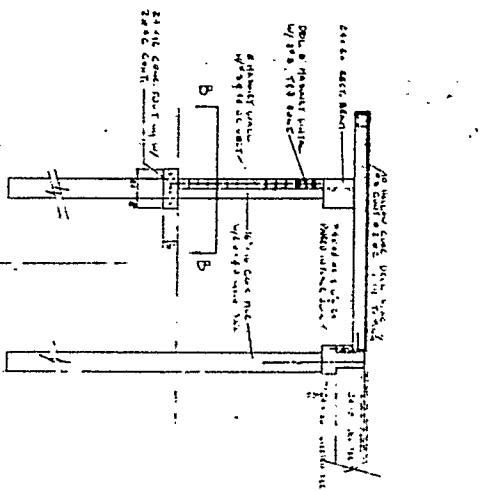
PRESINCESED CONCRETE MEMBERS

PROJECT SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA	PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 479 GULF BREEZE, ALA. 36562 TELEPHONE 908/888-7881	SCALE: SEE NOTE	DESIGNED BY CHP, JR.	REVISIONS
		DATE: 01-30-84	CHECKED BY MC MOZINGO	
FILE NO.	STRUCTURAL DETAILS			

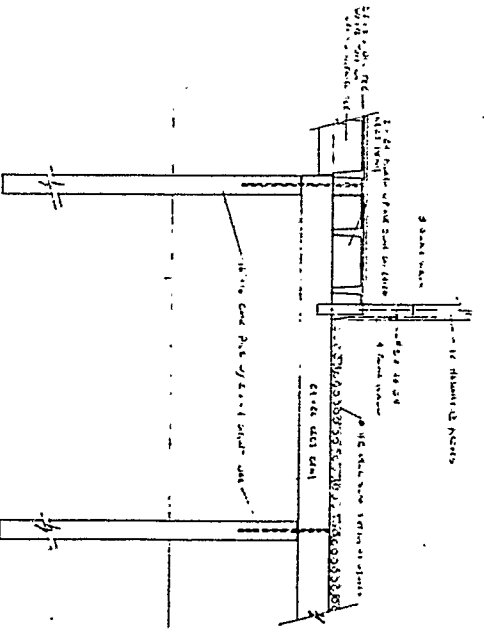
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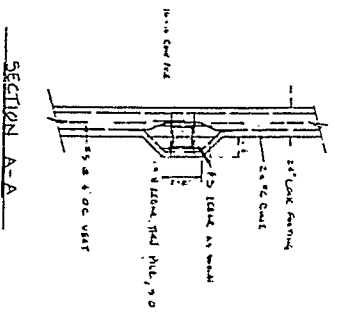
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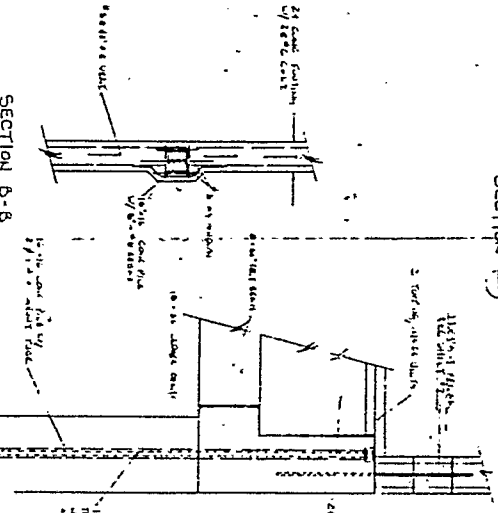
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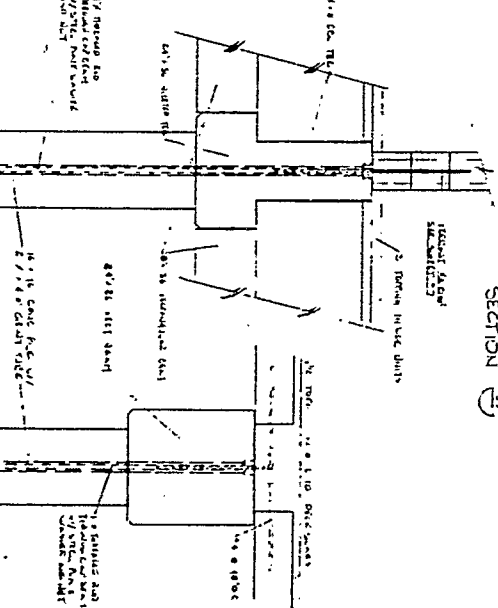
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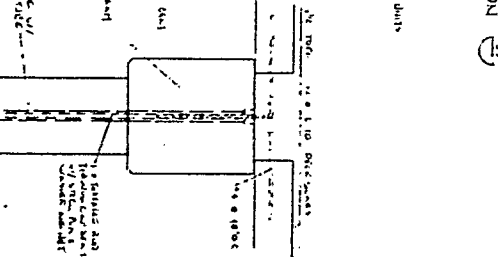
SECTION A-A



SECTION B-B



SECTION 25



SECTION 26

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

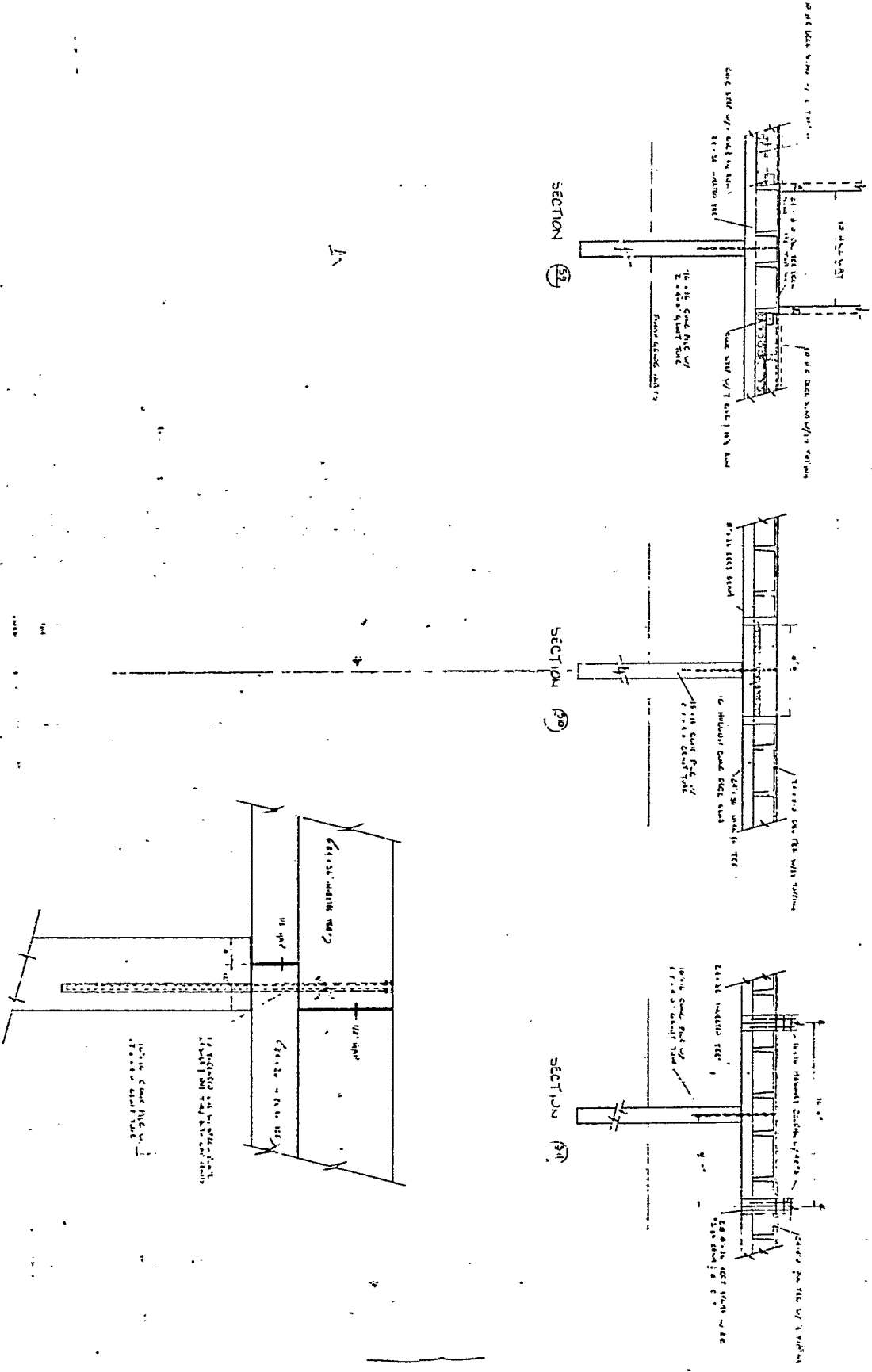
STRUCTURAL DETAILS

PERRY A. HAND
ENGINEERING & SURVEYING, INCORPORATED
P.O. BOX 470
GULF SHORES, ALA. 36560
TELEPHONE 908/908-7901

SCALE: SEE NOTE
DATE: 01-30-84
DRAWN BY: MCMZHO
CHECKED BY:

REVISIONS	DESCRIPTION

MSC. 53-0E 1880



SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

PERRY A. HAND
ENGINEERING & SURVEYING, INCORPORATED
P.O. BOX 479
GULF SHORES, ALA. 36540
TELEPHONE 256/922-7001

SCALE: SEE NOTE
DATE: 01-30-84
DESIGNED BY: CHP, JR.
DRAWN BY: MC. MCDONOUGH
CHECKED BY:

REVISION	DESCRIPTION

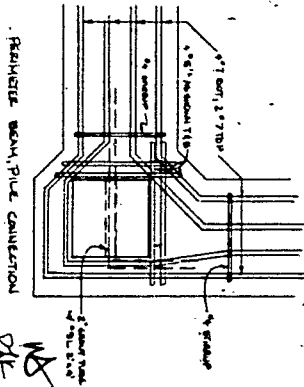
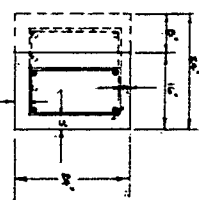
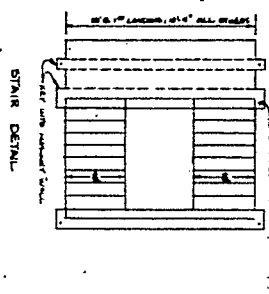
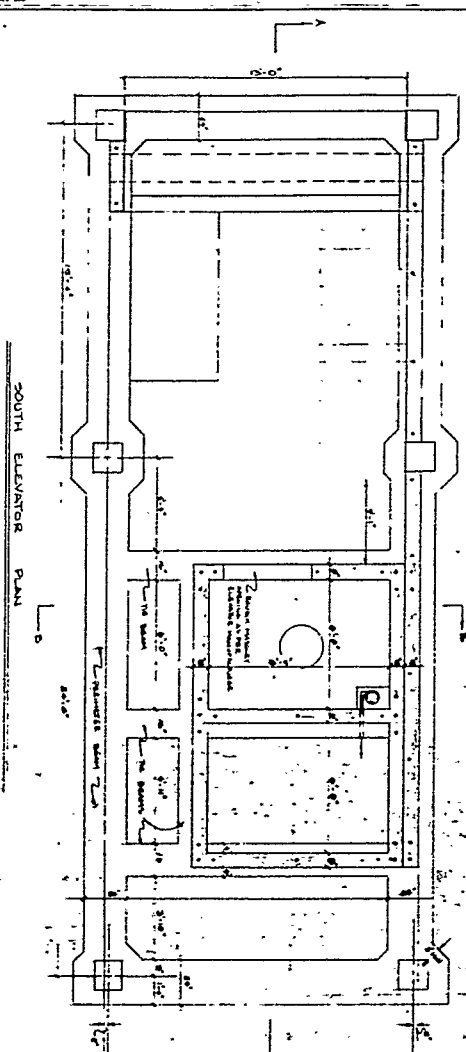
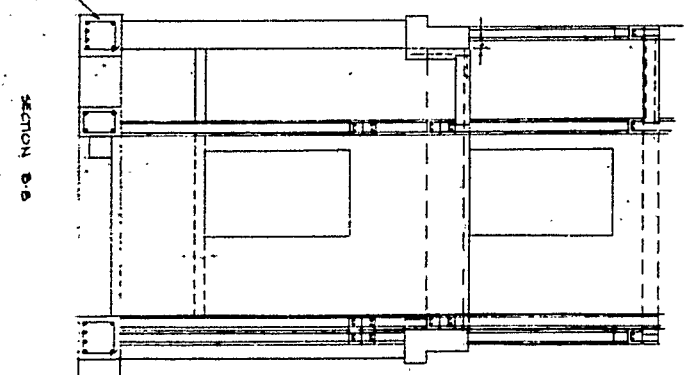
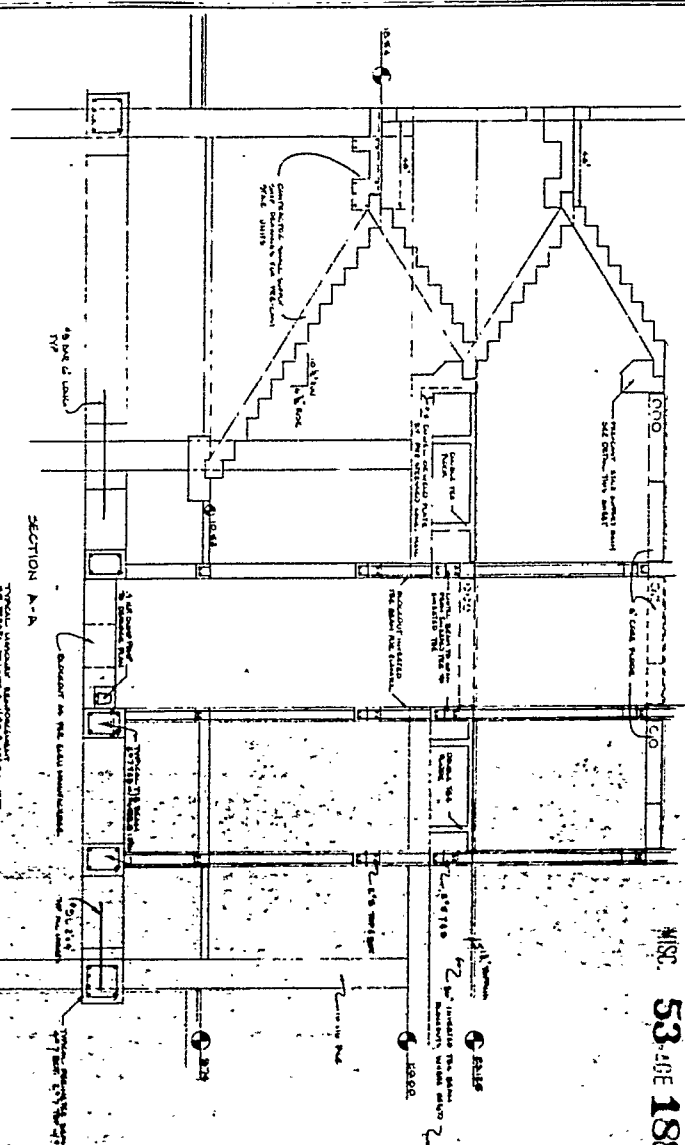
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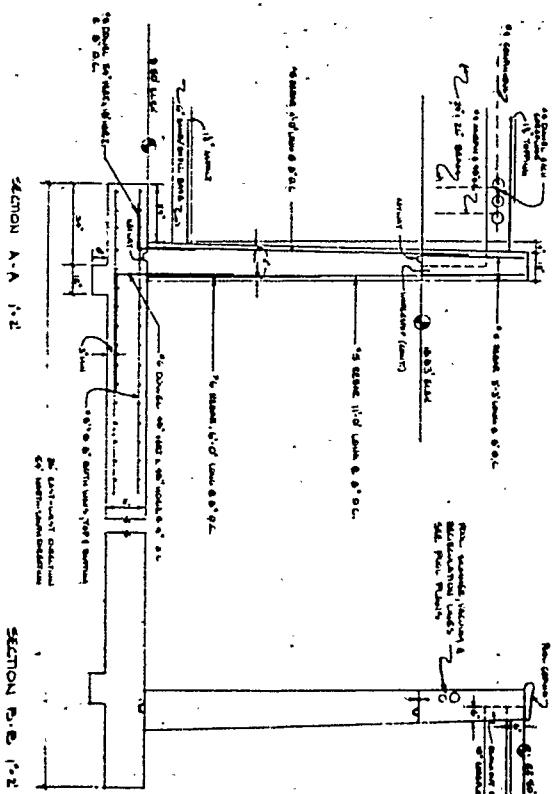
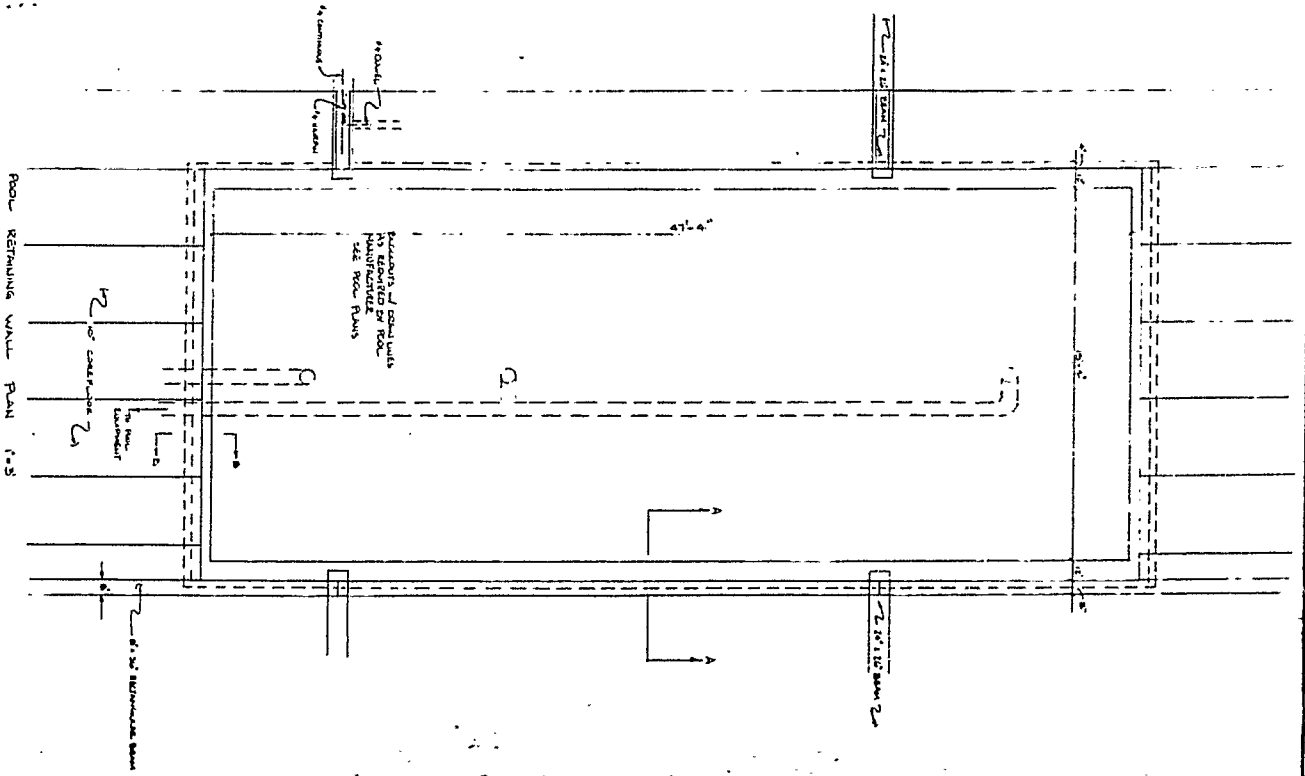
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REAL	REVISIONS	
	DESCRIPTION	DATE

53-AE 1882



MISC. 53 AGE 1883



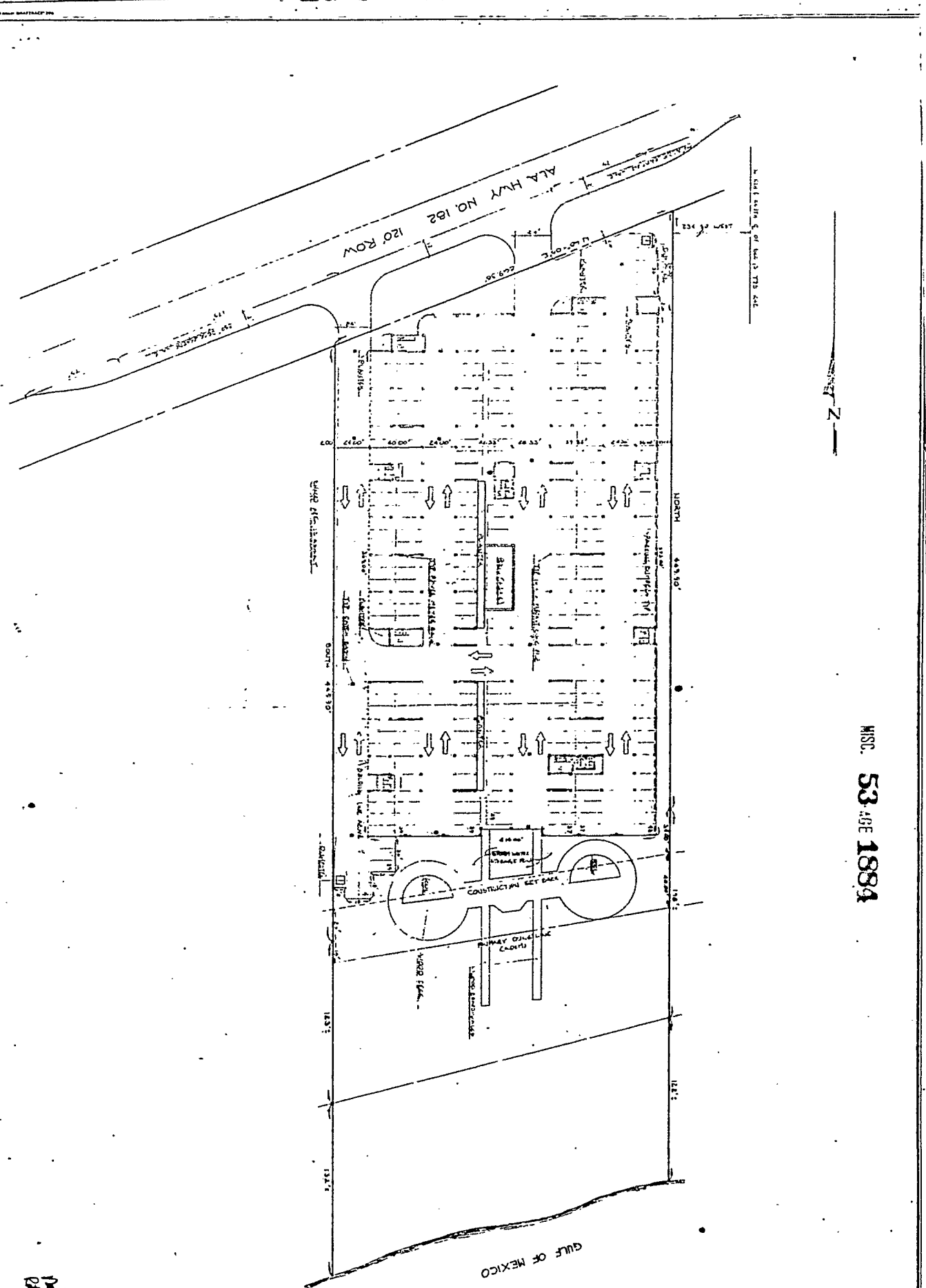
SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA
POOL RETAINING WALL DETAIL

PERRY A. HAND
ENGINEERING & SURVEYING,
INCORPORATED
 P.O. BOX 478
 GULF SHORES, ALA. 36560
 TELEPHONE 908/555-7001

SCALE: AS SHOWN
 DATE: 01-30-84
 DESIGNED BY: RAP
 DRAWN BY: RAP

REVISIONS

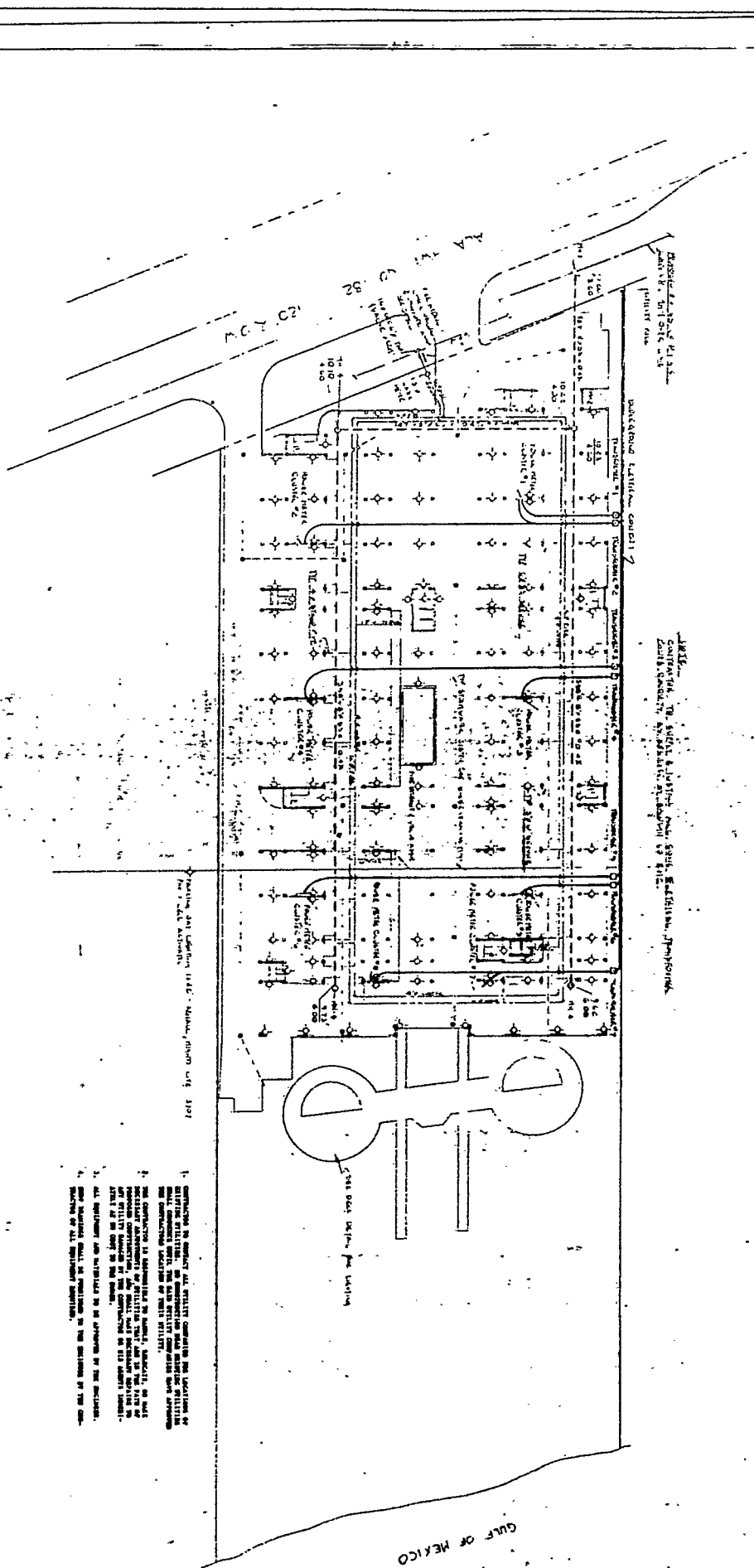
25
 E-449
 FILE NO.



MISC. 53 AGE 1884

FILE NO. 26	SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA	PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 478 GULF SHORES, ALA. 36645 TELEPHONE 866/866-7997	SCALE: 1" = 30'	DATE: 01-30-84	DESIGNED BY: CHP, JR.
				DRAWN BY: MC MOZINGO	CHECKED BY:
CIVIL SITE PLAN		REVISIONS		APPROVED BY:	

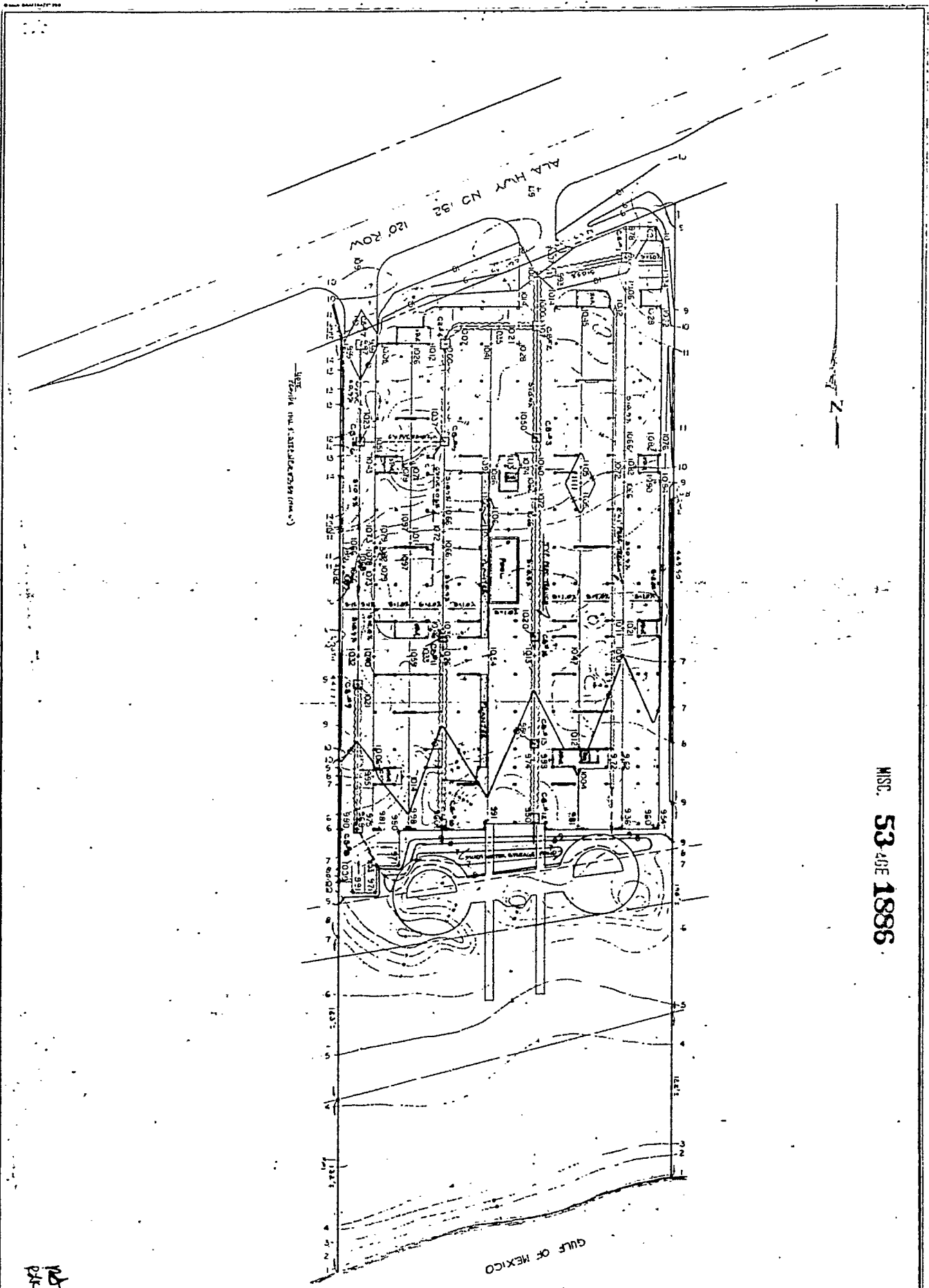
MSC. 53 JOE 1885



1. CONTRACTOR TO LOCATE ALL UTILITY LINES AND LOCATIONS OF ALL EXISTING UTILITIES AND TO PROVIDE ADEQUATE PROTECTION FOR ALL EXISTING UTILITIES.
2. THE CONTRACTOR IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR OBTAINING THE LOCATION OF ALL EXISTING UTILITIES.
3. ALL UTILITIES ARE TO BE DEEPENED TO THE DESIGNATED DEPTH OF ALL EXISTING UTILITIES.
4. ALL UTILITIES ARE TO BE DEEPENED TO THE DESIGNATED DEPTH OF ALL EXISTING UTILITIES.

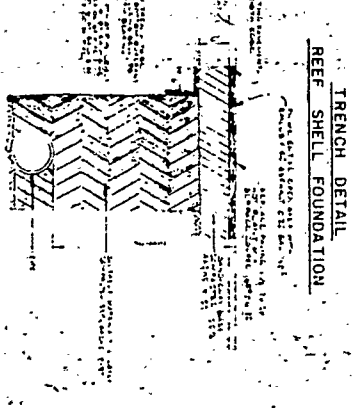
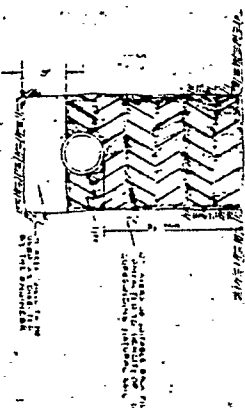
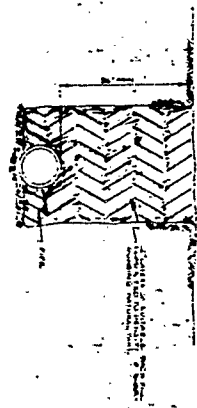
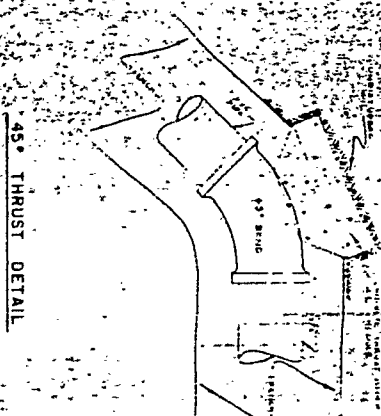
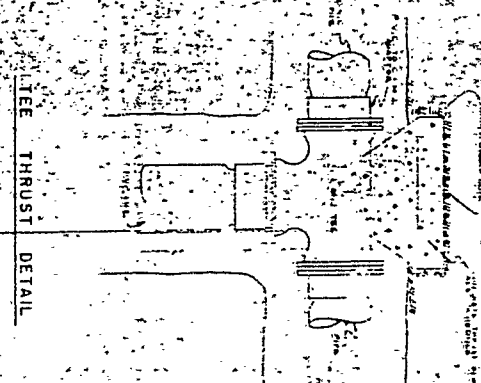
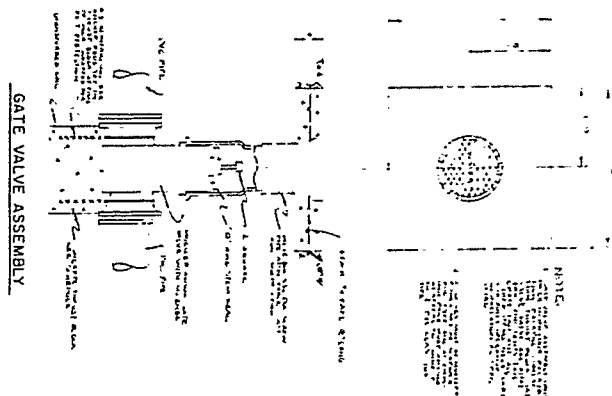
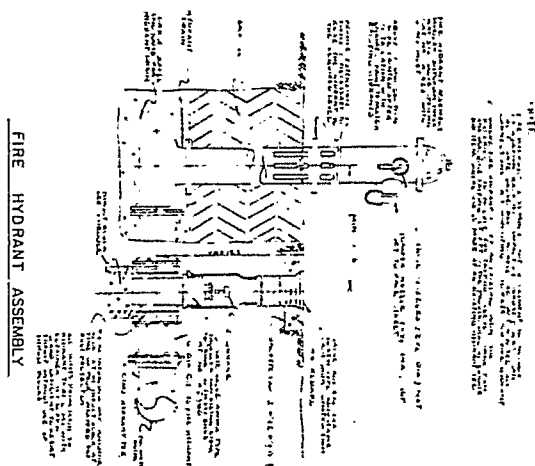
27

PROJECT SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA	PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 670 GULF BROSSE, ALA. 36666 TELEPHONE 256/555-7881	SCALE: 1" = 30'	DATE: 01-30-84	DESIGNED BY: CHP, JR	REVISIONS
		DRAWN BY: M.C. MCINNES	CHECKED BY:	REVISIONS	
UTILITY SITE PLAN					



MISC. 53-40E 1886

28	E-443	PENNSACOLA, FLA	PERRY A. HAND ENGINEERING & SURVEYING, INCORPORATED P.O. BOX 478 GULF SHORES, ALA. 36560 TELEPHONE 936/555-7851	SCALE: 1" = 30'	DESIGNED BY CHP/R	CHECKED BY M C. MOZINGO	SEAL	REVISIONS	
								DATE: 01-30-84	DESCRIPTION
SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA		GRADE & DRAINAGE PLAN		DRAWN BY M C. MOZINGO		CHECKED BY			
WATER DETAILS				DRAWN BY M C. MOZINGO		CHECKED BY			

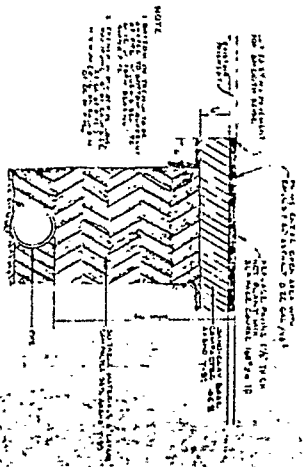


THRUST BLOCK BEARING AREAS (sq ft)					VERTICAL ANKOR BLOCK VOLUMES		
SIZE	THRUST AREA	ANCHOR AREA	22.5°	11.3°	55° VERTICAL ANKOR	20° VERTICAL ANKOR	45° VERTICAL ANKOR
10" Dia.	10	10	10	5	38 Cu ft	4 Cu ft	68 Cu ft
12" Dia.	13	8	4	0	2 Cu ft	88 Cu ft	18 Cu ft
16" Dia.	26	10	7	0	20 Cu ft	30 Cu ft	30 Cu ft
20" Dia.	50	12	0	12			5 Cu ft

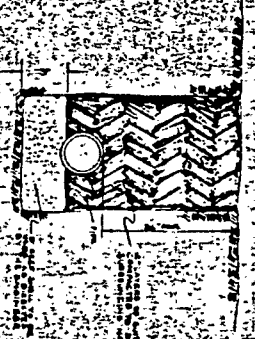
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OSCAR L. CHAPMAN, 100 751 14th Avenue
 San Francisco, California 94118

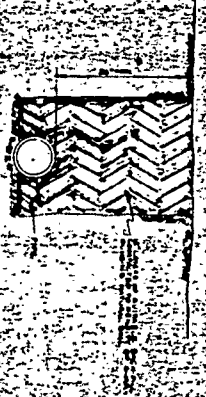
DETAIL OF
REMOVING & REPLACING PAVEMENT



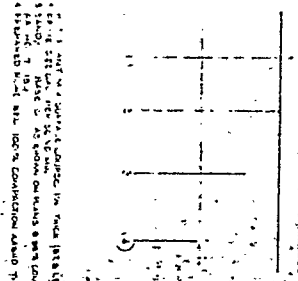
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REF. SHELL FOUNDATION



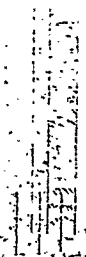
TRENCH DETAIL
NATURAL SOIL FOUNDATION



PAVEMENT CROSS-SECTION



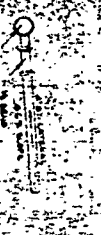
SHELL CROSS-SECTION



TYPICAL SHALLOW LATERAL
PLAN



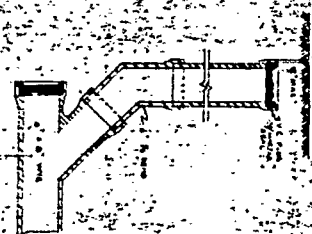
TYPICAL SHALLOW LATERAL
ELEVATION



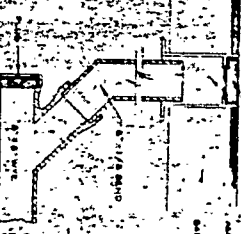
TYPICAL DEEP LATERAL
ELEVATION



CLEANOUT DETAIL

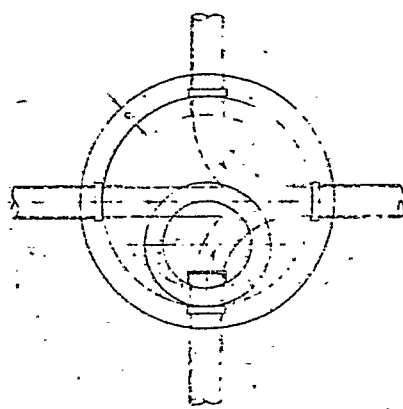


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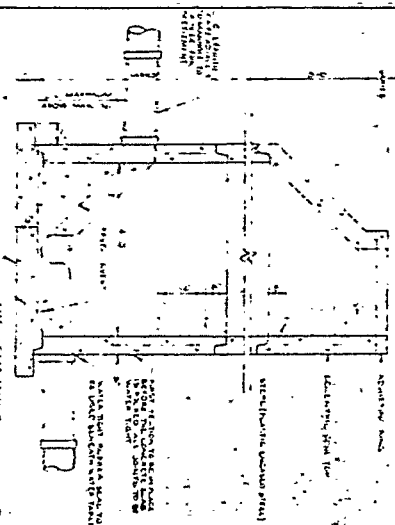


MSC. 53 RE 1888

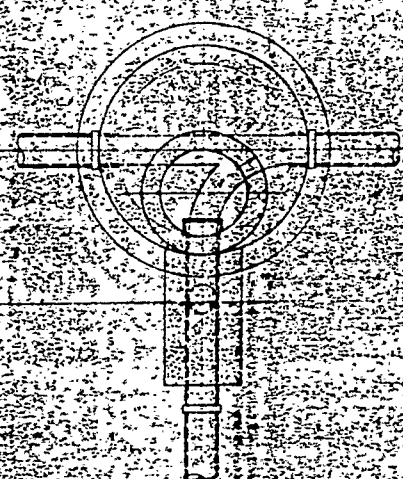
NOTES:
1. ALL MANHOLE RINGS SHALL BE 15" DIA. PRECAST CONCRETE RINGS.
2. ALL MANHOLE COVERS SHALL BE 15" DIA. PRECAST CONCRETE COVERS.
3. ALL MANHOLE RINGS SHALL BE SET IN A 6" THICK BED OF SAND.
4. ALL MANHOLE COVERS SHALL BE SET IN A 6" THICK BED OF SAND.
5. ALL MANHOLE RINGS SHALL BE SET IN A 6" THICK BED OF SAND.
6. ALL MANHOLE COVERS SHALL BE SET IN A 6" THICK BED OF SAND.



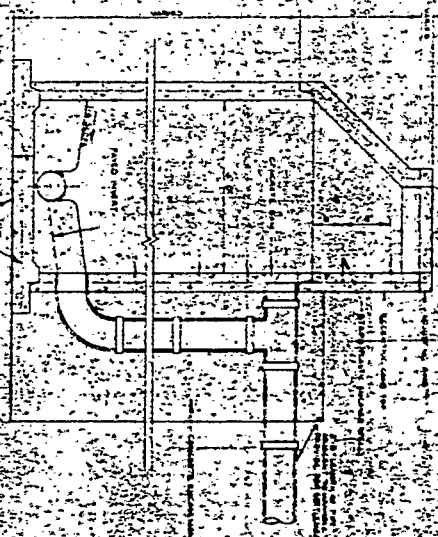
PLAN VIEW



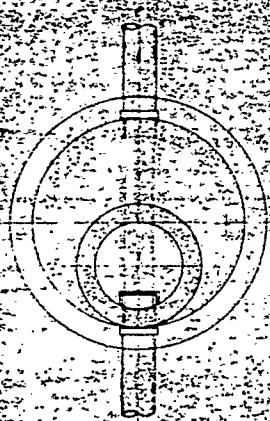
TYPICAL PRECAST CONCRETE MANHOLE



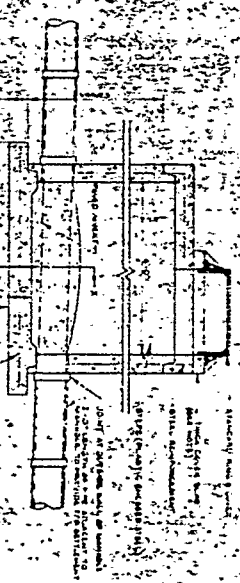
MANHOLE RING & COVER DETAIL



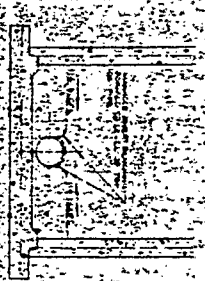
TYPICAL DROP MANHOLE



PLAN VIEW



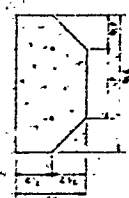
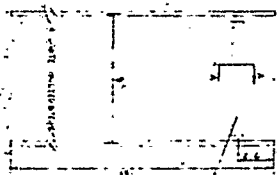
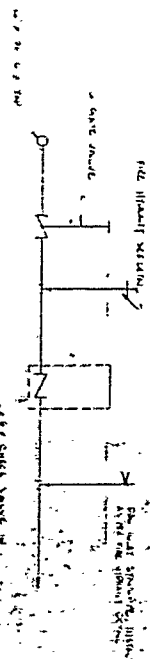
TYPICAL SHORT MANHOLE



SECTION X-X

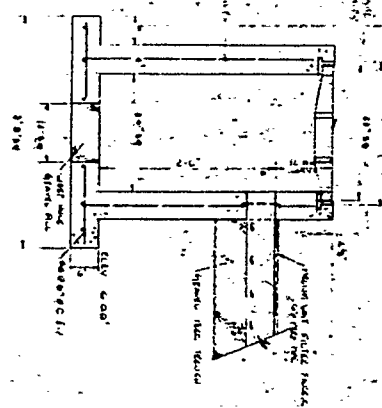
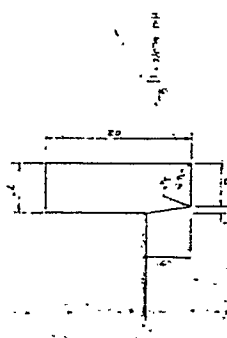
31 FILE NO.	SUGAR BEACH CONDOMINIUMS ROMAR BEACH, ALABAMA MANHOLE DETAILS	PERRY A. HAND ENGINEERING & SURVEYING INCORPORATED P.O. BOX 678 GULF SHORES, ALA. 36560 TELEPHONE 935/655-7551	SCALE: N.T.S.	DATE: 01-30-84	DESIGNED BY: CAP, JR.	CHECKED BY: M.C. MOZINGO	SEAL	REVISIONS NO. DESCRIPTION
			DATE: 01-30-84	DESIGNED BY: CAP, JR.	CHECKED BY: M.C. MOZINGO	SEAL	REVISIONS NO. DESCRIPTION	

MSC. 53 OF 1890

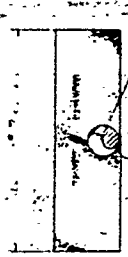


PARKING SPACE DETAIL

SECTION A-A



CATCH BASIN DETAIL



FIRE TRENCH SECTION

SUGAR BEACH CONDOMINIUMS
ROMAR BEACH, ALABAMA

PERRY A. HAND
ENGINEERING & SURVEYING,
INCORPORATED
P.O. BOX 479
GULF SHORES, ALA. 36560
TELEPHONE 850/696-7881

DATE: 9-30-84
DRAWN BY: MC. MOHAMED
CHECKED BY:

REVISIONS	DATE	DESCRIPTION

CONSTRUCTION DETAILS

EXHIBIT "B"

STATE OF ALABAMA
COUNTY OF BALDWIN

ARTICLES OF INCORPORATION
OF
SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.

BE IT KNOWN that we, the undersigned persons acting as incorporators of a corporation under the laws of the State of Alabama, and in particular, the "Alabama Nonprofit Corporation Act" (Section 10-3-1 through Section 10-3-172, Code of Alabama, 1975) and the "Alabama Condominium Ownership Act" (Section 35-8-1 through Section 35-8-22, Code of Alabama, 1975), do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

NAME

The name of the corporation shall be: Sugar Beach Condominium Association, Inc. (hereinafter referred to as the "Corporation").

ARTICLE II

PERIOD OF DURATION

The period of existence and duration of the life of this Corporation shall be inperpetuo unless terminated according to the terms of these Articles.

ARTICLE III

PURPOSE

The purposes for which the corporation is organized are:

1. To administer, maintain and operate that certain Condominium known as Sugar Beach Condominium (the "Condominium"), according to the Declaration of Condominium of Sugar Beach (the "Declaration") which has been, or will be, filed of record with these Articles of Incorporation.
2. To maintain the above mentioned Condominium and all Common Elements located thereon, to make payments of insurance premiums, repair expenses, and any other expenses necessary to the maintenance of said

W.S.C. 53-411 1891

property as a Condominium and to pay operating expenses of every kind and character whatsoever and any other expenses necessary therefor or to beautify and make other desirable improvements from time to time as this Corporation shall deem advisable.

3. To maintain or operate said Condominium for the mutual benefit of all of the Owners of Units located therein, who shall be members herein, and to assess and to collect from the Owners of Units their pro rata share of costs and expenses incurred under the provisions of the Declaration, Articles of Incorporation of the Corporation, and the By-Laws of this Corporation.

ARTICLE IV

GENERAL POWERS

The powers of the Corporation are as follows:

1. This Corporation shall have the power to own, accept, acquire, grant easements, mortgage and dispose of real and personal property, and to obtain, invest and retain funds, in advancing the purposes stated in Article III above.

2. To transact all business being not for profit consistent with the purposes for which this Corporation is organized and to protect the lawful rights and interests of its members in connection therewith.

3. To purchase a Unit or Units in said Condominium in accordance with the provisions of the Declaration.

4. To exercise all of the authority and powers given and granted to a corporation not for profit as set forth under the "Alabama Nonprofit Corporation Act" except those which may be in conflict with the provisions of these Articles.

5. To exercise all of the authorities and powers given and granted to an association of Unit Owners under and pursuant to the provisions of the "Alabama Condominium Ownership Act" except to the extent that they may be limited by these Articles and by the Declaration.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

There shall be only one (1) class of membership. The members of this Corporation shall be all of the record Owners of Units within the Condominium. Membership in the Corporation shall be established by recordation in the Baldwin County, Alabama, Probate Court Records of a deed of conveyance transferring record title to a Unit in the Condominium and the delivery to the Corporation of an executed true copy of said deed, the owner designated by such instrument thereby automatically becoming a member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Condominium unit which is subject to the Declaration.

Each member shall be entitled to vote at a meeting of the members and shall be entitled to cast the number of votes set forth and established in the By-Laws.

ARTICLE VII

NOT FOR PROFIT CORPORATION

This Corporation shall be without capital stock, will not be operated for profit and will not distribute gains, profits or dividends to any of its members. The members of this Corporation shall not be personally liable for the debts, liabilities or obligations of this Corporation. The purposes of this Corporation shall be served without pecuniary profit to any director or member of the Corporation.

ARTICLE VIII

NAME AND ADDRESS OF INITIAL REGISTERED AGENT

The address of the initial registered office of this Corporation is P. O. Box 1647, Gulf Shores, Alabama 36542 and the name of the initial registered agent at such address is Robert L. Kilpatrick.

ARTICLE IX

BOARD OF DIRECTORS

Except as provided herein, the affairs of this Corporation shall be managed by a board of at least three (3) Directors who must be members

of the Corporation. The number of Directors may be changed by amendment of the By-Laws of the Corporation.

Until such time as a Board of Directors shall be elected according to the provisions contained in the By-Laws, the affairs of the Corporation shall be governed by an Interim Board of Directors, who need not be members of the Corporation, composed of the following three (3) persons:

<u>Name</u>	<u>Address</u>
Robert L. Kilpatrick	P. O. Box 165 Montrose, Alabama 36559
Donald A. Gunnerson	P. O. Box 165 Montrose, Alabama 36559
Richard B. White	P. O. Box 165 Montrose, Alabama 36559

Except as otherwise provided, the Interim Board of Directors shall have the same powers and duties enumerated in these Articles and in the By-Laws for the elected Board of Directors.

The initial By-Laws of this Corporation shall be adopted by its Board of Directors. The power to alter, amend or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors of this Corporation.

ARTICLE X

INDEMNIFICATION

The Corporation shall indemnify every officer and director of the Corporation against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding, if approved by the then Board of Directors of the Corporation) to which he may be made a party by reason of being or having been an officer or director of the Corporation whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Corporation shall not be liable to the members of the Corporation for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the

Corporation shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Corporation and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Corporation or former officer or director of the Corporation may be entitled.

The directors shall exercise their powers and duties in good faith and with a view to the interest of the Corporation and the Condominium. No contract or other transaction between the Corporation and any corporation, firm or association (including the Developer) in which one (1) or more of the directors of this Corporation is a director or officer or is pecuniarily or otherwise interested, shall be either void or voidable for such reason or because such director or directors are present at the meeting of the Board of Directors or any of the committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following paragraphs exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the members or a majority thereof and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Corporation at the time it is authorized, ratified, approved or executed.

Common or interested directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction and may vote thereat to authorize any contract or

transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE XI

ASSESSMENTS

1. To provide the total sum necessary for the insurance, reserve fund for replacements, maintenance and operation of the Common Elements of the Condominium and all expenses incurred in connection therewith, each member for each condominium unit owned shall pay a portion of the total amount necessary for such purposes to the Corporation. The portion to be paid by each member for each condominium unit owned shall be equal to the total sum necessary for such purposes multiplied by a percentage equal to the respective percentage ownership of each unit in the undivided common elements in the Condominium as set forth in the Declaration.

2. The amount of assessment against each member as provided under Paragraph 1. immediately above, shall be assessed by the Corporation as a lien at the beginning of each annual assessment period. Each assessment shall be due and payable within thirty (30) days of assessment, and upon default of payment within such period of time, the assessment shall be a lien against each Condominium Unit owned by the defaulting member and against that undivided portion of the Common Elements owned by the defaulting member, and the Corporation shall be entitled to enforce the payment of said lien according to the laws of the State of Alabama and to take any other actions for collection from the defaulting party or parties. Any such lien against a Condominium Unit or against the Common Elements shall be subordinate to a recorded first mortgage covering such Condominium Unit.

3. In addition to the annual assessments authorized above, the Corporation may levy in any assessment year, special assessments for the purpose of defraying, in whole or in part, (a) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, or (b) the expense of any other contingencies; provided that any such assessments shall have the assent of a majority (51%) of the votes of

the members who are voting in person or by proxy at a meeting duly called for this purpose.

4. Of the total sum approved by the Corporation to meet the costs and expenses as provided under Paragraph 3. immediately above, each member for each Condominium Unit owned shall pay to the Corporation a special assessment equal to the total sum approved for such purposes multiplied by a percentage equal to the respective percentage ownership of each Unit in the undivided Common Elements in the Condominium as set forth in the Declaration.

5. The amount of the special assessment provided for in Paragraphs 3. and 4. above shall be assessed as a lien by the Corporation. Each such assessment shall be due and payable within thirty (30) days of assessment and, upon default of payment within such period of time, shall be a lien against each Condominium Unit owned by the defaulting member, and the Corporation shall be entitled to enforce the payment of said lien according to the laws of the State of Alabama and to take any other actions for collection from the defaulting parties.

6. Both annual and special assessments may be collected on a monthly basis or quarterly or annual basis as determined by the Board of Directors.

ARTICLE XII

RESERVE FOR REPLACEMENTS

The Corporation shall establish and maintain a reserve fund for replacements by the allocation and payment annually to such reserve fund in such amounts as are established by the Board of Directors. Such fund shall be deposited in a special account with a safe and responsible depository and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund is for the purpose of effecting replacements for structural elements and mechanical equipment of the Common Elements of the Condominium and for such other purposes as may be determined by the Board of Directors.

ARTICLE XIII

INSURANCE

The Corporation shall keep the improvements now existing or hereafter erected on the Property of the Corporation insured against loss by fire and other hazards. Such insurance shall be evidenced by standard Fire and Extended Coverage Insurance policy or policies in an amount not less than the full insurable replacement cost of the Common Elements.

ARTICLE XIV

DISSOLUTION

The Corporation shall only be dissolved in accordance with Section 10-3-160, et seq. Code of Alabama, 1975.

ARTICLE XV

AMENDMENTS

Amendment of these Articles shall be pursuant to Section 10-3-40, et seq. Code of Alabama, 1975.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation on this the 17 day of Sept, 1984.


ROBERT L. KILPATRICK


DONALD A. GUNNISON

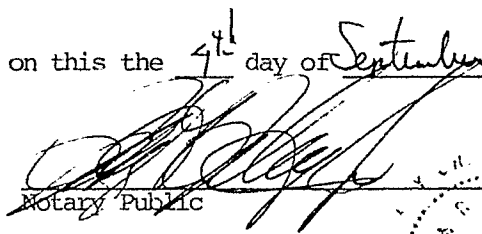

RICHARD B. WHITE

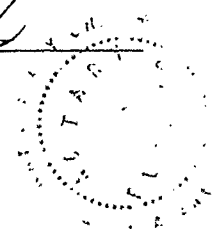
REC. 53 416 1898

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said State and County, hereby certify that ROBERT L. KILPATRICK, DONALD A. GUNNISON and RICHARD B. WHITE, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

GIVEN under my hand and seal on this the 4th day of September, 1984.


Notary Public



THIS INSTRUMENT PREPARED BY:
Ray G. Riley, Jr.
Attorney At Law
718 Downtowner Boulevard
Mobile, Alabama 36609

REC. 53 45F 1899

EXHIBIT "C"

BY-LAWS
OF
SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the Corporation is Sugar Beach Condominium Association, Inc., hereinafter referred to as the "Corporation". The principal office of the Corporation shall be located at P. O. Box 1647, Gulf Shores, Alabama 36542, but meetings of members and directors may be held at such places within the State of Alabama, County of Baldwin, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meeting. The First meeting of the members shall be held at the call of the Directors, or a majority of them, upon at least three (3) days notice for such purpose as shall be stated in the notice of the meeting. Each subsequent regular annual meeting of members shall be held on the day and hour of each year thereafter, established by the Board of Directors.

Section 2. Special Meetings. Special meetings may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Corporation, or supplied by such member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Condominium Unit.

ARTICLE III
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. Except as provided in Article V, the affairs of this Corporation shall be managed by a Board of at least three (3)

directors, who must be members of the Corporation except for the interim directors.

Section 2. Term of Office. At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, two (2) directors for a term of two (2) years; and, at each annual meeting thereafter, the members shall elect the needed number of directors for a term of two (2) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Corporation. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Corporation. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6. Organizational Meeting. An organizational meeting of the Board of Directors named in the Articles of Incorporation shall be held within this state at the call of a majority of the incorporators for the purpose of adopting these by-laws, electing officers and the transaction of such other business as may come before the meeting.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Corporation and two (2) or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members.

Section 2. Developer's Right to Appoint Director. Notwithstanding the above, until four (4) months after Developer has completed and conveyed seventy-five (75%) percent of the Units located on the Property but not to exceed three (3) years after conveyance of the first Unit, or until Developer elects to terminate its control of the Condominium, whichever event shall first occur, the directors of the Association shall be designated by the Developer and such directors need not be Unit Owners.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V
MEETING OF DIRECTORS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held monthly notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Corporation or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the facilities of the Corporation, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published Rules and Regulations;

(c) exercise for the Corporation all powers, duties and authority vested in or deposited to this Corporation and not reserved to the membership by other provisions of these By-Laws, or the Articles;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) amend and modify these By-Laws as the Board may determine from time to time.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;

(c) establish the annual assessment period and fix the amount of the annual assessment against each member for each Condominium Unit owned at least thirty (30) days in advance of each annual assessment;

(d) send written notice of each assessment to every Unit Owner and, where appropriate, to the Developer, at least thirty (30) days in

advance of each annual assessment period, and levy all such assessments as liens;

(e) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(f) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) procure and maintain liability, fire and other hazard insurance on property owned by the Corporation as prescribed by the Articles and in the Declaration;

(h) cause all officers or employees having fiscal responsibilities to be bonded as prescribed in the Declaration;

(i) cause all of the facilities to be maintained; and

(j) adopt these By-Laws for the Association and to amend same from time to time as circumstances may require.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Corporation shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and following each annual meeting of the members thereafter.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4. of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of directors, shall see that order and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign, as president, all instruments of indebtedness for the Corporation.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Corporation together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit or cause to be received and deposited, in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory note of the Corporation; keep proper books of account; cause an annual audit of the Corporation books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The treasurer may delegate the herein described duties, or portions thereof, to the Agent Manager; however, it shall be the responsibility of the treasurer to oversee the proper accounting of all corporate receipts and disbursements.

ARTICLE VIII COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purpose.

ARTICLE IX BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles and the By-Laws of the Corporation shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Corporation his/her/its prorata share of the assessment to maintain the Common Elements of the Condominium. Such assessments are secured by a continuing lien upon the respective Unit against which the assessment is made. Any assessments, annual or special, which are not paid when due shall be delinquent. If the assessment is not paid

within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Corporation may bring an action at law against the member obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. A member may not waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements of the Corporation or abandonment of any of the Property.

ARTICLE XI AMENDMENTS

Section 1. These By-Laws may be amended by the Board at a regular or special meeting of the Board by a vote of a majority of a quorum of directors present in person or by proxy. CAVEAT: The Board is directed to Section 35-8-10, Code of Alabama, 1975, which requires the recording of any amendment to these By-Laws before such admendment can become effective.

Section 2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control.

ARTICLE XII VOTING RIGHTS

In accordance with paragraph 11. of the Declaration and in accordance with Article V of the Articles of Incorporation and in accordance with Section 35-8-7(6), Code of Alabama, 1975, which states in part as follows:

...the declaration shall contain:

.

"The voting rights, or method of determining such rights, of the unit owners with respect to matters arising out of ownership of the common elements, which rights must correspond approximately with each unit owner's undivided interest in such common elements;"

the number of votes to be cast by each member shall be determined by ownership in a particular Unit as follows:

<u>Unit Number</u>	<u>Number of Votes</u>
100	.5
101	1
102	1
103	1
104	1
105	1
106	1
107	1
108	1
109	1
110	1
111	1
112	1
113	2
114	1
116	1
117	2
118	1
120	1
121	2
122	1
123	2

<u>Unit Number</u>	<u>Number of Votes</u>
124	1
126	2
127	2
128	2
130	2
131	2
132	2
133	2
135	1
136	1
137	1
138	1
139	1
140	2
141	2
142	1
143	1
144	2
145	2
146	2
147	1
148	1
149	2
150	2
153	2
154	2
157	1
158	1
159	1
160	1
161	2
162	2
163	1
165	1
166	2
167	1
169	1
170	2
171	1
173	1
175	1
177	1
179	1
181	1
201	2
202	1
204	1
205	2
206	1
208	1
209	2
210	1
212	1
213	2
214	2
217	2
218	1
220	1
221	2
222	1
223	2
224	1
226	2
227	2
228	2
230	2
231	2

<u>Unit Number</u>	<u>Number of Votes</u>
232	2
233	2
235	1
236	1
237	1
238	1
239	1
240	2
241	2
242	1
243	1
244	2
245	2
246	2
247	1
248	1
249	1
250	2
251	1
253	2
254	2
257	2
258	1
260	1
261	2
262	2
263	2
266	2
267	2
270	2
271	2
275	2
279	2
301	1.5
302	1.5
303	1.5
304	1.5
305	1.5
306	1.5
307	1.5
308	1.5
309	1.5
310	1.5
311	1.5
312	1.5
313	1.5
314	1.5
315	1.5
316	1.5
317	1.5
318	1.5
319	1.5
320	1.5
321	3
322	1.5
323	1.5
324	1.5
325	1.5
326	3
327	1.5
328	3
329	1.5
330	3
331	3
332	1.5
333	3
334	1.5

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<u>Unit Number</u>	<u>Number of Votes</u>
335	1.5
336	1.5
337	1.5
338	1.5
339	1.5
340	3
341	3
342	1.5
343	1.5
344	3
345E	1.5
345W	1.5
346	3
347	1.5
348	1.5
349	1.5
350	1.5
351	1.5
352	1.5
353	1.5
354	1.5
355	1.5
356	1.5
357	1.5
358	1.5
359	1.5
360	1.5
361	3
362	1.5
363	3
364	1.5
366	1.5
367	1.5
368	1.5
369	1.5
370	1.5
371	1.5
372	1.5
373	1.5
375	1.5
377	1.5
379	1.5
381	1.5

When more than one (1) person or entity holds an ownership interest in any Unit, all persons and/or entities shall be members; however, the number of votes for such Unit shall not exceed the number allocated for such Unit as described above.

ARTICLE XIII MISCELLANEOUS

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of recordation of the Articles.

ARTICLE XIV DEFINITIONS

As used in these By-Laws, words or phrases shall have the same meaning and definitions as set forth in the Declaration.

EXHIBIT "D"

OWNERSHIP OF COMMON ELEMENTS

Subject to the provisions of the Declaration of Condominium, the Owner or Owners of each Unit shall own as an appurtenance to each such Unit, a percentage undivided interest in the Common Elements which is determined proportionately by multiplying the number of square feet of Private Elements within each Unit by one hundred (100) and dividing the quantum by the total number of square feet of Private Elements in the entire Condominium which is estimated to be one hundred twenty six thousand one hundred sixty eight (126,168) square feet. Upon application of the foregoing, the following become the assigned undivided interest in the Common Elements owned by each Unit:

<u>Unit No.</u>	<u>Ownership C/E</u>	<u>Est. Monthly Assess./Unit</u>
100	.1585	\$ 25.84
101	.3106	50.63
102	.3106	50.63
103	.3106	50.63
104	.3106	50.63
105	.3106	50.63
106	.3106	50.63
107	.3106	50.63
108	.3106	50.63
109	.3106	50.63
110	.3106	50.63
111	.3106	50.63
112	.3106	50.63
113	.6404	104.39
114	.3106	50.63
116	.3106	50.63
117	.6404	104.39
118	.3106	50.63
120	.3106	50.63
121	.6404	104.39
122	.3106	50.63
123	.6404	104.39
124	.3106	50.63
126	.6404	104.39
127	.6404	104.39
128	.6404	104.39
130	.6404	104.39
131	.6404	104.39
132	.6404	104.39
133	.6404	104.39
135	.3106	50.63
136	.3106	50.63
137	.3106	50.63
138	.3106	50.63

<u>Unit</u> <u>No.</u>	<u>Ownership</u> <u>C/E</u>	<u>Est. Monthly</u> <u>Assess./Unit</u>
139	.3106	\$ 50.63
140	.6404	104.39
141	.6404	104.39
142	.3106	50.63
143	.3106	50.63
144	.6404	104.39
145	.6404	104.39
146	.6404	104.39
147	.3106	50.63
148	.3106	50.63
149	.6404	104.39
150	.6404	104.39
153	.6404	104.39
154	.6404	104.39
157	.3106	50.63
158	.3106	50.63
159	.3106	50.63
160	.3106	50.63
161	.6404	104.39
162	.6404	104.39
163	.3106	50.63
165	.3106	50.63
166	.6404	104.39
167	.3106	50.63
169	.3106	50.63
170	.6404	104.39
171	.3106	50.63
173	.3106	50.63
175	.3106	50.63
177	.3106	50.63
179	.3106	50.63
181	.3106	50.63
201	.6404	104.39
202	.3106	50.63
204	.3106	50.63
205	.6404	104.39
206	.3106	50.63
208	.3106	50.63
209	.6404	104.39
210	.3106	50.63
212	.3106	50.63
213	.6404	104.39
214	.6404	104.39
217	.6404	104.39
218	.3106	50.63
220	.3106	50.63
221	.6404	104.39
222	.3106	50.63
223	.6404	104.39
224	.3106	50.63
226	.6404	104.39
227	.6404	104.39
228	.6404	104.39
230	.6404	104.39
231	.6404	104.39
232	.6404	104.39
233	.6404	104.39
235	.3106	50.63
236	.3106	50.63
237	.3106	50.63
238	.3106	50.63
239	.3106	50.63
240	.6404	104.39
241	.6404	104.39
242	.3106	50.63
243	.3106	50.63

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<u>Unit</u> <u>No.</u>	<u>Ownership</u> <u>C/E</u>	<u>Est. Monthly</u> <u>Assess./Unit</u>
244	.6404	\$ 104.39
245	.6404	104.39
246	.6404	104.39
247	.3106	50.63
248	.3106	50.63
249	.3106	50.63
250	.6404	104.39
251	.3106	50.63
253	.6404	104.39
254	.6404	104.39
257	.6404	104.39
258	.3106	50.63
260	.3106	50.63
261	.6404	104.39
262	.6404	104.39
263	.6404	104.39
266	.6404	104.39
267	.6404	104.39
270	.6404	104.39
271	.6404	104.39
275	.6404	104.39
279	.6404	104.39
301	.4882	79.58
302	.4882	79.58
303	.4882	79.58
304	.4882	79.58
305	.4882	79.58
306	.4882	79.58
308	.4882	79.58
309	.4882	79.58
310	.4882	79.58
311	.4882	79.58
312	.4882	79.58
313	.4882	79.58
314	.4882	79.58
315	.4882	79.58
316	.4882	79.58
317	.4882	79.58
318	.4882	79.58
319	.4882	79.58
320	.4882	79.58
321	.9764	159.15
322	.4882	79.58
323	.4882	79.58
324	.4882	79.58
325	.4882	79.58
326	.9764	159.15
327	.4882	79.58
328	.9764	159.15
329	.4882	79.58
330	.9764	159.15
331	.9764	159.15
332	.4882	79.58
333	.9764	159.15
334	.4882	79.58
335	.4882	79.58
336	.4882	79.58
337	.4882	79.58
338	.4882	79.58
339	.4882	79.58
340	.9764	159.15
341	.9764	159.15
342	.4882	79.58
343	.4882	79.58
344	.9764	159.15
345E	.4882	79.58

MSL 53-111 1911

<u>Unit</u> <u>No.</u>	<u>Ownership</u> <u>C/E</u>	<u>Est. Monthly</u> <u>Assess./Unit</u>
345W	.4882	\$ 79.58
346	.9764	159.15
347	.4882	79.58
348	.4882	79.58
349	.4882	79.58
350	.4882	79.58
351	.4882	79.58
352	.4882	79.58
353	.4882	79.58
354	.4882	79.58
355	.4882	79.58
356	.4882	79.58
357	.4882	79.58
358	.4882	79.58
359	.4882	79.58
360	.4882	79.58
361	.9764	159.15
362	.4882	79.58
363	.9764	159.15
364	.4882	79.58
366	.4882	79.58
367	.4882	79.58
368	.4882	79.58
369	.4882	79.58
370	.4882	79.58
371	.4882	79.58
372	.4882	79.58
373	.4882	79.58
375	.4882	79.58
377	.4882	79.58
379	.4882	79.58
381	.4882	79.58

REC. 53-11-1012

EXHIBIT "E"

RULES AND REGULATIONS
OF
SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.

Governing The Use By
Unit Owners, Tenants, Occupants And Guests

The following RULES AND REGULATIONS shall be binding upon and apply to all Unit Owners, tenants, occupants and their guests and shall be enforceable by Sugar Beach Condominium Association, Inc. (the "Association") in any manner permitted by applicable law. Unit Owners shall use their best efforts to see that said Rules and Regulations are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.

1. Each Unit Owner shall regulate and be responsible for the occupancy and use of his Unit. The Owner may not occupy or use or allow his Unit to be used in any manner which will unreasonably disturb other residents or the general operation of the Condominium Property. The Owner shall not allow any disturbing noises in the building nor shall he interfere with the rights, comforts or conveniences of other residents. The owner shall not permit any musical instrument to be played or any phonograph, television, radio or hi-fi stereo equipment to be operated in his Unit in any manner which will disturb or annoy other residents of the building. The Owner shall use all reasonable efforts to minimize any noises emanating from his Unit.

2. Automobiles may be parked only in the areas provided for that purpose.

3. An Owner may identify his Unit with a name plate of a type and size approved by the Association and mounted in a place and manner approved by the Association. No other signs may be displayed except as to the Association's manager's office and Unit 200. This restriction shall not apply to the Developer until after all Units are sold.

4. No flower pots, boxes or other similar materials shall be suspended from windows. Hanging plants may be hung within balconies

provided that they do not create an eyesore. In the event that any hanging plant is adjudged by the Association's Board of Directors (the "Board of Directors") to constitute an eyesore or a safety hazard, the Board of Directors may order that such plant be removed. Any person refusing to obey such an order by the Board of Directors shall be in violation of these Rules and Regulations.

5. The balconies, terraces and stairways shall not be used for hanging bathing suits, towels, garments, rugs or other objects.

6. With the exception of the master antenna, if any, and/or the cable television system, if any, maintained by the Association, no antenna shall be installed outside of any Unit or building. No citizens band or shortwave radio or similar apparatus which would have an adverse affect on the reception of television or radio signals by others is permitted.

7. No liquid or gel mattresses shall be allowed in any Unit.

8. No storage of any kind shall be permitted in walkways, stairwells or other public spaces or common areas (except such common areas as shall be designated for such use by the Board of Directors).

9. Common areas of buildings shall be used only for the purposes for which such areas are customarily used and are to be kept free of obstruction. No articles belonging to Unit Owners, tenants, occupants or guests shall be kept in these areas. Each Owner, tenant and occupant shall be responsible for removing any refuse he or his guest has left in any common area.

10. Alteration and repair of the exterior of the building is the responsibility of the Association. No work of any kind is to be done upon exterior building walls or upon interior boundary walls without first obtaining the approval required by the Declaration of Condominium.

Except as provided in Paragraph 3. above, entrance doors to units shall not be permanently changed or altered in any manner. This regulation does not prohibit temporary decorations on apartment doors to celebrate festive holiday periods.

11. No Owner, tenant or occupant shall exhibit, inscribe, paint or affix any sign, advertisement or notice on any part of the outside or

common areas of the building or which is viewable from the outside or common areas of the building.

12. No owner, tenant or occupant shall attach any awning, enclosure, shutter, shielding or any other projection of a similar nature to any window or to the outside walls of any building or balcony.

13. No Owner, tenant, occupant or guest shall use the sidewalks, entrances, passageways, stairwells or corridors for any purpose other than ingress and egress to and from the premises.

14. No garbage or trash shall be disposed of on the premises except through the use of garbage disposal units or by use of receptacles in areas designated by the Association.

15. The Association regulates the presence of pets on the Condominium Property. Owner's pets are permitted only through application to the Board of Directors of the Association and, if such application is approved, only under such restrictions and conditions as the Board shall require in each individual case. Permitted pets will only be allowed upon the Common Elements while controlled under leash by the owner thereof or by other responsible party. Pets will not be allowed in the swimming pool areas. Persons other than Unit Owners may not bring pets upon the Condominium Property.

16. All residents are to inform lessees of the Rules and Regulations.

17. The driving speed limit is five (5) miles per hour on the Property.

18. No person shall repair any motor vehicle, including automobiles, motorcycles, recreational vehicles, campers, trucks and trailers on the Condominium Property, nor may any Unit Owner or any other person store or place on blocks, on the Condominium Property, a boat, motorcycle, camper, recreational vehicle, truck or trailer or unlicensed vehicle without the prior written consent of the Board of Directors.

19. All interior window treatments and decoration shall be limited to appropriate and normally used materials and shall be white in color upon the side exposed to the exterior of the building.

REV. 53 OF 1915

20. In order to utilize employees efficiently and minimize the cost of performing maintenance work, no Owner, tenant or occupant shall be permitted to give direct order or directions to any employee of the Association. All requests for service shall be directed to an officer of the Association or to the Manager.

21. No Owner shall alter his Unit entrance door lock or install a new or additional lock without prior written consent of the Board of Directors.

22. By permission of the Board of Directors, an Owner may install on the exterior door(s) of his Unit a safety lock, provided that such lock may be opened from the outside by use of a key. In the event that any such lock is installed, the Owner shall deliver a passkey to the lock to the President of the Association, which passkey shall be kept in a sealed envelope and used to enter the Unit in accordance with the provisions contained in the Declaration

The Owners, tenants and/or occupants of each Unit shall maintain such Unit and all of the fixtures therein in good condition and repair.

23. No Owner, tenant or occupant may install any plumbing, wiring or air conditioning equipment without the prior written approval of the Board of Directors.

The foregoing Rules and Regulations are subject to amendment by the Board of Directors.

REC. 53 OF 1916

EXHIBIT "F"

SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.
ESTIMATED OPERATING BUDGET
(COMMON EXPENSE)

<u>Item</u>	<u>Annual Amount</u>
1. Accounting & Legal -	\$ 1,200.00
2. Electricity (Common Elements) -	17,000.00
3. Insurance (Building & Liability) -	25,000.00
4. Maintenance (Common Elements) -	63,000.00
5. Replacement Reserve (Common Elements) -	14,000.00
6. Salary (Manager) -	10,000.00
7. Unit Rent (Manager) -	6,000.00
8. Garbage Service -	1,800.00
9. Water & Sewer -	<u>57,000.00</u>
TOTAL ANNUAL AMOUNT -	\$195,600.00

EXHIBIT "G"

STATE OF ALABAMA
COUNTY OF BALDWIN

SUGAR BEACH CONDOMINIUM
LIMITED WARRANTY

This Agreement made this _____ day of _____, 198_, by and between SHORELINE DEVELOPERS, INC., an Alabama corporation, (hereinafter referred to as "Developer") and _____

(hereinafter referred to as "Purchaser") of Unit _____ of Sugar Beach Condominium, as established by Declaration of Condominium recorded in Miscellaneous Book _____, Pages _____, et seq., of the Baldwin County, Alabama, Probate Court Records (hereinafter referred to as "Property").

WHEREAS, Developer has caused to be built for sale to Purchaser or under contract with Purchaser a Condominium Unit situated in the County of Baldwin, State of Alabama, on the above property; and

WHEREAS, Builder does hereby agree to give a limited warranty on the property for a period of one (1) year following closing or occupancy by Purchaser, whichever event shall first occur, upon the following condition.

NOW, THEREFORE, in consideration of the payment of the purchase price of the Property and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreement hereinafter set forth, the parties hereby agree as follows:

1. Not later than thirty (30) days after closing or occupancy, whichever event shall first occur, Purchaser shall deliver a written list of any minor omissions or malfunctions not previously made known in writing to Developer. To the extent that such items are a normal Developer responsibility or not otherwise excluded hereunder, corrections or adjustments will be made by Developer.

Developer warrants the above Property to be free from latent defects for a period of one (1) year following closing or occupancy, whichever event shall first occur.

A latent defect in construction is herein defined as a defect not apparent at time of occupancy or closing, but which becomes apparent within one (1) year from date of closing or occupancy, whichever event shall first occur, and such defect has been directly caused by Developer's failure to construct in accordance with the standards of construction prevailing in the geographical area of the Property. It is stressed, however, that normal characteristic behavior of building materials, wear and tear, general maintenance, and like items, will not constitute a latent defect.

PROCEDURE: Should it appear that a possible latent defect (non-emergency) nature) has developed, Purchaser shall outline pertinent details in writing and deliver same to Developer. Following receipt of such notice, Developer will make an inspection. If a latent defect exists, Developer will (at Developer's sole option) either (a) repair, (b) replace, or (c) pay to Purchaser the reasonable cost of such repair or replacement due to such latent defect(s); however, Developer shall not be obligated to spend more than the purchase price of the Property.

NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED
HEREIN, THIS WARRANTY DOES NOT COVER ANY APPLIANCE,
PIECE OF EQUIPMENT, OR ITEM WHICH IS A CONSUMER
PRODUCT FOR PURPOSES OF THE MAGNUSON-MOSS WARRANTY

ACT (15 U.S.C., SECTION 2301 THROUGH 2312).
THIS WARRANTY IS GIVEN IN LIEU OF ANY AND ALL OTHER
WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING
ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS
FOR A PARTICULAR PURPOSE, HABITABILITY AND WORKMAN-
SHIP.

3. Developer shall not be liable under this Agreement unless written notice of the latent defect shall have been given by Purchaser to Developer within the one (1) year warranty period. Steps taken by Developer to correct any defect or defects shall not act to extend the warranty period described hereunder.

4. Purchaser waives all right to file any legal action hereunder upon expiration of three (3) months after the end of the one (1) year warranty period.

5. Developer hereby assigns to Purchaser all of Developer's rights, if any, under manufacturer's warranties on appliances and items of equipment included in the Property. Developer assumes no responsibility for such manufacturer's warranties and Purchaser should follow the procedures in these warranties if defects appear in such appliances and items of equipment.

6. Developer does not assume responsibility for any of the following, all of which are expressly excluded from coverage under this Limited Warranty:

(a) Defects in appliances and pieces of equipment which are covered by manufacturer's warranties.

(b) Incidental, consequential, or secondary damages caused by a breach of this warranty.

(c) Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weatherstripping.

(d) Conditions resulting from condensation on, or expansion or contraction of, materials.

(e) Defective design of materials supplied by Purchaser or installed under his direction; or defects in, or caused by anything not built into, or installed in the Property pursuant to contract between Developer and Purchaser.

(f) Damages due to ordinary wear and tear, abusive use, or lack of proper maintenance of the Property.

(g) Loss or injury due to the elements.

(h) Landscaping or any portion thereof is hereby expressly excluded from this warranty including sodding, seeding, shrubs, trees and plantings.

(i) Insect damage of any nature whatsoever.

(j) Non-uniformity of appearance of used or simulated used brick.

(k) Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, formica and glass not expressly identified to Developer within thirty (30) days after closing.

(l) Dripping faucets and toilet adjustments after the initial thirty (30) day warranty period described herein.

(m) Utility service lines installed by Developer, municipality or service company and back filling or slumping thereof.

(n) Deterioration or defects in asphalt paving.

7. This warranty is extended only to Purchaser named herein. It is not transferable to subsequent purchasers of the Property.

8. Should any term of this Agreement be deemed by a Court of competent jurisdiction to be unenforceable, such determination shall not affect the enforceability of the remaining provisions.


9. Use of one gender shall include all other genders; use of the singular shall include the plural; and use of the plural shall include the singular; all as may be appropriate.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, Developer has executed this Agreement on the day and year first above written.

DEVELOPER:

SHORELINE DEVELOPERS, INC.,
an Alabama corporation

By: 

ROBERT L. KILPATRICK,
President

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